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AREA AND POPULATION OF CHINA

PROVINCE

Area (In Sq. Kilometers)		Population	
Sinkiang	1,828,418	Szechwan	52,963,269
Mongolia	1,621,201	Shantung	38,029,294
Thibet	1,215,788	Kiangsu	36,469,321
Chinghai	697,194	Honan	34,289,848
Heilungkiang	449,623	Kwangtung	32,385,215
Szechwan	431,309	Hopei	28,644,737
Kansu	378,059	Hunan	28,293,735
Sikong	371,599	Hupei	25,541,636
Liaoning	321,823	Anhwei	23,265,368
Yunnan	320,051	Chekiang	21,230,749
Suiyuan	291,432	Liaoning	16,465,303
Kirin	283,380	Kiangsi	15,820,403
Chahar	278,957	Kwangsi	13,385,215
Ninghsia	274,910	Yunnan	11,994,549
Hunan	237,231	Fukien	11,755,625
Kwangsi	217,578	Shansi	11,601,026
Kwangtung	217,404	Kweichow	9,043,207
Hupei	207,692	Shensi	7,717,881
Kiangsi	200,209	Kirin	7,666,648
Jehol	192,430	Kansu	6,705,446
Shensi	187,394	Sinkiang	4,360,020
Kweichow	179,478	Heilungkiang	3,822,344
Shantung	179,269	Thibet	3,722,011
Honan	172,736	Jehol	3,054,305
Fukien	158,702	Suiyuan	2,083,693
Shansi	155,935	Mongolia	2,077,669
Hopei	153,682	Chahar	2,035,957
Anhwei	134,426	Chinghai	1,196,054
Kiangsu	108,335	Ninghsia	1,023,143
Chekiang	103,058	Sikong	968,187
Total	11,569,307	Total	457,611,858

CITY

Shanghai	893	Shanghai	3,485,998
Sian	738	Peiping	1,556,364
Peiping	708	Tientsin	1,292,025
Nanking	597	Nanking	1,019,148
Tsingtao	552	Tsingtao	514,769
Tientsin	550	Sian	188,291
Total	4,776	Total	8,270,708

Figures above are taken from statistics compiled for the year 1936 by the Ministry of Interior, National Government of China.

THE CENTRAL BANK OF CHINA

(Established in 1928)

HEAD OFFICE: HANKOW

BRANCHES:

Amoy (廈門), Fukien
Canton (廣州), Kwangtung
Chungking (重慶), Szechuan
Hangchow (杭州), Chekiang
Hankow (漢口), Hupeh
Kunming (昆明), Yunnan

Nanchang (南昌), Kiangsi
Nanking (南京), Kiangsu
Shanghai (上海), Kiangsu
Tientsin (天津), Hopei
Wuchow (梧州), Kwangsi

SUB-BRANCHES:

Changsha (長沙), Hunan
Changteh (常德), Hunan
Chengchow (鄭州), Honan
Chengtu (成都), Szechuan
Foochow (福州), Fukien
Ichang (宜昌), Hupeh
Kaifeng (開封), Honan
Kiukiang (九江), Kiangsi
Kweiyang (貴陽), Kweichow

Lanchow (蘭州), Kansu
Panpu (板浦), Kiangsu
Peiping (北平), Hopei
Sian (西安), Shensi
Swatow (汕頭), Kwangtung
Tsinan (濟南), Shantung
Tsingtao (青島), Shantung
Wuhu (蕪湖), Anhwei
Yangchow (揚州), Kiangsu

BANK OFFICES:

Anking (安慶), Anhwei
Chian (吉安), Kiangsi
Chinkiang (鎮江), Kiangsu
Chu Hsien (衢縣), Chekiang
Chuanchow (泉州), Fukien
Fuchow (撫州), Kiangsi
Hengyang (衡陽), Hunan
Hsiakwan (下關), Nanking, Kiangsu
Hsinpu (新浦), Kiangsu
Hsuchow (徐州), Kiangsu
Kiangmen (江門), Kwangtung
Kienou (建甌), Fukien
Kuling (牯嶺), Kiangsi

Lingling (零陵), Hunan
Loyang (洛陽), Honan
Nancheng (南鄭), Shensi
Ningpo (寧波), Chekiang
Pengpu (蚌埠), Anhwei
Pucheng (浦城), Fukien
Santai (三台), Szechuan
Santu (三都), Fukien
Shihchiachuang (石家莊), Hopei
Tienshui (天水), Kansu
Wan Hsien (萬縣), Szechuan
Wuchang (武昌), Hupeh
Yenping (延平), Fukien

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CHINA'S WARTIME FINANCE

By H. E. DR. H. H. KUNG

President of the Executive Yuan and Minister of Finance

(The following article is an English translation of the essential points of a statement to the nation on July 7, 1938, issued by The China News and Views Digest, Shanghai.—Editor.)

During the last few years, the financial structure of China has undergone various reforms. Revenue has increased so steadily in recent years that in 1936 the national budget was balanced. Since the Lukou-chiao outbreak, followed by the hostilities in Shanghai, expenditures for the construction of national defence works and the maintenance of a large army have risen to immense proportions.

Furthermore, the extension of the war areas has increased the difficulties of procuring revenue to meet the huge demand. To strengthen the nation's power of resistance during the emergency, the Ministry of Finance, at the start of the war, studied exhaustively the problems of raising war funds, making special appropriations, the establishment of heavy industries, land reclamation, migration, currency stabilization in the interior, the development of agriculture, industry and commerce, the encouragement of export trade, the improvement of wartime taxation and the perfection of customs organizations. A survey of the main wartime financial measures of the Ministry of Finance may be listed as follows:

In the present crisis, of paramount financial importance are the stabilization of internal currency and the expansion of agriculture, industry and mining in the interior. Since the war, regulations for the stabilization of the national currency have been promulgated. Throughout a year's

enforcement, the order has achieved most of the expected results. The monetary situation has been gradually stabilized, so that it is now possible to devote part of the nation's capital to the promotion of agriculture, industry, commerce and mining. The Ministry has instructed the four government banks—the Central Bank of China, Bank of China, Bank of Communications and the Farmers' Bank of China—to establish a number of Loan and Discount Committees in the important towns and cities in the interior to facilitate the flow of capital into China's hinterland.

To combat the action undertaken by the Japanese in establishing the "Federated Reserve Bank" in Peiping in an attempt to disturb China's foreign exchange, the Ministry of Finance on March 12, promptly took protective measures by authorizing the Central Bank of China to centralize control over all dealings in foreign exchange. For legitimate purposes, both the Chinese and foreign merchants can apply for foreign exchange from the authorized banks at the legal rate.

As a further measure to stabilize finances, the Ministry of Finance, on April 29, promulgated a set of regulations for local financial reforms. On June 1, the Ministry assembled chairmen of various bankers' associations, branch managers of the four government banks and managers of various provincial banks for a conference. In the conference it was decided

that the banking institutions in the interior, by holding an adequate amount of cash and security reserves in the four government banks, were entitled to apply from them for certain sums of one-dollar banknotes and subsidiary notes provided that the money was to be used for the rehabilitation of rural economy and encouragement of production.

To promote export and import trades, the Ministry has instructed the Trade Readjustment Commission to improve various means of communications so that more and better transportation facilities may be available for the movement of goods. At the same time, the Commission was also ordered to extend credits to producers and to purchase finished goods from them for wholesale export. Ever since the adoption of this program there has been a steady increase in the nation-wide movement of goods. According to the latest freight transportation figures of the Canton-Hankow railway, only 2,091 tons of cargo were carried in January, while in February, the amount increased to 4,830 tons. The records for March, April and May were 5,850 tons, 6,118 tons and 10,350 tons respectively. Special facilities are given to the exporters for settling their accounts with foreign firms. The Commission gives further assistance to the export of tea deposits in Hankow, sheepskin in Szechuan, cocoons in Chekiang and *Tung* oil in Wanh sien. In short, the Commission undertakes to assist the nation's producers and exporters in every conceivable way towards fostering industries, increasing production and encouraging exports.

During the past year, the Ministry of Finance has done much in perfecting the taxation machinery of the nation. In order to help balance the heavy losses sustained by the Chinese customs as a result of the war, the Ministry, on November 1, 1937, promulgated an order to the effect that transient duties would be collected from all goods, either transported by land or by water. Goods coming under the categories of the consolidated, tobacco, or liquor taxes

are, however, exempt from paying transient duties. The order is not applied to the wares carried by wandering pedlers nor to the goods whose duties will not amount to more than \$0.25. Furthermore, in respect to imports and exports, duties are waived for medical supplies and equipment from abroad; while raw materials like scrap iron and other metals, wheat, rice, bean, sugar, flour and other foodstuffs are prohibited from exportation during the period of the war.

The importance of salt in relation to the livelihood of the people and the food supply of the army is tremendous. The Ministry of Finance has, since 1936, instructed all salt-producing centers along the seacoast to have their extra stocks shipped to the interior for storage. Hence during the past year, there has been no serious shortage of salt supply in the interior.

In October and November last, the Ministry promulgated two emergency measures for the collection of new stamp duties as a means of making up part of the losses suffered in the nation's consolidated tax receipts as a result of the war. New duties were to be collected from homemade wines and tobacco leaves; while Yunnan, Sinkiang, Sikong and Chinghai were made into taxable districts so that China's system of taxation could be uniformly extended into the outlying regions under the rule of the Central Government. For the importation of goods into the interior from the coastal areas where the integrity of China's taxation right has been temporarily impaired, the Ministry ordered that deferred transient duties be collected from goods in the first port of their entry into the interior. Meanwhile the customs offices were instructed to scrutinize all routes and all channels to prevent loopholes for smuggled goods.

All these improvements made in the nation's taxation structure have been instrumental in maintaining a steady flow of tax receipts into the national treasury under most adverse circumstances.

Since its initiation in October, 1936, the national income tax has produced most gratifying results. Although the war has considerably dwindled its annual receipts, the Ministry expects, by reinforcing personnel in the interior and by extending the scope of its application, that the income tax will benefit the nation's treasury considerably.

Land Tax and business tax used to form two main items of provincial and local revenues. In realization of the fact that the people in the war-afflicted areas have already suffered unprecedented privations, the Ministry of Finance has ordered the abolition of the deferred land taxes of 1936 and 1937 as a measure of government relief.

The foregoing measures have been responsible for the smooth flow of currency, the conservation of people's economic strength and the protection of the sources of revenue. The aim of war time finance is widely different from that in peace time. While the people should give freely to replenish the national treasury, the Government should find new sources of income so as to meet increasing expenditures.

There are mainly three ways of raising funds, namely, to increase taxation or introduce new levies, to issue more banknotes, and to float domestic or foreign bonds. The increase of taxation is not feasible on account of the Japanese naval blockade, the seizure of coastal cities and the extension of the war areas. Business houses and industrial establishments of various places are all in need of financial assistance, and are incapable of paying heavier taxes.

The issue of more banknotes will lead to inflation. Nothing can do more harm to China's financial structure than inflation. This leaves the flotation of bonds as one of the courses open to the government in meeting the demands of large war expenditures and in avoiding an inequitable distribution of the taxation.

To meet the urgent demand for money in the early stages of the hostilities, the

Government issued \$500,000,000 worth of National Salvation Bonds or Liberty Bonds. Thanks to the generous response from Chinese both in and outside the country, the total sum was subscribed in the course of a few months.

Last spring marked the beginning of the second stage of the war. Again to raise war funds, the Government issued Gold Bonds of the 27th year of the Chinese Republic valued at CGU.100,000,000, 10,000,000 pounds sterling, and U.S.\$50,000,000 and National Defense Bonds of the 27th year of the Chinese Republic, amounting to \$500,000,000 (Chinese currency).

Since their flotation, these bonds have been widely subscribed to by the people, which indisputably indicated their patriotism. This is certainly a most encouraging sign in the course of the war.

Although during the past year the receipts from revenues previously pledged as securities for loans have been reduced, the Government, determined to uphold its credit, has defied all difficulties to meet its obligations by the payment of both principal and interest without interruption or delay. Compared with countries which declared moratoria on loans immediately after the outbreak of war, China has consistently maintained her credit and kept her financial integrity intact.

Furthermore, in order to cope with the extraordinary situation, efforts have been made to simplify and tighten the organization of all government financial departments. All tax-collecting bureaus or offices in the war zones have either been amalgamated or abolished altogether. A number of others have been removed to safer regions where they are functioning as usual. Those of the personnel who have previously distinguished themselves with good services have been transferred to Chungking, while others not efficient in their work have been paid off.

Meanwhile, special commissioners were despatched to supervise the collection of

taxes in various provinces in order to secure increased receipts. Besides, the Government has established at various places special offices for the purchase of gold and silver from the people. Although this is a new enterprise, the results thus far attained are highly promising.

Since the war, our men and officers have been shedding their precious blood at the front, while in the rear the number of refugees has rapidly increased with the extension of the sphere of hostilities and the people's productive capacity has been proportionately reduced.

Thus, besides being called upon to raise funds to carry on the war, the Ministry of Finance has found it necessary to pay pensions to the families of war dead and heroic wounded; to undertake the relief of the refugees and to start reconstruction projects in the rear.

Henceforth, the war and our reconstruction programme are to proceed side by side. During this crucial period, it is to be expected that the position of our Government will become more difficult. It follows that the responsibility of the Ministry of Finance will become heavier as the war progresses. However, our sole object is to work hard in accordance with the principles of national reconstruction and actively assist the army in national defense. Our aim is victory in war and success in national reconstruction.

Particularly it is our hope that the Chinese people will have one heart and one purpose and muster together their wisdom and strength in this supreme struggle. Judging by the widening breaches in the Japanese financial structure and the many dangers now besetting Japan, if we can stand firmly by our determination and advance forcefully, the day is not far ahead when we shall see the light of hope again.

PAWNSHOPS IN SHANGHAI

By C. P. CHOW

I. Introduction

The pawnshop is a typical Chinese financial institution which extends small loans against movable personal property deposited with it as security for a stipulated period of time. It only deals in movables and does not keep a large amount of capital on hand as a bank does. Civilians who have little or no credit standing could hardly secure any loan from banks when money is needed badly, and the only way in which they can solve the problem of financial difficulty is to approach a pawnshop with their belongings, because it is always ready to lend money on security. Pawnshops, whose proprietors are usually of the well-to-do class, are established for the sole purpose of meeting the urgent needs of the common people. What concerns the populace most is not a question of money, but the possession of personal property, for they knew quite well they will never fail to obtain money from the pawnshop if they can produce something as security. Therefore, the role played by the pawnshop, as a whole, is of great significance for the community at large, as it not only gives financial assistance to the poor people when they need it badly and when they have no other means to acquire it, but also facilitates the circulation of capital. As an old Chinese proverb says, "The pawnshop is a poor man's back-door," one can imagine how important is the pawnshop to the needy class of people.

With the pawnshop running its business like a financial institution, it appears unnecessary to have it established in large commercial cities where there are banks and native banks to look after the local finance. But pawnshops can be found here and there

in all provinces and the number of establishments has not been slightly reduced even in commercial centres where many banking institutions exist. The reason is very simple, because, no matter how prosperous the locality is, there are still some needy people.

Pawnshops have dotted themselves all over such densely-populated cities as Shanghai and Hankow. While banks and native banks only give accommodations to wealthy merchants and industrial magnates, all other needy people in whom the large banking institutions have no confidence at all, can borrow from the pawnshops against something to be deposited with the latter as security. So it is needless to mention that the existence of pawnshops is essential to the financing of needy people in China, particularly at a time such organizations as small loan agencies and cooperative loan securities have not yet reached the stage of maturity.

II. Origin of the Pawnshop

The origin of pawnshops dated far back in the history of China. Even those who are experienced in this trade can make no mention of it. Some maintain that the pawnshop made its first appearance in the Han dynasty (漢朝), while others are of the opinion that it was originated during the Chin dynasty (秦朝). But both assertions cannot be authenticated. Although there are numerous stories regarding the origin of the Chinese pawnshop, they may be grouped into four categories for reference for those who are interested in this subject.

1. *From Anhwei Province.*—As most of the pawnbrokers have been the natives

of Anhwei, many are inclined to think that the pawnshop was originated from Anhwei province. However, it is known also that the business was started by Shansi people, and afterwards snatched by Peiping people.

2. *From the gaol.*—In the Ching dynasty a number of criminals who had been sentenced to long term imprisonment attempted to make a living within the gaol by lending money to the new criminals at the rate of interest of from twenty to thirty per cent. In support of this argument, a few facts are enumerated as follows:

a. In the old-fashioned pawnshops we often see a wooden railing and a tall counter without a single opening. The construction was purposely erected to prevent the criminals from running away.

b. Two sentries were stationed at the front gate of every old-fashioned pawnshop. The gate was kept open only during the office hours. Apparently, they were for the same purpose as stated above.

c. All the employees of a pawnshop allowed their hair to grow and required no service from the barber, for, according to the law of the Ching dynasty, all criminals were prohibited to shave the head.

In spite of the foregoing facts, it is still open to doubt that the criminals could have a large sum of money to engage themselves in this kind of business.

3. *From the time of Chun Chiu (春秋)*—The origin of the pawnshop was dated back from the time of Chun Chiu (Spring and Autumn). At that time there were only small pawnshops. Large pawnshops as they are known today began to appear in the period between the Ming and Ching dynasties. Though no evidence can be given, this statement is said to carry more weight than others.

4. *From the monastery of the Sung dynasty.*—It is written in "Shu Wen" (說文), a classic on Chinese etymology that pawnshops of today originated from the monastery of the Sung dynasty.

III. Kinds of Pawnshops

In China, pawnshops are popularly called Tien Tang (典當). Generally speaking, pawnshops are classified into four categories; namely (1) *Tien* (典), (2) *Tang* (當), (3) *Chih*, (質) and (4) *Ya* (押). They are all lending money on the security of goods deposited under their custody. But the classification is based on the amount of capitalization and on the rate of interest to be charged on loans.

At present, no sharp line of demarcation is being drawn between *Tien* and *Tang*. However, they were distinguished from each other in three respects in days of old. In the first place, whereas *Tien* could for no good reason refuse any large loan on valuables when presented for a sum far below their actual worth, *Tang* could freely decline such an offer on the ground that the sum required was in excess of its capitalization. In the second place, while *Tien* was only equipped with one straight counter, *Tang* prepared two counters joined together at one end in the shape of L. And in the third place, in case of *Tien*, the rate of interest was twenty per cent. and the time limit for the expiration of the right of redemption was twenty months, but those charging a higher rate of interest and granting a shorter period of redemption were named *Tang*.

Chih and *Ya*, smaller in scope than *Tien* and *Tang*, are distinguishable by the amount of tax they pay. In Kiangsu province, *Tang* has to pay \$500 for the license fee, *Chih*, \$300 and *Ya* 100. Actually, *Ya* is smaller than *Chih*, the time limit for redemption being as short as a few months and the rate of interest as high as 39 per cent. Originally, *Ya* was not run by proper merchants, but by a gang of military criminals to exact unreasonably high interest charges. But at present shrewd pawnshop operators used to put up their establishments under the name of *Ya*, in order to pay less tax and cut down overhead expenses.

The site for the establishment of a pawnshop is to be decided by the Pawnshops' Guild. With a view to eliminating cut-throat competition within the trade, no new pawnshop is to be established within a radius of 50 to 100 houses from the original or existing pawnshop. But such a ruling is inapplicable to *Chih* and *Ya*. So it is very common that an additional pawnshop established in the vicinity of the old one has to trade under the classification of *Ya*.

Fundamentally speaking, *Tien* has the largest amount of capital, offers the longest period of redemption, charges the lowest rate of interest, and gives the highest estimate on the value of goods. And then comes *Tang*, *Chih* and *Ya* in order. Yet, as time goes on, no sharp line of demarcation can be drawn. The capital and the volume of business in some of the present *Chih* and *Ya* are no less than those of *Tien* and *Tang*. And it is possible that *Chih* and *Ya* in one locality are charging a lower rate of interest and offering a longer redemption period than *Tien* and *Tang* of another locality.

With a view to securing unified control, the four kinds of pawnshops in Shanghai have been grouped by the City Government into two classes; i.e. the pawnshops (*Tien* and *Tang*, 典當) and the small pawnshops (*Chih* and *Ya*, 質押). The fundamental bases of the new classification are as follows:

1. *Amount of Capital*.—According to the rules governing the business of pawnshops in the City of Greater Shanghai, the capital of a pawnshop shall at least be \$30,000, while that of a small pawnshop shall be less than \$30,000. Legally speaking, all pawnshops are alike. But the difference lies in the amount of capital. In other words, those having a capital of \$30,000 can be called pawnshops, whereas those with a capital below \$30,000 can only be called small pawnshops. However, in the foreign settlements, there are small pawnshops of over \$30,000, as well as pawnshops of less than \$30,000. Furthermore, old fashioned Chinese merchants are apt to give

inaccurate figures for the amount of their capital as a means to evade the exorbitant taxation. It is therefore exceedingly difficult, if not impossible, for outsiders to know what are the exact figures. A classification based on the reported amounts of capital does not seem entirely reliable, but, anyway, it can be correctly said that, as a whole, pawnshops have a larger amount of capital than small pawnshops.

2. *Kind of Securities*.—With a large capital and special equipments, pawnshops are in a position to accept valuable securities, such as gold and silver ornaments, precious stone and jewelry and high-class furniture. On the other hand, small pawnshops cannot afford to do so because of their limited capital.

3. *Period of Redemption*.—In past years the time limit for the expiration of the right of redemption was 30 months and was later reduced to 24 months. The City Government of Greater Shanghai has fixed the redemption period at 18 months for pawnshops and 8 months for small pawnshops. Five days of grace are granted at the expiration of the time limit and also at the beginning of every month. But, in the foreign settlements, the longest time limit fixed for *Ya* is 8 months, which, upon mutual consent, may be prolonged to 12 months, and that fixed for *Chih* is five to eight months. Pawnshops of the *Ya* and *Chih* classes have to shorten the redemption period on account of the limited amount of capital. They are, however, also giving five days of grace as those located in the Chinese territory.

4. *Rate of Interest*.—Pawnshops charge interest at 20% per annum, or at most 1.8% per month, if the loan is extended on a monthly basis, on loans of any amount. Besides the interest charges, they may also collect for storage, which cannot be higher than 2% per month. Small pawnshops charge 1.8% per month for interest and 2% for storage. In addition, they may collect service charge on loans of less than \$2, but the amount cannot be over 10%. So far as the interest rate is con-

cerned, there is practically no difference between pawnshops and small pawnshops, except that the latter are charging a comparatively higher service charge.

In order to give the readers a better and clearer understanding of the differences between *Tien, Tang, Ya* and *Chih*, the following table is inserted herewith:

	<i>Tien and Tang</i>	<i>Ya</i>	<i>Chih</i>
Amount of Capital	\$10,000-\$80,000	Around \$10,000	\$500-\$1,000
Rate of Interest	1.6% to 3% per month	1.8%-6% per month	1.8%-6% per month
Period of Expiration	18 months	6-12 months	4-8 months
Amount of Loan	50% of the value	60% of the value	60% of the value
Brokerage	1 ct. or 1.5 cts. on every dollar	1.3 cts.-1.5 cts. on every dollar	not specified
"Square Parcel" charges	1 ct. for every dollar	1 ct. for every dollar	1.3 cts. for every dollar
Kinds of Securities to be accepted	All accepted except checks, watches, shoes, stockings, and jewelry.	All accepted except valuables	All accepted except valuables

Number of Pawnshops in Shanghai and their Amount of Capital.

<i>Amount of Capital</i>	<i>No. of Pawnshops</i>
\$1,000	1
1,500	1
2,000	2
3,000	6
4,000	8
5,000	6
6,000	9
7,000	2
8,000	13
9,000	6
10,000	8
12,000	2
13,000	1
18,000	1
20,000	2
26,000	1
30,000	46
33,000	1
38,000	2
40,000	38
44,000	1
48,000	1
50,000	18
60,000	10
80,000	2
100,000	2
(Awaiting investigation)	28
\$828,500	218

IV. Equipment of Pawnshops in Shanghai

Being a kind of special trade, the equipment of the pawnshop differs from that of ordinary shops. But not all pawnshops are equipped in the same manner because of the varied custom of the different localities. Yet no less than a couple

hundred pawnshops in Shanghai are similarly equipped.

Pawnshops in Shanghai are usually situated on the frontage of big thoroughfares. Their premises are of a stout construction. On the outside wall a large Chinese character meaning "Pawnshop" is conspicuously painted so as to let the pedestrians know where the pawnshop is located even at a far distance.

In front of an old-fashioned pawnshop is erected a red wood railing without any opening. Customers have to enter the shop by a small side-entrance. Inside the premises there is an exceptionally high counter. The counter is so high that outsiders cannot command a clear view of what is on the opposite side, while the staff working inside the counter can only see the heads of the customers. Both the railing and the counter are said to have been purposely erected in order to check the intrusion of robbers. Inside the counter-hall is placed a wooden tablet representing the god who brings prosperity to the pawnshop trade. There are four counters (or desks) of which the

daily business is conducted. In the rear part of the counter-hall sit the manager on the right side and the cashier, accountant and pawn-ticket recorder on the left side. In the middle is a spacious platform where the value of securities is estimated. Behind the counter-hall there is a courtyard for sorting the securities and further back is a warehouse where clothings are stored. Besides, there are a reception room, a telephone room, a jewelry room and a warehouse for sundry goods.

V. Organization of Pawnshops in Shanghai

The majority of the pawnshops in Shanghai are owned by rich families and wealthy merchants. The amount of capital varies from thirty thousand dollars to a few lakhs. In early times, they were usually operated under the single proprietorship. Even, at present, most of them are still in the form of proprietorship, although there are also partnership and limited corporations. But, according to the Revised Rules governing the Business of Pawnshops in Shanghai, promulgated on February 7, 1930, pawnshops shall only be operated under the form of proprietorship or partnership.

After the agreement has been signed by the partners, a statement containing all particulars of the organization is to be submitted to the government office for registration and for the issue of a business license. As soon as business is started, payment of the pawnshop tax is to be made every month. However, there are also pawnshops which do not register with the government office. The business of unregistered pawnshops is rather small.

As shown by the following diagram, the organization of pawnshops comprises four sections: namely, (1) business section, (2) safe-keeping section, (3) cashier section and (4) accounts section. The work of all these sections are under the direction and supervision of the manager who is employed by the mutual consent of the partners.

Partners— Manager

Business Section—To accept securities, to extend loans, to return securities, and to receive refunds.

Safe-keeping Section—to keep into custody of the securities.

Cashier Section—to take charge of receipts and disbursements in cash.

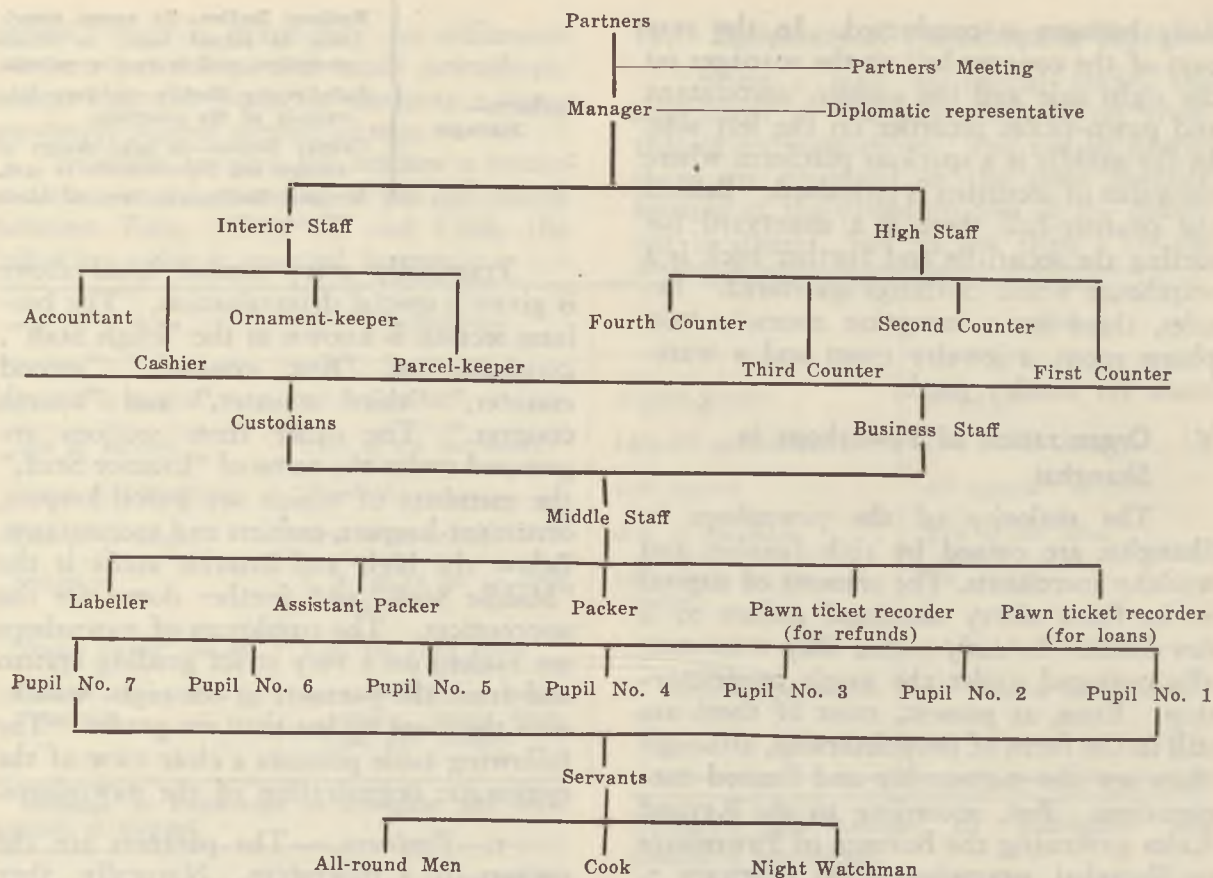
Accounts Section—to keep all kinds of accounts.

Practically every section listed above is given a special denomination. The business section is known as the "High Staff", consisting of "first counter," "second counter," "third counter," and "fourth counter." The other three sections are grouped under the name of "Interior Staff," the members of which are parcel-keepers, ornament-keepers, cashiers and accountants. Below the high and interior staffs is the "Middle Staff" and further down are the apprentices. The employees of pawnshops are ranked on a very strict grading system and from the partners to the night watchman there are no less than six grades. The following table presents a clear view of the systematic organization of the pawnshops.

1. *Partners.* — The partners are the owners of a pawnshop. Naturally, they are vested with the right of directing the affairs of the concern. But, as a matter of fact, the manager engaged upon the decision of the partners' meeting is given full power to look after the business of the firm, while the partners only have right of supervision and auditing.

2. *Manager.* — The general manager is entrusted to take charge of all the duties of a pawnshop whether they are commercial, financial or ordinary office routines; hence only the very experienced can be equal to this responsible task.

3. *Outside Representative.* — The outside representative, also engaged by the partners, fills a special office which does not come under the direction of the manager. All duties requiring diplomatic talents, such as conducting negotiations with the government office and the pawnshop guild, are to be done by him. An only exceptionally talented man is qualified, this



office is usually held concurrently by the manager.

4. *Business Staff*.—The business staff are to take charge of the daily business of a pawnshop. They are the first counter, second counter, third counter and fourth counter, who are also known as the “high staff.” The four counters are ranked in order from the left to the right and their duties are to extend loans in proportion to the value of the securities presented and to return the securities on the full payment of the loans. On the one hand, they must be capable of distinguishing the quality of the goods and ascertaining their value; and on the other, they must be nimble and accurate in calculating the amount of interest payable on each individual loan.

5. *Custodians*.—Owing to the complexity of their functions, custodians with specific duties are classified into four kinds:

parcel-keeper, ornament-keeper, cashier and accountant.

(a) The parcel-keeper is to safe-keep all kinds of securities other than the precious ornaments and to check up every night the number of incoming and outgoing parcels.

(b) The ornament-keeper is to safe-keep all precious securities. Securities of high value, are not to be kept in the same place where ordinary securities such as clothings, furnitures, etc. are stored.

(c) The cashier is in charge of all receipts and disbursements of a pawnshop. Besides, he keeps the cash account of the firm.

(d) The accountant is to post all entries from the cash book to the general ledger and to compile a monthly report. In addition, he takes care of all correspondence of a pawnshop.

6. *Middle Staff.*—The middle staff consists of a pawn ticket recorder for loans, another recorder for refunds, a packer, an assistant packer, and a labeller.

(a) The pawn-ticket recorder for loans is to write down on the pawn ticket the date, name of goods, number of articles, amount of money, etc., and make proper entries in the day book. When business is closed at night, he has to add up the total amount of the loans extended for the day and hand it over to the cashier for checking.

(b) The pawn ticket recorder for refunds is to take down the number of the ticket, date of the ticket, name of goods, number of articles, amount of money, etc., and put together all the returned tickets into a book form on the basis of the date and number of the tickets. At the close of the business day, he has to sum up the totals of refunds and of interest charges and give them to the cashier for checking.

(c) The packer and the assistant packer are to wrap up the goods deposited with the pawnshop as securities into parcels.

(d) The labeler is to put the number and ticket on each of the parcels.

VI. Regulations on Pawnshops in Shanghai

Prior to the introduction of business law in China, business is usually done under the guidance of a set of regulations drawn up by the guild concerned with due regard to the prevailing customs of the trade. The regulations vary one from another just as one kind of business differs from the other. As the pawnshop business is of vital importance to the livelihood of the common people, the regulations governing pawnshops and small pawnshops in Shanghai were revised on February 7th, 1930, in such a manner as to slice down the exorbitant interest charges in relief of those living from hand to mouth.

In the City of Greater Shanghai there are approximately 100 pawnshops and 400

small pawnshops. Half of the pawnshops and one tenth of the small pawnshops are located in the Chinese territory, while the rest of pawnshops and small pawnshops are situated in the International Settlement and the French Concession.

In view of the fact that pawnshops and small pawnshops, exerts a considerable influence upon the common people, the Greater Shanghai City Government Bureau of Social Affairs has taken the trouble of setting up various kinds of regulations to regulate their business activities. From the official texts of these regulations the reader can obtain a general idea on the nature, organization and operation of Shanghai pawnshops.

A. Regulations Governing Pawnshops in Shanghai

Art. 1. The term "pawnshop" used in these regulations refers exclusively to those extending loans on the security of goods deposited in their custody, with a capital of over \$30,000.

Art. 2. Those who are desirous of establishing a pawnshop shall prepare application in duplicate stating the items as listed below, to be submitted to the Bureau of Social Affairs for approval and record.

- (a). Name of the pawnshop
- (b) Address
- (c) Organization (partnership or sole proprietorship)
- (d) Amount of capital
- (e) Name, age, native place and address of the proprietor or partners.
- (f) Name, age, native place and address of the general manager.

Art. 3. Pawnshops which have been sanctioned for business shall first make payment to the Bureau of Social Affairs of the registration fee in accordance with the amount of capital they have and apply for a registration certificate. Every year they shall pay to the Finance Bureau the business license fee and start business only after having secured the license.

(a) Pawnshops with a capital of \$200,000 and upwards shall pay \$500 for the registration fee and \$250 annually for the business license fee.

(c) Pawnshops with a capital of \$50,000 and below \$100,000 shall pay \$250 for the registration fee and \$130 annually for the business license fee.

(d) Pawnshops with a capital of \$30,000 and below \$50,000 shall pay \$200 for the registration fee and \$100 for the business license fee.

Art. 4. The business license is valid only for one year and subject to renewal every year. In case of newly-established pawnshops, the validity of the business license shall also cease at the time of renewal even though it is issued less than a year ago.

Art. 5. Pawnshops shall report to the Bureau of Social Affairs within ten days on occurring of any one of the following affairs.

- (a) Removal
- (b) Death or change of the owner or owners

(c) Change of the authorized agent or general manager.

Art. 6. On account of shortage of capital, a pawnshop may suspend business temporarily upon approval by the Bureau of Social Affairs.

Art. 7. Pawnshops shall post visibly the following items at the business site.

- (a) Business license
- (b) Interest rate
- (c) Time limit for redemption of loan
- (d) Indemnity for loss or damage
- (e) Business hours
- (f) Money market

Art. 8. Goods presented as security for the loan shall be given a pawn ticket bearing the name and description of the article, amount of the loan, and the date as per the National calendar.

Art. 9. Goods when presented as security for the loan shall be given a fair estimation.

Art. 10. Pawnshops shall refuse to accept (1) testifiable public property and (2) rare curios whose value can hardly be ascertained.

Art. 11. Regardless of the amount of the loan, the interest rate shall be 20% per annum or 1.8% per month.

Besides the interest, storage may be charged, but it shall not be higher than 2% per month.

Art. 12. The proceeds of loan and the interest charges shall be computed in terms of national currency, whereas subsidiary coins shall be accepted or given at the market rates posted daily in front of the counter. Whether the goods will be stored in a special case or not is at the disposal of the customer.

Art. 13. No interest shall be charged for the second month until five days after the expiration of the first month.

Art. 14. The time limit set for the maturity of pawned goods shall be 18 months. When no redemption is made upon the expiration of the time limit, the pawnshop may realize the pawned goods into cash. But if interest charges are paid off on the date of maturity, the pawnshop shall still keep the goods for the customer.

Art. 15. Pawned goods shall be returned to the customer when full payment is being made of the loan and the interest charges. In case of a partial payment, a new pawn-ticket shall be issued against the value of the unredeemed security.

Art. 16. Stolen goods unwaresly accepted by the pawnshop shall be returned to the owner free of interest charges upon production of a testimonial for the loss issued by the government office.

Art. 17. In case of a pawn-ticket being lost, declaration for the loss shall be made with the pawnshop with the accompaniment of a substantial shop guarantee, giving full particulars as to the name and description of the goods, amount of the loan and the date. After it is found correct, a new ticket shall be issued instead upon full payment of the due interest. In case the goods are of a high value, declaration for loss shall be announced in the newspapers for three days, making the lost ticket null and void, and in the event of there being no trouble after fifteen days from the date of announcement, a new ticket may be issued. No new ticket, however, will be issued if the particulars given are found incorrect or if the declaration for loss is not made accordingly.

Art. 18. In case of theft, a pawnshop shall pay an indemnity for gold and silver wares at the market price less the amount of the loan plus interest charges and that for all other goods at half the amount of the loan less interest charges. In case of fire, an average

of the selling prices of the pawned goods sold by the pawnshop concerned in the recent two years shall be taken as the original cost of the burned goods, in order to fix the percentage of indemnities. However, reduction shall be made for the amount of the loan and interest charges.

Art. 19. In case of war, robbery, flood, or fire from the neighbourhood, which are *force majeures*, no indemnity shall be paid by a pawnshop. But from among the remnant goods, those with numbers shall still be offered for redemption, while those without numbers shall be realized into cash, half of which is to be shared by the pawnshop and the other half to be distributed to the customers *pro rata*.

Art. 20. When any of the events provided for in Arts. 18 and 19 take place, the pawnshop shall report within twenty-four hours to the government office in charge for investigation.

Art. 21. Pawn-tickets and forms of books used in the pawnshop are to be designed by the pawnshops' guild and submitted to the Bureau of Social Affairs for approval.

Art. 22. A seal shall be stamped on each pawn-ticket in such a manner that one half of the seal appears on the ticket and the other half on the stab. Persons found guilty of forgery, alteration, or presentation of cancelled pawn-tickets shall be severely dealt with according to the law when reported by the pawnshop.

Art. 23. Pawnshops shall build a strong repository for the safekeeping of pawned goods and have them all insured against fire.

Art. 24. Following the promulgation of these regulations, all pawnshops located within the boundaries under the jurisdiction of the City Government of Greater Shanghai shall apply within the stipulated time limit for registration with the Bureau of Social Affairs and make payment of the license fee.

Art. 25. Pawnshops located within the boundaries under the jurisdiction of the City Government of Greater Shanghai doing business without having applied for registration nor having made any payment of the business license fee in accordance with the provisions of Arts. 2 and 3 shall be subject to a fine of \$200-\$300 and shall not be permitted to resume business until payment is made of the registration and license fees.

Art. 26. Pawnshops found in violation of the provisions of Arts. 5, 6, 7 or 20 shall be subject to a fine of \$10-\$50, whereas those found in violation of the provisions of Arts. 10, 11, 12 or 14 shall be subject to a fine of \$50-100 for the first offence and shall be ordered to suspend business for the repeated offence.

Art. 27. A formal receipt shall be issued for the fine which the penalized pawnshop pays to the Bureau of Social Affairs.

Art. 28. Anything that has not been fully provided for in these regulations may be amended from time to time.

Art. 29. These regulations, after being submitted to the National Government of the Republic of China for record, shall be effective on the day of promulgation by the City Government of Greater Shanghai.

B. Supplementary Regulations Governing Pawnshops in Shanghai

Art. 1. Sanction has previously given on the reduction of the business license fee provided for in Art. 3 to 80% for a period of two years. For the sake of relieving the pawnshops of the business difficulty, the reduction shall continue for another three years.

Art. 2. Referring to the declaration of loss for goods of a high value as stipulated in Art. 17, all goods against which a loan of \$100, or over has been extended shall be considered by a high value. All expenses attached thereto, such as charges for advertising, the declaration of loss, etc., shall be borne by the concerned mortgager.

Art. 3. As it is provided for in Art. 18 that, in case of loss, indemnities for gold and silver wares shall be made according to the market price less the amount of loan plus interest charges, the market price refers to the silver shop's selling price of the actual amount of gold or silver contents, taking no account of the workmanship charges.

This Article is also applicable to the business of small pawnshops.

Art. 4. Though it is stipulated in Art. 25 that pawnshops found in violation of the provisions of Art. 6 shall be subject to a fine of \$10-\$50, yet the offenders may be immune from the fine if the Bureau of Social Affairs finds it true that the violation is entirely attributed to the abrupt change of the money market.

This Article is also applicable to the business of small pawnshops.

Art. 5. Pawnshop agencies located within the boundaries under the jurisdiction of the City Government of Greater Shanghai including both local agency (本代) and outpost agency (客代), shall be governed by the following rules, except provisions regarding interest rate, storage charge, time limit for loan redemption and the payment of indemnities. (See Regulations Governing Pawnshops in Shanghai.)

(a) Pawnshop agencies shall be established only in villages. Pawnshop agencies shall not be established in one and the same village, and in villages where there is a pawnshop no pawnshop agency shall be established.

(b) Besides preparing a statement of particulars as provided for in Art. 2 of the Revised Regulations for the Business of Pawnshops in the City of Greater Shanghai, pawnshop agencies established or intended to be established shall secure two shop guarantees and state the nature of agency and address, to be submitted to the Bureau of Social Affairs for approval and record.

(c) Pawnshop agencies after being sanctioned to start business shall first pay to the Bureau of Social Affairs \$100 as charges for a registration certificate and with the certificate pay to the Bureau of Finance \$20 as charges for a business license.

Art. 6. These supplementary regulations shall be effective on the day of approval by the City Government of Greater Shanghai.

C. Regulations Governing the Business of Small Pawnshops

Art. 1. The term "small pawnshops" used in these regulations refers exclusively to those extending loans on the security of goods deposited in their custody, with a capital of less than \$30,000.

Art. 2. Those who are desirous of establishing a small pawnshop shall prepare an application in duplicate stating the particulars as listed below, to be submitted to the Bureau of Social Affairs for approval and record together with two shop guarantees.

(a) Name of the pawnshop.

(b) Address.

(c) Organization.

(d) Amount of capital.

(e) Name, age, native place and address of the proprietor or partners.

(f) Name, age, native place and address of the authorized agent or the general manager.

Art. 3. Small pawnshops which have been sanctioned for business shall first pay to the Bureau of Social Affairs \$100 for the registration fee and then apply to the Bureau of Finance for a business license by making payment of the license fee according to the following scale:

(a) Small pawnshops with a capital of less than \$2,000 shall pay \$10 per annum for the business license fee.

(b) Small pawnshops with a capital of \$2,000-\$5,000 shall pay \$20 per annum for the business license fee.

(c) Small pawnshop with a capital of \$5,000-\$10,000 shall pay \$30 per annum for the business license fee.

(d) Small pawnshops with a capital of \$10,000-\$20,000 shall pay \$60 per annum for the business license fee.

(e) Small pawnshops with a capital of \$20,000-\$30,000 shall pay \$90 per annum for the business license fee.

Art. 4. The business license shall be valid for one year and subject to renewal once a year in the month of January. In case of newly-established small pawnshops, the validity of the license shall also cease at the time of renewal even though it is issued less than a year ago.

Art. 5. Small pawnshops shall report to the Bureau of Social Affairs within ten days on occurring of any one of the following affairs.

(a) Removal.

(b) Death of owner.

(c) Change of owner.

(d) Change of the authorized agent or general manager.

Art. 6. On account of shortage of capital, a small pawnshop may suspend business temporarily upon approval by the Bureau of Social Affairs.

Art. 7. When receiving goods as security, the small pawnshop shall issue a pawn-ticket stating the date, name and description of the article, and the amount of loan.

Art. 8. For the sake of uniformity, pawn-tickets and forms of books used in the small pawnshop are to be designed by the small pawnshops' guild and submitted to the Bureau of Social Affairs for approval.

Art. 9. The proceeds of loan and the interest charges shall be computed in terms of national currency and subsidiary coins shall only be accepted or given out at the market rates posted daily in front of the counter.

Art. 10. Small pawnshops shall keep their books in safe custody. In case of damage or loss, report to the effect shall be made within five days to the Bureau of Social Affairs for record.

Art. 11. Pawned goods shall be charged interest at 1.8% per month and storage at .2% per month according to the national calendar.

Goods below the cost of \$2 and unacceptable to the pawnshops may be temporarily charged storage and brokerage at less than 1% per month. But such charges shall be refunded if redemption is made within ten days.

Art. 12. Goods presented as security for the loan shall always be given a fair estimation.

Art. 13. The time limit set for the maturity of pawned goods shall be eight months. When no redemption is being made upon the expiration of the time limit, the small pawnshop may realize the pawned goods into cash. However, the goods shall still be kept for the customer if the amount of interest due on the date of maturity is fully paid off.

Art. 14. In case redemption of pawned goods is made within one month, interest may be charged for one full month. But no extra interest shall be charged for any goods redeemed within five days after the expiration of one month.

Art. 15. Small pawnshops shall refuse to accept testifiable public property of any kind.

Art. 16. For goods of suspect, the small pawnshop may ask the customer to give evidence to the right of ownership.

Art. 17. Stolen goods unawaresly accepted by the small pawnshop shall be returned to the owner free of interest charges upon production of a loss testimonial issued by the government office.

Art. 18. In case of a pawn-ticket being lost, declaration for the loss shall be made with the small pawnshop with the accompaniment of a substantial shop guarantee, giving full particulars as to the name and description of the goods, amount of the loan, and the date. After it is found true, a new ticket shall be issued instead upon full payment of the due interest. No new ticket, however, will be issued if there is no shop guarantee or if the declaration for loss is not made accordingly.

Art. 19. Small pawnshops shall post visibly at the business site the following items:

- (a) Business license.
- (b) Interest rate.
- (c) Time limit for maturity.
- (d) Indemnity for loss or damage.
- (e) Business hours.
- (f) Money market.

Art. 20. Small pawnshops shall build a strong repository for the safe-keeping of pawned goods and have them all insured against loss or damage by ordinary fire and marine policies.

Art. 21. In case of theft, a small pawnshop shall pay an indemnity for gold and silver wares at the market price less the amount of the loan plus interest charges and that for all other goods at half the amount of the loan less interest charges. In case of fire indemnities shall be paid for goods pawned below \$2.00. The interest, storage and brokerage thereof having amounted to 30% of the value at half the amount of the loan less interest charges, and for goods pawned over \$2.00, the interest rate of which is same as that is being charged by pawnshops, at certain percentages basing on the average selling prices of pawned goods sold by the small pawnshop concerned during the recent two years as their original cost. However, reduction shall also be made for the amount of the loan and interest charges thereon.

Art. 22. In case of war, robbery, flood, or fire from the neighbourhood, which are *force majeure*s, no indemnity shall be paid by a small pawnshop. But from among the remnant goods, those with numbers shall still be offered for redemption, which those without numbers shall be realized into cash, half of which is to be shared by the small pawnshop and the other half to be distributed to the customers *pro rata*.

Art. 23. When any of the events provided for in Arts. 21 and 22 takes place, the small pawnshop shall report within twenty-four hours to the government office in charge for investigation.

Art. 24. Following the promulgation of these regulations, all small pawnshops located within the boundaries under the jurisdiction of the City Government of Greater Shanghai shall apply within the stipulated time limit for registration with the Bureau of Social Affairs and make payment of the license fee.

Art. 25. Small pawnshops located within the boundaries under the jurisdiction of the City Government of Greater Shanghai doing business without having applied for registration nor having made any payment of the business license fee in accordance with the provisions of Arts. 2 and 3 shall be subject to a fine of \$50-\$100 and shall not be permitted to reserve business until payment is made of the registration and license fees.

Art. 26. Small pawnshops found in violation of the provisions of Arts. 5, 6, 10, 19 or 23 shall be subject to a fine of \$10-\$50, whereas those found in violation of the provisions of Arts. 11, 13 or 15 shall be subject to a fine of \$30-\$100 for the first offence and shall be ordered to suspend business for the repeated offence.

Art. 27. A formal receipt shall be issued for the fine which the penalized small pawnshop pays to the Bureau of Social Affairs.

Art. 28. Anything that has not been fully provided for in the regulations may be amended from time to time.

Art. 29. These regulations, after being submitted to the National Government of the Republic of China for record, shall be effective on the day of promulgation by the City Government of Greater Shanghai.

VII. The Shanghai Pawnshops' Guild

As a general rule, the denser the population of a locality, the more prosperous its industries will be. So is the pawnshop business. In the City of Greater Shanghai, there are as many as four pawnshops' guilds. Prior to 1918, all of them were organized on the directorate system. But in the autumn of 1918, they adopted the committee system. The committee is composed of executive members and 3 supervisory members to be elected by the members of the guild *en masse*. From the committee members a standing committee is selected to take charge of the affairs of the guild. Important matters are to be decided upon in the general meeting to be called by the standing committee, while minor matters are to be passed by the standing committee's meeting and the member pawnshops shall be notified of any resolutions for enforcement. The organization and functions of the Shanghai Pawnshops' Guild, may be gleaned from its regulations.

Regulations of the Shanghai Pawnshops' Guild

Chapter I. General Rules

Art. 1. The Shanghai Pawnshops' Guild is organized by the pawnshops located within the boundaries under the jurisdiction of the City Government of Greater Shanghai.

Art. 2. The office of the Shanghai Pawnshops' Guild is located at 39 Woo Kai Loong, Hou Kai Lu, Nantao, Shanghai.

Chapter II. Guild Affairs

Art. 3. The agenda for the Shanghai Pawnshops' Guild shall be:

- (a) To conduct investigations, make improvements and introduce reconstructions for the pawnshops;
- (b) To promote education of pawnshop employees;
- (c) To settle dispute between the member pawnshops and between member pawnshops and non-member pawnshops;
- (d) To solve labour problems for the pawnshops;
- (e) To conduct negotiations with government offices and the General Chamber of Commerce;
- (f) To maintain business for the member pawnshops;
- (g) To recommend business remedial measures for the member pawnshops;
- (h) To petition for the exemption of miscellaneous levies.
- (i) To protect the member pawnshops when involved into trouble.

Chapter III. Membership

Art. 4. Pawnshops located within the boundaries under the jurisdiction of the City Government of Greater Shanghai doing business in accordance with the regulations of the Guild, observing the discipline of the guild and carrying out the resolutions of the Guild may be eligible to become members of the Guild if:

- (a) introduced by more than two members and passed by the majority votes of the executive committee;
- (b) filling in the prospectus; and
- (c) paying \$54 for the membership fee.

Art. 5. Members of the Guild shall be entitled:

- (a) to elect and to be elected;
- (b) to propose and to vote; and
- (c) to enjoy the privileges listed in these regulations.

Art. 6. Members of the Guild shall be obligated:

- (a) to keep the regulations of the Guild and to carry out the resolutions of the Guild;
- (b) to perform the duties assigned by the Guild;
- (c) to response to inquiries and investigations of the Guild;
- (d) to make payment of the membership fee;
- (e) to attend meetings at the fixed time;

Art. 7. Members of the Guild shall not be allowed:

- (a) to infringe upon others' business; and
- (b) to deal in illegal business.

Art. 8. Member pawnshops failing to live up to any of the obligations listed in Art. 6 shall be given warning, deprived of the entitled privileges, or discharged from the Guild according to the degree of disobedience.

Art. 9. In case of voluntary withdrawal or dismissal of any member pawnshop, no refund shall be made for the amount of membership fee.

Chapter IV. Organization

Art. 10. The unit of the Guild is a pawnshop. Every pawnshop shall appoint one or two representatives in the person of general manager or senior staff. But if the average of the number of staff in the latest year is over ten persons, another representative to be elected from among the staff may be appointed. In any case, the maximum number of representatives shall not exceed three persons. No staff shall be appointed representative if:

- (a) he has been deprived of civil rights;
- (b) he has been sentenced by the court of justice as a reactionary;
- (c) he has been declared bankrupt; or
- (d) he has no ability of action.

Art. 11. Representatives appointed by pawnshops shall be each given a warrant of attorney and notified to the Guild.

Art. 12. The Guild shall be under the direction of the Party Headquarters of Shanghai and under the superintendence of the Chinese Chamber of Commerce of Shanghai.

Art. 13. The Guild shall be a member of the Chinese Chamber of Commerce of Shanghai.

Chapter V. Officers

Art. 14. At the general meeting of the representatives of the member pawnshops, seven executive members and three supervisory members shall be elected from among the representatives, all being honorary offices. In case there is a vacancy in the standing committee, one of the executive members shall be elected to fill the vacancy; and in case there is a vacancy in the executive committee, one of the members on the waiting list may be elected to fill in. In either case, the candidate member shall only make up the tenure of office left by his predecessor.

Art. 15. The tenure of office for the executive members shall be four years, half of the members to be re-elected every other year. Those to be re-elected shall not continue to hold the offices. At the first re-election, of which executive members to be re-elected shall be determined by lot. In case the number of executive members is of an odd figure, the number of those to remain in office may exceed that of re-elect by one. Thenceforth, the executive members shall be re-elect by one. Thenceforth, the executive members shall be re-elected by turn.

Art. 16. A general pawnshop representatives' meeting may be called to pass resolution on the dismissal of any member who is found:

- (a) neglect of duty and shift of responsibility;
- (b) in violation of the law, being engaged in malpractices, or doing other illegal actions;
- (c) tendering resignation on account of necessity; or
- (d) committing any of the items provided for in Art. 8.

Art. 17. The Guild shall establish two departments: General Affairs and Finance. The staff of the General Affairs Department shall include one secretary and one clerk, while that of the Finance Department shall be one cashier and one custodian, both offices to be filled in by the member pawnshops in turn.

Chapter VI. Meetings

Art. 18. The meetings held by the Guild shall be of three kinds:

(a) The general representatives' meeting to be called by the Executive Committee, shall be held once a year. But it may be held at any time when the Executive Committee considers it necessary or when asked for by over one tenth of the member pawnshops.

(b) The meeting of the Executive Committee, to be called by the Standing Committee, shall be held once every fortnight. When necessary it may also be held at any time.

(c) The meeting of the Standing Committee shall be held once a week.

Art. 19. Resolutions of the general representatives' meeting of the Guild shall only be good when the meeting is attended by the majority of the members and the resolutions are passed by the majority votes of the attendant members. In case of a minority attendance, fictitious resolutions may be passed and notified to the various representatives. Within a period of one to two weeks since the first meeting, another general representatives' meeting shall be called to give decision on the fictitious resolutions by the majority votes of the attendant members.

Art. 20. Resolutions for any of the items listed below shall only be good when the general representatives'

meeting is attended by over two-thirds of the members and the resolutions are passed by over two-third votes of the attendant members. In case of an attendance over one half and below two thirds of the members, fictitious resolutions may be passed and notified to the various representatives. Within a period of one to two weeks since the first meeting, another general representatives' meeting shall be called to give decision on the fictitious resolutions by over two-third votes of the attendant members.

- (a) alteration of regulations.
- (b) dismissal of members or representatives.
- (c) retirement of members.

Chapter VII. Finance

Art. 21. The expenditures of the Guild shall be derived from the following sources:

- (a) Standing charges: \$2.00 per month payable by every member pawnshop.
- (b) Enterprise charges: Expenses for running a private school and an orphanage to be shared equally by all member pawnshops.
- (c) Provisional charges.

Art. 22. In need of provisional charges, the Executive Committee of the Guild shall call a temporary meeting for all members to be held on a fixed date. After resolution is passed, the pawnshop on duty for the year shall go along to make collections.

Chapter VIII. Appendix

These regulations shall come into force after being passed by the general representatives' meeting and sanctioned for record by the Bureau of Social Affairs of the Greater Shanghai City Government.

Art. 24. The detailed rules for the management of the Guild shall be formulated separately.

Art. 25. Amendment of these regulations shall only be effective when passed by the general representatives' meeting and sanctioned for record by the Bureau of Social Affairs of the Greater Shanghai City Government.

2. Business Hours

The business hours of pawnshops in Shanghai are from 7 a.m. to 7 p.m. or from 8 a.m. to 8 p.m. Most of the pawnshops do business according to the former time schedule, while the majority of small pawnshops observe the latter time schedule. However, small pawnshops located in the Settlement and in the French Concession even keep their doors open until 10 p.m. All pawnshops take no rest on Sundays. On the Chinese New Year Eve they work as late as midnight and some even continue business until daybreak. On the first three or five days of the Chinese New Year, the business hours are shortened to two or three hours in the morning.

3. Business Income

As pawnshops are like the bank, they derive their income principally from the interest charges on various loans they have advanced to persons who have come for money with their personal effects as security. The shorter the time of the loan, the quicker the capital turnover will be; and the quicker the turnover, the higher the amount of returns will be. But, on the other hand, the amount of profit will be little when loans are left unredeemed on the expiration of the time limit, so that pawnshops have to dispose of the goods deposited with them as security through public sales.

There are two sales in a year: the Spring Sale and the Autumn Sale. Goods are sold to ready-made or second-hand clothing stores by lots at 10% or 20% premiums. Each lot consists of goods covered by pawn-tickets bearing the same character. But, in recent years, as a result of the economic depression, there has been an increased number of persons approaching the pawn-

shop for loans, whereby matured goods have piled up due to stagnant sales. Goods are being disposed of at a discount instead. Furthermore, pawnshops have to sell goldwares, jewelry and other valuables to the jeweller or silver firm direct, for they are unacceptable to the second-hand or ready-made clothing stores.

VIII. Procedure of Extending Loans

Pawnshops, like the banks and native banks, use money directly as the medium of trade, whereas ordinary commercial firms deal in commodities. Although pawnshops like the banks and native banks deal in mortgage loans, the difference between them lies in that while banks and native banks handle transactions of various descriptions, pawnshops only extend loans against movables. In other words, banks and native banks are monetary organizations for financing trade and industries whereas pawnshops aim to offer financial assistance to the common people. A comparison of the procedure whereby banks and pawnshops extend mortgage loans to their clients will show the similarities and differences of their business operations.

A. At the Banks

In brief, loans extended by the banks may be classified into six kinds: (1) fixed mortgage loan, (2) Current mortgage loan, (3) fixed loan, (4) current loan, (5) discount and (6) trust loan. Wherever a mortgage loan is to be extended, be it fixed or current, the five points mentioned below must be taken into careful consideration.

(a) Securities—I. Commodities and agricultural products; 2. stocks; 3. shares; 4. gold and silver bars; 5. immovables; and 6. industrial premises.

(b) Mortgagor—I. property; 2. personality; and 3. ability.

(c) Time limit—I. maturity; 2. redemption; and 3. transfer.

(d) Insurance—I. name of company; 2. amount of value insured; 3. provisions; and 4. period.

(e) Documents and records—I. report on the findings of securities; 2. estimate; 3. promissory note against mortgage loan; 4. mortgage receipt; 5. mortgage loan account; 6. partial delivery

account; 7. loans departmental diary; 8. classified securities register; 9. classified securities table; 10. classified estimates; and 11. other documents.

Of the five points most important is to make a detailed investigation on the securities. Although there are a great many goods that the bank will accept as security for the mortgage loan, the goods accepted must be of a superior quality and durable; possessing a market value of high liquidity; capable of being insured against any kind of risks; and capable of being kept in the godown or in safe custody.

Commodities offered as security for the mortgage are usually of a bulky nature, such as cotton, rice, silk, etc. When a customer applies for a loan, he cannot carry the whole lot to the bank. What he takes with him are a few samples and the warehouse receipt. The warehouse, however, can only represent the quantity but not the quality of the commodities. Thereupon, the bank has to send its staff to the warehouse where the goods are stored to examine some samples at random.

As the warehouse receipt plays an important role in the negotiation of a mortgage loan, the bank usually pays particular attention to the management of the godown which issues the receipt. Evidently, it is not safe to extend any loan against commodities stored in a warehouse under incompetent management. Some of the leading banks have already erected warehouses themselves to accommodate bulky securities.

When a mortgage loan is extended against a warehouse receipt, the bank must have the receipt transferred to its own name and have the goods insured against loss or damage by an ordinary fire policy. By so doing, the bank is fully protected in case of fire or default of the loan. Furthermore, the loan is usually granted up to 60% to 80% of the value of the goods for a period of 3½ years; while the rate of interest is to be fixed according to the prevailing conditions of the money market.

B. At the Pawnshops

When a person takes his belongings, such as wearing apparel, and ornaments to a pawnshop and asks for a loan, one of the pawnshop's staff known as the "exterior counter" estimates the value of the goods presented. As an unwritten rule, loans on clothing are extended at 60% of the market price of the clothings obtainable at the ready-made or second-hand stores. So far as the quality of goods is concerned, jewelries are given the lowest estimation and dresses made of cotton cloth the highest estimation. Foreign-style dresses and fashionable dresses are not welcome to ordinary pawnshops. The standard of estimation is based on whether the goods are easily salable or not.

After the estimation is over, the "exterior counter" cries out with a loud voice the kind of securities and the amount of the loan to be extended. He also records them in abbreviation on the personal journal and on a small card, the latter to be inserted into the securities. In the meantime, the pawn-ticket recorder jots down on the pawn-ticket the vocal signals given out by the "exterior counter" by means of shorthand methods, and registers on the day book the description of goods, number of articles, amount of the loan and the date. The pawn-ticket is to be sealed in such a way that one half of the seal appears on the ticket and the other half on the counterfoil, to be handed over to the "exterior counter." The "exterior counter" then passes the ticket to the customer together with the money.

Upon receipt of the securities, the pawnshop pupils remove them to the packing room where securities are packed into parcels. The parcels, when numbered and ticketed by the labeller, are to be placed in the store house in a serial order.

IX. Disposal of Unredeemed Securities

Pawnshops are entitled to freely dispose of the pawned goods upon maturity of the loan. Generally, they sell them to the ready-made or second-hand clothing stores.

Disposal can be effected in two ways: (1) sale through monopoly and (2) sale by auction.

In case of a monopolized sale, a pawnshop enters into an agreement with a ready-made or second-hand clothing store whereby all matured but unredeemed pawned goods are to be handed over to the latter at the interval of every month. The monopolized sale is only workable when a pawnshop and a ready-made or second-hand clothing store have mutual confidence in each other.

In case of an auction, a pawnshop sends a notification to various ready-made or second-hand clothing stores asking them to see the pawned goods when the loan falls due. After the inspection tenders in sealed form are to be handed in to the general manager of the pawnshop. The tenders are then opened in public whereby the sale is given to the highest bidder.

When a pawnshop effects any sale, members of the staff have a priority to purchase at its original cost. However, there are customary restrictions, that is, the general manager is not allowed to make purchases of over Tls.30; the high and interior staffs not over Tls.25; the middle staff not over Tls.15; the pupils not over Tls.10; and the servants not over Tls.3.

In case of loss or damage of securities pawnshops are responsible to the extent specified by the rules of the trade. Indemnities for loss or damage of pawned goods payable by pawnshops vary in different localities. According to the common practice, pawnshops and small pawnshops are not responsible for any damage on pawned goods due to insects, rats or moldiness. As regards the indemnities for loss, reference may be made to the provisions of Arts. 18 and 19 of the Regulations Governing the Business of Pawnshops and of Arts. 21 and 22 of the Regulations Governing the Business of Small Pawnshops cited above.

X. Books kept by Pawnshops

All business firms, no matter large or small, keep a set of books to record receipts

and disbursements. The books kept by Chinese firms are generally simple and crude. Pawnshops, however, are known to be keeping a set of books which are comparatively systematic and comprehensive.

The books that pawnshops in Shanghai are keeping fall into two categories: (1) business books and (2) ordinary books.

A. *Business Books*—Business books are a set of books peculiar to the pawnshop trade. The uses and forms of the various business books are discussed separately as follows:

(a) *Pawn-ticket*.—To the person to whom a loan is granted a pawnshop gives a certificate, known as the pawn-ticket so that later on he may redeem what he has deposited with the pawnshop as security for the loan. On the pawn-ticket are written the name of the pawnshop, its address, time of maturity, and the rate of interest. In the upper middle column there are two characters meaning "amount of the loan" and the amount actually loaned is to be filled in the blank below. On the right-hand side, insertions are to be made for the number of articles and the description of securities. Each pawn-ticket is numbered in a serial order and marked with one Chinese character selected from a famous Chinese book entitled "One Thousand Characters." While the characters are changing from month to month, the number always starts from "one" at the beginning of each month. On the furthest left-hand side is written the date on which the loan is granted.

In previous years, the printing of pawn-tickets was undertaken by a pawnshop's apprentices. But, recently, it has been entrusted to reliable printers who are capable of furnishing a joint shop guarantee, because the pawn-ticket is the most important document of a pawnshop.

(b) *Replacement pawn-ticket*.—In case a pawn-ticket is lost, the loser must at once approach the pawnshop concerned to make a declaration for the loss. Thereupon the pawnshop may issue a new ticket in

lieu of the lost one which is declared null and void. But it will under no circumstance be held responsible if redemption of the security has been made before the loss is declared. There is some slight difference in form between the replacement pawn-ticket and the original pawn-ticket. The replacement pawn-ticket is made of white paper, on which are written the name of the pawnshop, description of securities, amount of the loan, etc. just as a pawn-ticket. At the time of declaration for loss, a statement of particulars relative to the date of the loan, description of the security, amount of the loan, etc., must be submitted. In addition, a shop guarantee is required as a means to prevent fraud.

(c) *Loan Book*.—The loan book is the principal book of the pawnshop, wherein all loans are to be entered. It is about one foot square and there are ten columns on each page, making a total of twenty columns per sheet. Crosswisely, it is divided into four sections. The number of the loan and the surname of the mortgagor are to be entered in the first and second sections respectively. But, for the sake of convenience, the surname is always written as "Mr. Wong." The description of securities and the number of articles are to be recorded in the third section, while the amount of loan is to be written in the fourth section. The loan account book shall be changed once a month, bearing the same character as that of the pawn-tickets issued during the month.

(d) *Counter Book*.—Counter books are to record entries of all loans and repayments made everyday. The total amount of individual loans in the various counter books must correspond with the total amount of all loans in the loan book, and the total of the amount of individual repayments in the various counter books must correspond with the total amount of all repayments in the repayment book.

(e) *Repayment Book*.—The repayment book is to record daily repayments including interest charges, and the sum

must be equal to the total amount of individual repayments in the various counter books. The character and the number of pawn-tickets are also to be jotted down to serve as a counter-check on those of the register.

(f) *Register*.—The register is made of white paper with no specified form. On redemption of the loan, the apprentices of a pawnshop take down on the register the amount of the loan and the character and number of the pawn-ticket, in order to check them up with the repayment book.

(g) *Prolonged Redemption Book and Prolonged Redemption Interest Book*.—According to the regulations of the pawnshop, pawnshops are entitled to freely dispose of any securities if no redemption is made at the expiration of the stipulated period of the loan. But if the mortgagor does not like his securities to be auctioned by the pawnshop and at the same time he has no money on hand to redeem them, he may postpone the date of redemption for another three or six months by making payment of a certain amount of additional interest charges. Upon receipt of the additional interest, the pawnshop will transfer that security from the loan book to the prolonged redemption book and enter the amount of additional interest charges in the prolonged redemption interest book. There is no fixed form for the prolonged redemption interest book. Generally, it is divided into three sections. The character and number of the pawn-ticket are written in the upper section; the amount of the loan in the middle section; and the amount of additional interest charges and the number of months prolonged in the lower section. The prolonged redemption book is similar to the loan book, except for additional insertions to be made for the amount of interest charges and the period of prolongation.

(h) *Total Loan Book*.—For statistical purposes, the total loan Books is prepared to record the total amount of daily loans. From this book the total amount of loans granted at the end of each

month and the grand total of loans granted at the end of each year can be easily calculated.

(i) *Security Book*.—Securities deposited on the shelves, such as gold and silver ornaments, clothings and implements, should undergo the process of inventory-taking once a month. A total sum given for each kind of securities is to be entered in the security book.

(j) *Storage Book*.—The storage book, as its name implies, is to record receipts for storage charges. Costly garments, as a rule, cannot be left in the same place with ragged clothes without impairing their value. In order to insure against damage, the mortgagor may pay to the pawnshop a small sum as a storage fee for the special care of his valued security. The storage charges, not considered as a part of business income, are to be distributed to the staff members at the end of each month. Hence a separate account for storage charges is deemed necessary.

B. *Ordinary Books*.—Ordinary books are a set of books not only kept by pawnshops, but by every business firm. They are of five kinds as follows:

(a) *Journal*.—The so-called journal is really a cash book wherein all receipts and disbursements in cash are to be recorded. It has two sections: the items for receipts or disbursements are entered in the upper section and the amounts received or paid in the lower section. It is the source of all other accounts, because postings to various other books are made therefrom.

(b) *Capital Account*.—When a business firm is established, it has to keep a capital account, no matter whether it is of sole proprietorship or partnership. The pawnshop trade is no exception to this rule. In case of sole proprietorship, there is only one entry for capital account. Further entries, however, are to be made annually for interest and dividend. In case of partnership, there should be separate entries

for two or more partners. As the amount of capital subscribed by each partner may not be equal, it is necessary to keep separate accounts for the partners.

(c) *Current Account*.—In the current account book, a separate account is kept for each bank, native bank or individual in account with the pawnshop. Current accounts are to be closed at the end of each month and also at the end of the year for calculating the amount of interest payable or receivable. The excess of the credit total over the debit total in the current account book is the liability of a pawnshop, whereas the excess of the debit total over the credit total is the asset of a pawnshop.

(d) *Exchange Account*.—Receipts and disbursements in currencies other than national currency are to be transferred through the exchange account. In view of the fluctuation on the market rates of various currencies, it becomes inevitable to keep an exchange account so as to show any profit or loss on such transactions.

(e) *Expense Account*.—As the increase of expenditures may reduce or even wipe out the profits of a business firm, pawnshops keep separate accounts for salaries and wages, food, and sundry expenses, which are closed once a month for comparative analysis.

Besides, a monthly statement is made as a report on the business conditions of the month copies of which are to be sent to each partner. It contains four major items, namely, receipts, disbursements, deposits and loans. In some respects, it corresponds to the balance sheet and the profit and loss statement of the modern business corporation. At the close of each year, an annual statement is to be submitted to the proprietor or partners. The only difference between the monthly statement and the annual statement lies in the fact that the former shows the business conditions of the month, while the latter shows the business conditions of the year.

XI. Salary Scale of Pawnshop Employees

As a rule, employees of pawnshops are provided with free board as a part of their remuneration. Their salaries, although incomparable with those received by the staff members of modern banks, are not

lower than the remunerations of the employees of old-fashioned Chinese firms. Besides, they are entitled to other incomes such as bonus, storage charges, square parcel charges, etc. The following table shows the monthly salary scale of the pawnshop employees in Shanghai.

	<i>Pawnshops</i>			<i>Small Pawnshops</i>		
	<i>1st Class per month</i>	<i>2nd Class per month</i>	<i>3rd Class per month</i>	<i>1st Class per month</i>	<i>2nd Class per month</i>	<i>3rd Class per month</i>
General Manager	\$30-\$50	\$26-\$30	\$18-\$20	\$25-\$30	\$18-\$20	\$13-\$15
Parcel Keeper	25-30	22-24	16-18	22-25	16-18 (also acting as ornament keeper)	(Held con- currently by the general manager)
Cashier	22-24	20-22	14-16	20-22	14-16	10-12 (also acting as second counter)
Ornament-Keeper	20-22	18-20	12-14	19-22	12-14 (also acting as 2nd counter)	nil.
First Counter	22-24	20-22	14-16	20-22	14-15	10-12
Second Counter	20-22	18-20	12-14	18-20	nil.	nil.
Third Counter	18-20	16-18	nil.	nil.	nil.	nil.
Pawn ticket recorder for loans	14-16	14-16	11-12	13-15	10-12 (also acting as pawn ticket re- corder for refunds)	8-9 (also acting as pawn ticket recorder for refunds)
Pawn ticket recorder for refunds	15-16	13-15	nil. (Held con- currently by the pawn- ticket re- corder for loans)			nil.
Packer	12-14	10-12	8-9	10-12	8-9 (also acting as labeller)	5-7 (also acting as labeller)
Assistant Packer	11-13	9-11	nil.	9-11	nil.	nil.
Labeller	9-11	7-9	nil. (Held con- currently by apprentices)	nil.	nil.	nil.
Pupil No. 1	8-9	6-8	6-7		6-7	4-5
Pupil No. 2	5-7	4-6	4-6		3-5	nil.

XII. Pawnshop Tax

The pawnshop tax made the first appearance in China about 260 years ago, in the third year of Emperor Kang Hsi of the Ching dynasty. The amount of levy varied in proportion to the scope of business. It was collected annually at the rates of Tls. 5, Tls. 4, Tls. 3 or Tls. 2.5, which apparently should be considered very lenient. But, beginning from the 6th year of Emperor Yung Cheng, a pawnshop could only be established with an official license obtained through the local authorities and the license had to be returned when the pawnshop wound up its business. In the meantime, aside from the pawnshop tax, a license fee was charged due to the financial stringency of the Imperial Treasury. In the reign of Emperor Kwang Hsu, there was repeated revisions of the rates that eventually every pawnshop had to pay as high as Tls. 50 a year. Since the inception of the Republic, the Finance Ministry issued an order to various provincial authorities to fix the rates themselves in consideration of the local conditions. Through the introduction of a progressive system, the rates ranged from \$300 to \$10. In the City of Greater Shanghai, pawnshops in Chinese areas and in foreign administered areas in recent years have been paying taxes according to entirely different standards.

Rates levied on pawnshops in the Settlement. (Payable monthly)

Pawnshop charging interest at 1 to 2 per cent per month,	
\$2.00 for every \$1,000 loan.	
Pawnshops charging interest at 2 to 3 per cent per month,	
\$2.50 for every \$1,000 loan.	
Pawnshops charging interest at 6 to 9 per cent per month,	
\$7.50 for every \$1,000 loan.	
Pawnshops charging interest over 9 per cent per month,	
\$10.00 for every \$1,000 loan.	

Rates levied on pawnshops in the Chinese areas (payable annually)

A. Pawnshops

1st class pawnshops with more than \$200,000 Capital	\$250
2nd class pawnshops with Capital over \$100,000 & below \$200,000	\$180
3rd class pawnshops with Capital over \$50,000 & below \$100,000	\$130
4th class pawnshops with Capital over \$30,000 & below \$50,000	\$100

B. Small Pawnshops

Those of less than \$1,000 Capital	\$10
Those of over \$2,000 and below \$5,000 Capital	\$30
Those of over \$5,000 and below \$10,000 Capital	\$30
Those of less than \$20,000 Capital	\$60
Those of more than \$20,000 Capital	\$90

Pawnshops located in the French Concession are paying the business tax on a monthly basis according to the volume of business done in the month. The tax on pawnshops varies from Tls. 20 to Tls. 30, while that on small pawnshops it is between Tls. 6 and Tls. 20. No charges, however, are collected for the business license.

The pawnshop, being the sole monetary organization to look after the urgent pecuniary requirements of the common class of people, is of vital importance to the livelihood of the Chinese populace. It is often said that the pawnshop is an instrument whereby the rich capitalist uses to suppress the common people with exorbitant interest charges so that the latter would not approach them except at times of utter necessity. But, facts do not bear out the truth of such a charge. On the contrary, the general public looks up to the pawnshop as a friend in need, for the simple reason that banks and native banks will not accommodate them with such financing facilities as the pawnshop offers.

In spite of the popularity of pawnshops among the common people its profits are not in anyway comparable to the profits of banks. This fact is attributable to the incompetent methods of management that prevail in the pawnshop trade.

Altogether there are 305 pawnshops in Kiangsu province, 296 in Chekiang province and 44 in the City of Greater Shanghai. The amount of capitalization is over \$30,000 each, the average cost of valuables being no less than \$10,000. Since the outbreak of Sino-Japanese hostilities last year, only a few in the environs of Shanghai have managed to remove their valuables to the foreign administered areas. Although no figures are yet available for the total loss sustained by pawnshops in the occupied

areas along the Nanking-Shanghai and Shanghai-Hangchow lines, a conservative estimate places it at \$30,000,000 upwards, taking an average of \$100,000 loss for a total of 300 pawnshops.

According to the Regulations governing the Business of Pawnshops, no indemnity shall be paid by a pawnshop for any loss due to war, robbery, flood or fire from the neighbourhood, which are regarded as *force*

majeures. But from among the remnant goods, those with numbers shall still be offered for redemption, while those without numbers shall be realized into cash, half of which is to be shared by the pawnshop and the other half to be distributed to the customers *pro rata*. Hence, pawnshops are not prepared to pay any indemnity to their unprecedented losses during the present hostilities.

WOOD-OIL, AN IMPORTANT CHINESE EXPORT COMMODITY

By E. KANN

The export of vegetable oils, as well as oleaginous seeds and seedcakes, has been assuming an ever-growing importance in China's economic position. Until the autumn of 1931 the outflow of soya beans, bean oil and bean cake from Manchuria constituted in certain years the largest single group of Chinese commodities shipped abroad. Since 1932 this important item ceased to figure in the export statistics compiled by the Chinese Maritime Customs.

In considering the extensive list of oil-containing seeds and fruits produced in China it becomes abundantly apparent that the oil obtained from the seeds of the wood-oil tree forms the principal item, both in regard to quantities shipped out and also as concerns monetary values.

Description of Tung Trees.

Chinese wood-oil, also known as tung-oil, is derived from trees belonging to the genus *Euphorbiaceae*. Two principal species are found in China: (1) the *Aleurites Fordii*, or Tung Yu-shu (桐油樹); (2) the *Aleurites Montana*, or Mu Yu-shu (木油樹). In Japan a third species is being met with, the *Aleurites Cordata*, (Abura Kiri, in Japanese).

These three kinds growing in East Asia can be easily distinguished from one another by the different flowers borne by them, and also by certain characteristic features of their fruits. The tree to which most importance has to be attached, the *Aleurites Fordii*, has its blossoms before the leaves sprout out. The flowers produced in great profusion in April are white, stained with pink and yellow markings. The fruit is apple-like, at first green, but turning

brown in September when ripening; it is flattened round with a short point at the summit and perfectly smooth at the outside. The fibrous flesh encloses three to five compressed broadly-obvoid seeds which are very slightly ridged and warty. The seeds somewhat resemble shelled Brazil nuts, though they are much smaller in size.

In *Aleurites Montana* the flowers appear after the leaves are fully developed. The fruit is egg-shaped, pointed at the summit and flattened at the base, with uneven ridges on the outside. The interior of the fruit is thick and woody and usually encloses three compressed, broadly obvoid seeds. *) The two distinct species of wood-oil trees, apart from showing vital differences as just outlined, grow in different geographical areas.

Regarding the *Aleurites Cordata* the flowers are borne in branched, erect cymose panicles and are smaller than these of the *Aleurites Montana*. The leaves on the flowering branches are often three-lobed. The fruit is somewhat turbinate and trigonous, wider than long, flattened and depressed at the summit with irregular ridges. It is also much smaller and more fragile than in the former two species. The fleshy part of the fruit is thin, soft and fibrous and encloses three to five smooth compressed seeds.†)

Cultivation of Wood-Oil Trees.

Tung-oil trees abound in the Yangtze valley, particularly in the regions of the gorges and neighbouring hilly country, up to an altitude of 800 metres. They are

* See Thomas Tien—Gi Ling, "A Study of the Oxidation of Chinese Wood-Oil" (1924).

† Ibid, fol. 3.

distinctly hillside plants, thriving in the most rocky section of the country and on the poorest soils, provided there is an annual minimum rainfall of 29 inches. The ideal climate for its growth is damp and warm with copious rainfall and no frost. The trees grow best in sandy loam with a moderate quantity of fertilisers, but will also yield rich crops if planted in clayey loam with a liberal application of fertiliser, but cannot thrive in dry loess or clay.‡

The tung-oil tree is most ornamental in flower and foliage. It is a fast growing tree, seldom exceeding 25 feet in height, has many branches and is flat-topped. It begins to bear seeds in its third or fourth year and declines rapidly when about twenty years old.

Chinese wood-oil trees are being cultivated by various methods. One system requires the sowing of the seeds early in the spring, two in a spot, about two inches deep and at a distance of from three to five feet apart. The spots are kept in loose condition, so that moisture might readily be absorbed. In about four weeks the seeds commence to sprout. When both seeds germinate the stronger one is selected for growth. When the young shoots grow to about 8 inches high, good care must be taken to keep the bed well weeded. After one year the young seedlings will have attained a height of about one foot; then they are being transplanted either to another nursery bed, or else direct to the plantation. In the latter case the young trees are being placed about 7 metres apart. It not infrequently occurs that the seedlings do not prosper, especially when their roots have been harmed in transplanting.

In the hilly regions of South China the farmers usually adopt more primitive methods. In Chekiang, for example, the farmers propagate the seedlings without transplantation. All that is done is to weed the fields and harrow them once or twice a year. In these districts tung-oil trees are

not permitted to exceed the age-limit of ten years, because from the seventh year onward the yield begins to decline; when about ten years old the trees are being cut down for fuel, as the annual crop has dropped below the profit point. These remarks refer to well-tended plantations. On mountain slopes and hillsides, unsuitable for the raising of other crops, the trees are permitted to grow as long as they bear fruits.

Szechuen province must be considered the most important district for the cultivation of tung-oil trees. Formerly the trees there grew wild on the hillsides, but due to the lucrative crop proceeds, they are now grown in a more businesslike manner. The trees, and especially the seedlings, are now fertilized with wood ash and animal manure.

Another important district for wood-oil trees is Kwangsi province. In 1928 the authorities there urged farmers to plant not less than 300 trees per family on denuded hills or waste land.

There is another method of propagating tung-oil seedlings. Sometimes trees are developed from sprouts. Twigs from a mature tree are set in sandy or clayey soil and surrounded by wheat grains, watered liberally and permitted to develop for a year. Then the shoot is cut off above the ground. A larger sprout emanates from the root and grows very quickly, sometimes to a height of ten feet in the course of one season. In another four years it develops into a handsome shade tree. Tung trees are never grafted in China. Most of the wood-oil trees in this country have their origin in seeds, as the second system is more laborious and not so sure.

With its large heart-shaped leaves, its spreading branches and its smooth, green bark the tung-tree represents one of the prettiest of shade trees. Normally the stem attains a thickness of from seven to ten inches.

Distribution of the Tung-Oil Tree.

As already stated, the wood-oil tree luxuriates particularly along the Yangtze,

‡ See B. T. Chang, "Wood Oil, One of China's Important Exports", in Chinese Economic Journal, March, 1929.

Szechuen and Hunan provinces, being the largest producers of oil. Most of the trees in China are being found in a zone between 25 and 24 north latitude, from the seacoast to the western part of Szechuen, including an area of 750,000 square miles. The two Chinese species are geographically divided. *Aleurites Fordii* is met with along the Yangtze valley in central and western China. On the other hand *Aleurites Montana* occurs in southeastern and southern China. The first-mentioned kind supplies fully ninety per centum of China's exports of wood-oil and is therefore of much greater importance.

A Chinese scientist classified the fields of production from *Aleurites Fordii* as follows:*)

(1) Lower Han Valley—including Laohokow, Hingan, Hanchung, Kingchow, Yungyang, Peiho and Tzeyang in Shensi and Hupeh provinces.

(2) Upper Yangtze Valley—including Wanhsien, Peichow, Liangsan, Chungchow, Yuyang, Kaihsien, Chungking, Suiting, Kiating Suichow, Kiangtsin in Szechuen province; and Changteh, Tungjen, Hsiusan, Yungtin, Sungtao, Paosoon, Hungkiang, Potzu in Hunan and Kweichow provinces.

(3) Lower Yangtze Valley—including Kiukiang and other places along the river banks.

In 1929 the provincial authorities of Kwangsi asked the people to plant 30 million tung-trees.

In order to show the importance of the various producing districts the following table is presented here. Figures relating to the position as it existed in 1936, are in quintals (@ 100 kilograms) and indicate annual production:—

Szechuen	332,635
Hunan	302,395
Hupei	181,437
Chekiang	181,437
Kwangsi	90,719
Others	15,120
Total	1,103,743

* Chang, in the Shun Pao of September 2, 1923.

Economic Value of the Tung Tree.

Obviously the oil obtained from the seeds of the tung tree constitutes the most valuable product. But before dealing with this commodity it might be advisable to consider the timber yielded by the tree. Same is white in colour and soft when freshly cut; but when seasoned it turns hard and durable. It is impervious to moisture and liable to crack or warp when exposed to heat. The timber is employed in the manufacture of trunks, oven covers, musical instruments and as building material for small houses. It is maintained that insects do not attack the wood.^{†)}

The more valuable product from the tung tree, however, is the wood-oil which is expressed from the seeds. In China the oil is used in preserving, polishing and waterproofing wood; also for making cloth, umbrella paper and bamboo netting waterproof; and finally as an ingredient of lacquers and paints. Sometimes it is used in remotely situated districts as lamp oil, though as such it is inferior to peanut oil. Medicinally wood-oil is used in China in the treatment of boils, ulcers, swellings and burns.

By far the largest quantities are, however, exported abroad; one can safely state that not less than 75% is shipped to foreign countries, so that the remainder used within China aggregates about 25% of the total production. In foreign countries wood-oil is widely used as a substitute for linseed oil, mainly in the manufacture of enamels, varnishes, paints, etc. It is also employed in making rubber substitutes and in the manufacture of linoleum. Wood-oil is not edible and is therefore not used as a food oil.

The cake, after expressing the oil, is used as a fertiliser. It also is supposed to be an effective insecticide and as such it is capable of destroying the insects which infest the roots of plants.

Production and Marketing of Wood-Oil.

The fruits usually ripen in September or October; then they burst and permit the

[†] See Thomas Tien-gi Ling "A Study of Oxydation of Chinese Wood-Oil" (1924), fol. 7.

seeds to fall. Almost invariably, however, the fruits are gathered before they are dead-ripe and treated in either one of the following ways: (1) they are collected into heaps and covered with grass or straw. After fermenting the thin fleshy part of the fruit is easily removed, permitting the seed to become available. (2) Or, the still green fruits are placed into iron pans, about two feet in diameter and roasted there, until the husk opens and the seeds are released.

Dr. Tien-gi Ling, an expert in the wood-oil industry, describes the production of wood-oil from the seeds in the following words:

"The seeds are placed in a large trough-like stone mortar, about three feet wide, and are ground to a fine meal by rolling with a stone roller, dragged by a horse, water buffalo or donkey. The meal is lightly roasted, transferred to wooden vats with wicker bottoms, and steamed over boiling water. The steamed meal is mixed with a little straw (to act as a binder) and is tamped into iron rings so as to form circular cakes about 45 centimeters in diameter and 10 centimeters thick. After removing from the moulds the cakes are placed in a wooden press somewhat like an old-fashioned cider press. Each press is equipped with a system of wood blocks and iron-capped wooden wedges for tightening. An iron-capped battering ram swung from a beam of the building, is used to drive home the tightening wedges. The operator swings the ram several times and finally brings it down with great force on the wedge, driving the wedge between the press blocks, so as to tighten the press and squeeze out the oil. The expressed oil is collected in a vat below the press. The crude oil is filtered through a series of grass cloths and is then ready for sale to the collector. The yield of oil is commonly about 40% by weight of the kernels. The crude oil is usually red-

dish yellow in colour, but may be brown or black if the seeds have been overheated in steaming or pressing."

The seeds of the Tung-yu tree yield more oil than the these of the *Aleurites Montana*. As the oil produced by such primitive methods contains many impurities, it has to be reconditioned and refined before being exported abroad. This can be accomplished by boiling; on cooling the impurities settle to the bottom of the vessel.

Obviously the primitive method of pressing is wasteful, and it stands to reason that considerably higher yields can be obtained by the use of modern hydraulic presses and/or by the adoption of modern extraction systems.

The oil extracted from the seeds by native wooden presses was generally turbid and high in acidity, containing an excessive percentage of impurities and moisture. In order to circumvent these drawbacks the China Vegetable Oil Corporation in 1936 introduced machine extraction of wood-oil by modern expellers. The oil produced by the new method is pale and clear, and far better in quality than the oil obtained from the crude wooden presses.

The colour variations of tung-oil are to be ascribed to the different systems adopted in processing the seeds before pressing. Pale yellow oil is obtained from seeds dried by exposure to the sun; while dark amber oil is obtained by frying or roasting the seeds before pressing. The first mentioned oil is produced mainly in Chekiang and Ichang (Hupeh), and the latter in Szechuen, Hunan and Laochow (Hupeh). Wood-oil consumed in China is usually of very dark colour, which is brought about by mixing the oil with black colouring matter.*

Wood-oil is packed in bamboo crates (baskets) for home consumption. These crates are woven with split bamboo lined with three or four layers of water-proof paper. The capacity of those crates if not

* See "China's Export Trade of Vegetable Oils & Products", issued by the China Vegetable Oil Corporation. Leaflet No. 2 of July 15, 1937.

uniform, varying in size according to locality from 90 to 280 catties of tung-oil.

For export abroad the oil usually is repacked in wooden, or iron barrels. When shipped to Japan, owing to the small distance, tung-oil often is contained in old kerosene tins. The wooden barrels (which must be seasoned for at least six months before being filled) hold about 300 caties of oil. The inside is always covered with strong waterproofed paper or cloth.

Before reaching the foreign exporter at Hankow the oil passes through the hands of at least two or three classes of intermediaries. Due to heavy price fluctuations and also the difficulties of transport (Yangtze gorges, robberies en route, etc.) mostly spot sales take place.

When delivered to the "godowns" in Hankow the baskets are placed in the yards, so that the oil may be exposed to the sun and allowed to settle for some time. Thereafter it is strained, weighed and emptied into large cone-bottomed tanks. The clear oil is tapped off and packed for export, while the turbid oil from the bottom of the tanks is sold locally for use as waterproofing material and wood preservative.

As already mentioned Chinese wood-oil varies considerably in colour. Most of the oil originating in Szechuen province is of a very light colour and known as white oil (pei yu). Incidentally it is considered the best grade of tung-oil and fetches the highest prices. Oils from Hsiusan in Szechuen (Hsiu yu) and from Hungkiang in Hunan (Hung yu) are dark, due to the kernels having been overheated in the process of roasting. Most of the dark oil produced in China is for home consumption.

It is extremely difficult to correctly estimate the total production of wood-oil within China. The quantities exported abroad are statistically recorded by the Customs. But the enormously wide range of employment of the oil in China for paints and waterproofing is difficult to gauge.

Export of Chinese Wood-Oil.

The following ports serve as accumulation and export centers for tung-oil from China: Chungking, Wanh sien, Ichang, Shasi, Yochow, Wenchow, Wuchow, Nanning, Hankow, Shanghai. The first consignment to Europe for commercial purposes was made in 1894, while the first shipment on a commercial basis to the United States took place in 1900. Since then America was by far the largest buyer of Chinese wood-oil, taking about 80% of this country's total exports of this commodity.

The following table, gleaned from the Chinese Maritime Customs Returns, clearly indicates quantities and values of wood-oil shipped to foreign countries from 1912 to 1938. Figures until 1931 inclusive are in piculs (@ 133.33 lbs) and in Haikwan taels. From 1932 onwards they are given in terms of quintals (100 kilogrammes) and in Chinese dollars:

Year	Quantity in piculs	Value in Haikwan taels	Average price per picul H. \$
1912	562,815	5,823,204	9.99
1913	463,647	4,001,503	8.63
1914	438,867	3,736,275	8.51
1915	310,344	3,012,343	9.70
1916	515,173	5,511,418	10.69
1917	401,361	4,835,908	12.04
1918	488,852	5,975,926	12.22
1919	613,455	7,960,968	12.97
1920	540,716	6,739,191	12.46
1921	419,549	5,466,430	13.02
1922	745,565	10,888,130	14.60
1923	836,887	17,477,421	20.88
1924	896,038	17,714,713	19.77
1925	894,073	17,450,104	19.52
1926	748,184	14,962,313	20.00
1927	901,294	21,970,947	24.38
1928	1,094,299	23,302,221	21.29
1929	1,069,650	23,519,702	21.99
1930	1,167,255	30,546,872	26.17
1931	864,864	20,416,102	23.61
	Quintals	National \$	\$
1932	485,350	23,161,233	47.40
1933	753,837	30,261,269	40.10
1934	652,836	26,216,683	40.10
1935	738,865	41,582,879	56.28
1936	867,383	73,378,654	84.60
1937	1,029,789	89,845,563	87.25
*1938	471,657	25,855,911	54.81

The foregoing tabular statement clearly shows how rapidly the export of tung-oil from China has increased, notwithstanding the fact that during recent years extensive tung-oil tree plantations have

* For the first seven months only.

been opened in the United States and other countries. Within two years, i.e. between 1935 and 1937 the value of wood-oil shipped abroad from China has more than doubled in value. The citation of the Customs figures undubitably reveals the economic importance which has to be at-

tached to the export of wood-oil from China.

In analysing prospects and possibilities it becomes important to investigate the direction of the flow of wood-oil exports. This can be accomplished by means of the succeeding official tables relative to the years 1930/38:—

Chinese Exports of Tung-Oil									
	1930	1931	1932	1933	1934	1935	1936	1937	1938*
U.S.A.	874,006	549,600	495,792	531,671	410,390	491,999	622,867	641,127	38,450
Hongkong ‡	55,427	83,581	82,386	67,818	86,545	87,481	60,169	212,364	373,037
Great Britain	94,229	99,632	86,035	45,881	31,309	36,551	37,848	36,828	5,006
Germany	36,071	27,544	19,336	14,374	22,495	28,923	42,957	42,811	13,501
Netherlands	36,808	45,464	59,355	41,140	31,061	20,607	16,424	6,000	3,046
France	30,796	15,956	17,278	22,453	31,849	31,154	36,942	37,151	10,572
All Others	39,918	43,087	42,587	30,744	39,187	42,150	50,176	53,508	28,045
Total	1,167,255	864,864	802,769	754,081	652,836	738,865	867,383	1,029,789	471,657

NOTE: Quantities until 1932 (inclusive) are indicated in terms of piculs @ 133.1/3 lbs. From then onward in terms of quintals @ 100 kilogrammes.

* First 7 months only.

In order to complete the enumeration of aspects relative to exports of wood-oil from China it is deemed advisable to append here a table giving particulars as to the composition of vegetable oils of all kinds exported by China to foreign countries. There it will be seen that, since Manchurian bean oil is no more considered in the Chinese Maritime Customs statistics, wood-oil rank first on the list, accounting for nearly 80% of China's total exports of vegetable oils:—

Inadequacies of the Chinese Tung-Oil Industry.

From the preceding tabular statements it will be seen that China's wood-oil industry has been making steady (actually phenomenal) progress during recent years. This development took place in spite of serious difficulties brought about by lack of means of transport, by constant unrest in most of the producing centers, by the unevenness of production, by the absence

EXPORT OF VEGETABLE OILS FROM CHINA

	1936		1937		1938*	
	Quintals	Value	Quintals	Value	Quintals	Value
<i>Oils, Tallow and Wax:</i>						
Tung Oil (Wood-oil) ..	867,383	\$73,378,654	1,029,789	\$ 89,845,563	471,657	\$25,855,911
Groundnut Oil	311,084	11,012,474	414,765	17,332,308	101,976	3,514,283
Cottonseed Oil	122,907	3,436,339	247,245	9,953,633	2,137	71,911
Teaseed Oil	37,905	1,406,804	129,038	6,098,463	27,815	1,029,081
† Essential Oils	365,372	1,123,762	466,492	1,493,591	304,130	1,139,316
Vegetable Tallow	11,935	505,797	33,455	1,477,423	490	14,030
Bean Oil	6,611	230,244	2,107	75,821	324	10,700
Vegetable Wax	—	2	2	255	—	—
Perilla Oil	2	85	1	36	—	—
Sundry Vegetable Oils	6,471	292,705	18,644	762,809	4,479	190,068
		\$91,386,866		\$127,039,902		\$31,825,200

* First seven months only (Jan.-July).

† While all quantities are here indicated in quintals, these relating to Essential Oils are expressed in terms of kilogrammes.

‡ Almost all the wood-oil shipped to Hongkong was for trans-shipment abroad. Especially heavy consignments arrived in Hongkong in 1938, because the oil went from Hankow by railway to Canton, and hence to Hongkong for re-shipment to other countries.

of standardisation and by the determination of many foreign countries to produce wood-oil within their own borders. The present war with Japan naturally forms another serious obstacle to the maintenance of progress in connection with the output and export of wood-oil from China.

Let us review the principal obstacles existing in connection with the production of wood-oil in this country.

(a) Through negligence on the part of the farmers, coupled with ignorance as regards up-to-date methods, seeds are apt to rot before being used. Due to the old-fashioned methods in extracting the oil the product usually turns out to be of an uneven colour and of an unsatisfactory quality. This means lack of standardisation.

(b) Oil extracted in the interior of China by old-fashioned methods results in tremendous waste. On an average Chinese producers obtain about 24 per cent. of oil from a given quantity of seed, as compared to 31½ per cent. obtained by American manufacturers. This means that in old-fashioned China about one-third of the oil actually available is wasted. Calculated at current export quantities and prices one may estimate the waste incurred in China at about 30 million dollars a year.

(c) Szechuen province, the principal source of supplies, was for many years handicapped by insecurity caused by internal strife and banditry. Not only was transport hazardous and costly, but internal—really unjustified—taxation formed another handicap.

(d) As tung-oil passes through many hands before it reaches shipping ports, unscrupulous merchants avail themselves of the opportunity to often adulterate the product with other vegetable oils, or with resin, mineral oils, etc. As this nefarious practice has lowered China's commercial credit abroad, the Government Testing Bureau in the different ports of the coun-

try have adopted strict regulations as to quality, to which exporters now must conform.

(e) Cost of transport within the country is far too high. In 1935 it cost about local \$8.20 in freight and taxes to bring one picul of wood-oil from Wanhshien to Hankow (both situated on the Yangtze). From Hankow to European ports it then cost approximately \$4.50 for freight, while shipping to the Pacific coast involved a freight charge of only local \$2.80 a picul. To American ports wood-oil is often being forwarded in bulk, while shipments destined to Europe are going forth in wooden or iron barrels. Inland freight on tung-oil is not only outrageously dear, but the transport itself is very slow.

The many shortcomings connected with the tung-oil industry in China have here been referred to only very briefly. If it had been feasible to remove these reprehensible practices, other countries would not have thought of making themselves independent from China as far as the supply of wood-oil is concerned. So far the movement (about which more is to be said at a later stage) is still in its infancy; and up to now China virtually still holds a monopoly. But much has to be accomplished—and a good start has been made already towards this aim—before China can regain her former supremacy in the realm of the sole purveyor of wood-oil to the world's markets.

In order to throw further light on the vagaries of the tung-oil market in this country attention should be drawn to the violent price fluctuations recorded during the first half-year of 1935. Then quotations at Hankow fluctuated within a few months between 16 and 42 taels, due mostly to speculation on the part of the Chinese middleman. It will readily be comprehended that such a state of affairs cannot be inductive to the enlargement of the Chinese market for wood-oil. The methods outlined here were largely responsible for the determination of the trade abroad

to attempt competition with China by initiating extensive tung-oil plantations. Whether or not these will be able successfully to compete with production costs in a country on a low economic standard by which China is characterised, remains to be seen.

The China Vegetable Oil Corporation, Ltd.

The National Government of China, fully recognising the economic value of wood-oil as an export commodity, took steps to improve matters by putting the industry on a stable and more standardised basis. Some years ago the Government Testing House was established with a view to forcing exporters of tung-oil to conform to standard requirements, obviating simultaneously also the adulteration of the product. Then another positive step was decided upon, by founding a semi-official concern which would be situated so well that most of the wood-oil destined for export must pass through its intermediary. The establishment of the China Vegetable Oil Co., Ltd. is not tantamount to the creation of a monopoly for handling China's influx of tung-oil. The main purpose of the said concern is to create uniformity in quality, to establish standards for exportable vegetable fats and to minimise price fluctuations, so as to enable foreign nations to turn with confidence to China when wishing to acquire the commodities referred to.

Promoted by the Ministry of Industry in combination with the Provincial Governments of Chekiang, Hupeh, Hunan, Anhwei and Szechuen, the China Vegetable Oil Co. Ltd. was officially inaugurated at a share-holders meeting which took place at Kuling on August 15, 1936. The corporation is a limited liability concern, organised jointly by official and mercantile interests; as such it is incorporated under the Company Laws of the Republic of China as an ordinary business concern.

The cardinal aim of the organisation is to improve and standardise the quality of Vegetable Oils and by-products, as well

as to facilitate all matters pertaining to their production, transportation and distribution.

The functional scope of the corporation embraces the following points:—

(a) Acting as agents in storing, refining and machine-expressing of wood-oil.

(b) Acting as agents in storing, refining and expressing of other vegetable-oils.

(c) Acting as agents in arranging financing, transportation and other matters pertaining to facile distribution of vegetable-oils and products.

(d) Manufacturing lubricants.

(e) Manufacturing paints and varnishes.

In practice the company has put these basic aims very quickly into working order. Modern storage tanks have been established in interior producing centers. Up-to-date hydraulic presses were installed in various manufacturing places. Refining plants soon started work and brought about uniformity and standardisation. Finance on reasonable terms was arranged for the benefit of all concerned. During its initial existence the China Vegetable Oil Corporation, Ltd. proved to be a most helpful factor in the creation and maintenance of standardisation for vegetable oils of Chinese origin, as well as a protector of reasonable price quotations.

Its inauguration naturally caused misgivings amongst old established exporters who were faced with a loss of their former clientele and who saw in the activities of the China Vegetable Oil Corporation, Ltd. a wedge striving for a monopoly of the entire trade. The China Vegetable Oil Co., however, denied monopolistic tendencies, offering proofs for its good faith by declaring its readiness to sell to the old-established exporters in China upon the latter's request. The company disowned tendencies to become sole exporters of vegetable oils. It was always willing to make offers to foreign buyers, but just as ready to deal with merchants established in China. Its prin-

cial aims are the maintenance of uniformity in quality and the prevention of unduly large price fluctuations. The result of these aims ought to be the enhancement of the volume of trade in vegetable oils and products, and the prevention of adulteration with extraneous matter. Its modern methods of extracting the oil from the seed, for storing and refining it, combined with its ability to finance operations considerably cheaper than the usually impoverished farmer, and to pack and transport the merchandise more efficiently than has been done hitherto, amply justify the creation of the new concern.

The company is capitalised at national \$2,000,000, divided into 200,000 shares @ \$100. So far one-half of the capital has been paid up.

The corporation's affairs are attended to by a board of directors numbering seventeen. Of these eight are appointed by the official shareholders, while nine represent mercantile interests. Aside from the chairman and a vice-chairman there are two managing directors, of whom one represents the official and the other one the mercantile shareholders. Altogether seven supervisors are elected: three of these are delegated by the Government and four are chosen from among the private shareholders.

The Executives consist of a General Manager and one or two Assistant General Managers, all to be appointed by the Ministry of Industry at the recommendation of the Board of Directors. Each of the factories and the business offices has its Manager and also Assistant Manager; these are nominated by the General Manager and have to obtain the approval of the Board of Directors.

The corporation's head office is located at Hankow, while factories and business offices are situated in the following places:

<i>Province</i>	<i>Business Office</i>	<i>Factories</i>
Anhwei	Wuhu	Wuhu
Chekiang	Hangchow	Hangchow
	Wenchow	Wenchow
	Chuchow	

<i>Province</i>	<i>Business Office</i>	<i>Factories</i>
Hunan	Changteh	Changteh
	Changsha	Changsha
Szechuen	Wanhsien	Wanhsien
	Chungking	Chungking
Hupei	Hankow	Hankow
	Ichang	Ichang
	Shansi	Laohoku
	Laohoku	
Kiangsu	Shanghai	Shanghai
	Hongkong	

The first President of the corporation was H. E. Wu Ting-chang, Minister of Industry. Mr. Y. T. Tsur, Vice-Minister of Industry served as Vice-President. The first Managing Directors were Mr. Yu Chi-chuan, Commissioner of Reconstruction in Hunan, and Mr. C. C. Yang, the Manager of Young Bros. Banking Corporation, Hankow.

With a view of unifying all efforts for the purpose of bringing about improvements in the tung-oil industry, the Executive Yuan of the National Government has given an exclusive charter to the China Vegetable Oil Corporation, Ltd., regarding storage, machine-expressing and refining of wood-oil in China. The entire accounting and auditing system of the corporation has been entrusted to the Central Trust of China.

As owners of modern plants in various places of the country the China Vegetable Oil Corporation, Ltd., offers a wide range of services to the oil industry and oil trade, notably: storage in refining tanks (so far having a capacity of 6,800 tons). Its modern imported presses for various oil-containing seeds are held at the disposal of the public. For certain edible oils the corporation has installed the most up-to-date continuous refining equipment from the United States; this service is likewise at the disposal of the public. A modern Control and Research Laboratory has been established by the corporation, where analytical research and development work is being carried on. Financing is arranged on favourable terms for holders of storage certificates issued by the corporation. At Shanghai a lighter service is owned for local transportation of bulk oil. This

service is also open to oil merchants, Chinese and foreigners alike.

The China Vegetable Oil Corporation is at present handling the following commodities:—

<i>Oils:</i>	<i>Oil Seeds:</i>
Castor Oil,	Beans,
Cottonseed Oil,	Cotton Seeds,
Groundnut Oil,	Groundnuts,
Perille Oil,	Rape Seeds,
Rapeseed Oil,	Sesamum Seeds.
Sesamumseed Oil,	<i>Cake and Meal:</i>
Soyabean Oil,	Cottonseed Meal,
Stillingia Oil,	Groundnut Meal,
Teaseed Oil,	Rapeseed Meal,
Tung Oil,	Sesamumseed Meal,
Vegetable Tallow,	Tungcake Meal.
Walnut Oil.	

Tung Tree Plantations in the United States.

The many abuses under which the entire wood-oil industry in China has had to suffer for years past, and which was already described in a preceding portion of this essay, forced the attention of interested circles abroad to the necessity of seeking relief from having to purchase goods which were known to be adulterated and subjected to violent price fluctuations.

Already in 1905 Mr. David Fairchild, Plant Explorer of the U.S. Department of Agriculture, brought tung-oil seed into the United States. Planted originally at the experimental station of Chico (California), the seedlings were distributed by him throughout Alabama, Florida, Louisiana and Mississippi. In later years extensive experiments on cultivation and fertilisation were carried out. When in 1923 tung-oil prices skyrocketed the attention of the American Paint and Varnish Manufacturers' Association was redirected to the advisability of cultivating tung-trees in the United States. Actually action was taken during the same year to plant a demonstration grove. The work was organised as the American Tung Oil Corporation which purchased two tracts of land for initiating nurseries and groves.

As we have seen before the employment of wood-oil in China is extensive. However, in the United States its uses are much more varied and attain much greater

importance. The electrical industry reports tung-oil as essential in the manufacture of certain insulating compounds used in cables, dynamos and wire coatings. The oil is an important ingredient in some automobile brake linings. It also is being used in the gaskets on steam pipes, pumps and engines. The undercoats on most automobile finishing jobs contain tung-oil in some form. Tung-oil also is an ingredient in certain compounds for the manufacture of linoleum. It likewise finds employment for water-proofing various fabrics, such as raincoats, balloon outer-covers, etc.

The introduction of tung-oil into the United States resulted in a complete revolution in the processes for the manufacture of varnishes. Before wood-oil was generally used, practically all of the better grades of varnishes and products using varnish were manufactured from imported fossil gums and treated linseed oil. Rosin, an important product of the American farmer, was before that time usually employed in the manufacture of inferior grades of varnish or for adulteration. When tung-oil became commercially available, investigation proved that when used in combination with American Rosin, it produced certain varnishes which in all respects were equal to—and in many respects superior—to the older type of varnishes.*

Tung-oil trees have been grown successfully in Alabama, California, Florida, Georgia, Louisiana, Mississippi and Texas. California cannot be considered favourable for the commercial growing of wood-oil trees, because that section of land where climatic conditions and soil are favourable, is not sufficiently low-priced. It was estimated that by the close of 1934 about 40,000 acres were planted in America with tung-oil trees, containing about 40 million trees. However, a large proportion of these is not yet fruit-bearing.

* See "Questions and Answers to Tung-Oil Production in America," by Henry A. Gardner, fol. 545.

One of the largest single tung-oil groves is that planted in January 1931, by Mr. H. W. Bennett, comprising 2,000 acres. It is adjacent to the Lacrose Highway, ten miles north of Gainesville, Florida. Before selecting the site for planting a thorough examination of the ground was made for the purpose of determining freedom from phosphate rock and limestone, both of which are known to be injurious to the growth of tung-oil trees.

In Picayune (Mississippi) Mr. Lamont Rowlands has planted more than 9,000 acres with tung-oil trees. These groves are on rolling land with an elevation of about 300 feet above sea level. The climatic conditions are apparently good for the growing of tung-oil trees.

In the winter of 1928/29 the Great Southern Lumber Co. purchased 10,000 wood-oil seedlings which were shipped over the long route from Gainesville, Fla., to Bogalusa, La.; however, they stood the journey well and developed into good trees.

The great problem to be solved is whether or not American groves of tung-oil trees can successfully compete with Chinese production. Arguments advanced by American experts go to show that the answer should be in the affirmative. While it is true that Chinese workmen can be employed at 15 American cents a day, it must be considered that American presses will do the work of 100 Chinese workmen. Transportation in China is from five to seven times as expensive as in the United States. Cultivation and manufacturing in America is done by machinery; three small tractors will cultivate 100 acres in a single day.

These arguments cannot be refuted. Nevertheless one must not give up hopes for the future of China's tung-oil industry. The American consumption of wood-oil during the past 15 years may be considered to have averaged about 100 million pounds of oil per annum. Although an ever-growing proportion of this total is now being

produced at home, there remains a sizable balance to be provided by China. Aside from the probability that the use of wood-oil in America will increase under normal conditions, it is just as likely that European countries will take larger quantities in future. But there is no denying the fact that China does need modern methods for manufacturing and transporting. The first mentioned need has received due recognition by the establishment of the China Vegetable Oil Corporation, Ltd., whose principal aims, as outlined, culminate in the determination to employ the most modern manufacturing methods. The problem of cheaper and more efficient transportation in China also had received the careful attention of the authorities, but the outbreak of the Sino-Japanese hostilities has caused a regrettable interruption of road-and rail-road building plans.

By the American side attention is being drawn to the example of the rubber industry. It is an undeniable point that natural rubber grown in its true home, the Amazon valley, although there are countless trees available, cannot be produced at the cost of plantation rubber, due to the method of scientific cultivation of the tree, as well as harvesting the product, is more effective than the casual collection of the jungle product. Unquestionably there is some justification for presenting the argument, although tung-oil trees in China have much more in their favour than wild rubber trees in Brazil.

The American Tung Oil Corporation started with a capital of U.S.\$100,000, held to the extent of \$1,200 on an average per member. The main object of the corporation is primarily to demonstrate what could be done with tung-oil trees as a crop in the hope of encouraging farmers to cultivate the trees on a large scale on a commercial basis. Besides, American consumers of wood-oil want to be sure that the oil has not been adulterated with other vegetable oil, as unfortunately had so often been the case with merchandise coming from China.

Cultivation of Wood-Oil within the British Empire.

Although tung-oil was first known outside China about A.D. 1670, it was not before 1898 that it was introduced in Great Britain. At first not much attention was paid to its possibilities, and it was only during the World War that wood-oil's outstanding qualities were "discovered", when special water-resisting varnishes were urgently required for aeroplane work.

At the recommendation of the Raw Materials Committee early in 1917 growing experiments were commenced (and continued in intervals since) in British India, Burma, Malaya, Kenya, Tanganyika, Hongkong and South Africa. Early results were not satisfactory, probably because insufficient—possibly inefficient—care has been bestowed upon the seedlings. Trees of the 1922 planting in Kenya at an altitude of 5,500 feet have survived and seeds sent in 1927 to the Imperial Institute gave a similar yield of oil, and of the same character, as the Chinese seeds from which they originated. Experiments carried out in India (notably at Dahra Dun) gave rather unsatisfactory results; but there is no evidence that the studies carried out were sufficiently systematic.

Better results were obtained in Australia. In New South Wales about 1,000 trees were under cultivation since 1919. The oil produced from the seeds are quite satisfactory in technical practice.

With funds subscribed by the varnish industry the Research Association of British Paint, Colour and Varnish Manufacturers was founded in 1927. The Association bought 700 lbs. of selected seed of *A. fordii* of American crop and distributed it to privately owned farms and estates, as well as to government agricultural stations and forest officers over a wide area.

Extensive experiments were initiated in 1927/28 in Tanganyika, East Africa, to where 254 lbs. of American seed (equivalent to 50,000 plants if only half germinat-

ed) was sent; a similar quantity of the Chinese 1928 crop has since reached there. It was thought that Middle East Africa, from the variety and range of climatic conditions offered, would be a suitable area. As a matter of fact plans originating from 1927 seeds are being watched from Kenya to the Cape, in Nyassaland, Tanganyika, Rhodesia, Transvaal, Natal, Cape Province and Nigeria.*

Any bona fide farmer who could show that he had a reasonable chance of raising the seed, and is prepared to look after it, and report as to his experience with it, has been given 5 to 20 lbs. of seed. But the farmers are required to send in reports as to the development of the seedlings and trees.

Tung-tree seeds sent to the Nilgiri hills region of Madras, the Malva plateau of Central India, Behar and Orissa, Bengal, Assam, Malay and Ceylon, as well as Burma, were supplied with seed. Behar and Orissa reported excellent progress and rapid growth without setbacks. But the most encouraging reports have come from Assam. The tea estates there received seeds and reported about 50% germination with strong plants. One estate reported trees averaging four feet high at four months old after transplanting.

The island of Cyprus also received attention, and initial results are fairly satisfactory. But other parts of the British Empire received also close attention, so the West Indies, Antigua, Montserrat, St. Kitts and Nevis, Jamaica, Bermuda, Palestine, Australia and New Zealand. Jamaica proved definitely negative and Bermuda unsuitable. Much seed was despatched to the New Zealand State Forest Service and extensive experiments are being carried on there. A reliable report says a syndicate of local agriculturists in the North Islands was being formed to place 2,000 acres under tung-oil trees in the Helensville district. A second report has it that British capitalists were proposing to develop 8,000 acres in

* See "Tung Oil" by L. A. Jordan.

Auckland province with wood-oil trees. In 1929 energetic endeavours were proceeding in North Queensland to develop tung-oil plantations there. Reports from there stated that 99% germination was obtained, the plants growing vigorously to 12 inches high at three to four months from time of sowing the seed. This was considered an unqualified success.

These particulars divulge the not unjustified attempt on the part of foreign countries to establish a tung-oil industry of their own with a view of becoming inde-

pendent of Chinese production. It is probably still time for China to meet the competition by adopting modern methods of planting, grafting, and manuring the trees and by adopting scientific handling systems of the seeds, expressing the oil by means of the most up-to-date machinery. Adulteration with extraneous matter should strictly be avoided. Given normal transport possibilities there would then be no cause for despair regarding the future of the Chinese wood-oil industry.

CHINESE CURRENCIES: OLD AND NEW

(Concluded)

By L. Y. SHEN

VII. Silver Tax and Equalization Charge

The abolition of the Tael and the introduction of the Standard Silver Dollar in 1933 marked a great forward step in the reform of Chinese currency. The wide circulation of standard silver dollar as the national currency of China brought about the standardization and unification of Chinese currencies. But it is still a long way from the stabilization of the Chinese national currency. For a little over a year later China was confronted with a currency crisis of unprecedented magnitude.⁵²

For centuries past China has been on a silver standard and her currency has long been subjected to the control of silver dealers in the world market and the changing financial policies of foreign governments. Hence China's commodity prices and foreign exchange are thrown open to wide fluctuations in the value of the white metal. With an inherent weakness in her monetary system China has been compelled to labor hard for the benefit of financial group interests in foreign countries but not to the advantage of her own economic development. Inasmuch as a nation's currency is the life blood of its economic structure China cannot hope to make much headway along the path of national reconstruction until she can actually determine and control the value of her own monetary standard in its foreign and domestic aspects.

According to Mr. E. Kann, "the principal cause for China's currency crisis (in 1934) is to be found in America's action in regard to silver," as embodied in three outstanding plans for the improvement of silver value.

52. Cf. Shen, L.Y., "After the Silver Tax—What?" the *China Press Weekly* for February 16, 1935.

1. "The Thomas amendment to the Agrarian Law of May 12, 1933— It empowers the President of the United States to accept War Debt instalments up to U.S.-\$200,000,000 at a price of 50 cents per fine ounce. Apart from Great Britain, who then rendered a token payment of \$10,000,000 in the shape of 20 million ounces of silver, only minor quantities came from other nations. Had the offer been accepted and carried into effect, the silver reserves of the United States Treasury would have been increased to the extent of 400,000,000 fine ounces.

2. "The London Silver Agreement of July 20, 1933, which was concluded almost entirely as a result of endeavors of U.S. legislators. In terms of the said Act the principal silver holding countries bound themselves not to sell during the coming four years, out of their monetary stocks, more than 40,000,000 ounces per annum. At the same time the Governments of the main silver producing countries — the United States, Mexico, Canada and Australia — agreed to acquire from the mines of their own countries 35,000,000 ounces of silver a year, holding same for coinage or reserve. On December 21, 1933 the U.S. Government, whose share was to be 24,400,000 ounces annually, proclaimed that it is prepared to buy home-mined silver to the aforementioned extent at a price of 64½ cents per fine ounce, i.e., at exactly one-half of the U.S. silver dollar mint parity.

"The foregoing measures had the effect of preventing silver prices from sagging or breaking.

3. "The most important step in favor of silver—and coincidentally against Chi-

nese economics—was the Act of June 19, 1934 (signed by the President on the following day) in terms of which silver was to be added to the existing treasury reserves, including silver coins already in circulation until it reaches a ratio with gold reserves of 25% to 75%. Reckoned at 50 cents an ounce it was then estimated that the Treasury would altogether have to acquire 1,300,000,000 ounces of silver. This estimate presupposed no considerable additions to the Treasury's gold holding; otherwise a larger quantity of silver would have to be acquired. Purchases were to be made entirely at the discretion of the Government, either at home or abroad.

"The President was invested with authority to entirely control the movement of silver to or from the United States. Against all the silver purchased under the Act the Secretary of Treasury was directed to issue silver certificates in a face amount not less than the value of silver purchased, such certificates to be secured by the full amount of silver dollars or by silver bullion of the same monetary value, and to be issued immediately purchases are made.

"The acquisition of the white metal is to continue until either the ratio of 1 silver to 3 gold has been reached, or else, until the mint parity price of \$1.29 is prevailing.

"As a supplement to the foregoing law the President proclaimed on August 9, 1934, the nationalization of all privately held silver stocks (unminted), fixing 50.01 cents per fine ounce as the price to be paid by the Treasury. The nationalization programme terminated in November, 1934."⁵³

The silver policy of the American Government brought about a heavy drain upon China's silver stock which was tantamount to a serious flight of capital. On September 9, 1934 the Chinese Ministry of Finance issued an order to the effect that "until further notice purchases and sales of foreign exchange shall be prohibited except for the purpose of financing (1) legitimate and

normal business requirements, (2) contracts entered into on or before Sept. 8, 1934 and (3) reasonable traveling or other personal requirements." But the announcement failed to arrest the outward movement of silver. On the contrary, heavy silver shipments from Chinese ports to foreign shores increased and the Chinese money market became nervous and panicky. As the following figures show, the year of 1934 registered an adverse balance of silver movements against China to the enormous amount of \$259,941,414, as contrasted with \$14,154,259 against China for 1933 and \$38,893,115 in favor of China for 1932. From the port of Shanghai alone net exports of silver, amounting to \$228,774,141 for 1934 established a high record hitherto unequalled.

Silver Imports Into and Exports from China, 1932-1934

Year	Imports	Exports	Gain (+) or Loss (—)
1932	\$96,538,889	\$57,645,774	(+) \$38,893,115
1933	80,134,677	94,288,936	(—) 14,154,259
1934	7,414,009	267,355,423	(—) 259,941,414

Silver Imports Into and Exports from China by Countries, 1934

Imports from:			
Hongkong..	..	..	\$4,898,040
U. S. A. ..	..	..	2,354,105
Japan..	..	..	30,000
Annam ..	..	..	8,264
Singapore..	..	..	3,120
Others ..	..	..	120,000
			<hr/> \$7,414,009

Exports to:			
Great Britain ..	..	..	\$156,860,752
U. S. A. ..	..	..	45,541,915
India ..	..	..	29,907,012
Hongkong ..	..	..	23,564,255
Japan ..	..	..	10,550,652
Straits Settlements ..	..	..	805,969
Netherlands East Indies ..	..	..	116,000
Philippine Islands ..	..	..	3,267
Others ..	..	..	5,601
			<hr/> \$267,355,423

(Source: Chinese Maritime Customs Report)

When the outflow of silver reached alarming proportions, the Chinese Government had to resort to drastic measures of self-protection. Should the situation be allowed to drift, China's entire silver stock would sooner or later be exhausted. On October 14, 1934 the Chinese Government reluctantly issued an order for the imposi-

53. Kann, E., "China's Currency Crisis," the *China Year Book*, 1935, p. 462.

tion of silver export tax and variable equalization charge as follows:

"In view of the undue rise of silver out of relation to the level of general commodity prices, the National Government, in order to safeguard China's economic interests and protect its currency, has fixed the customs duty on exports of silver, effective October 15, as follows:

"On silver dollars and mint bars, 10 per cent. less $2\frac{1}{4}\%$ minting charges paid, i.e., $7\frac{3}{4}\%$ net. On other forms of silver, 10 per cent. (in lieu of $2\frac{1}{4}\%$).⁵⁴

"In addition, an equalization charge will be imposed on exports of silver equal to the deficiency, if any, existing between the theoretical parity of London silver and a rate of exchange officially fixed by the Central Bank of China, after making allowance for the export duty."

On October 19, 1934 the Foreign Exchange Market Stabilization Committee was formed with Mr. Hsi Teh-mou, Mr. Pei Tsu-yee and Mr. Chang Pei-shen as standing committee members, and an exchange stabilization fund of \$100,000,000 was raised by the Central Bank of China (40%), Bank of China (40%) and Bank of Communications (20%). The chief

purpose of the exchange stabilization committee is "to prevent any violent fluctuations in silver and gold prices as well as to fix the foreign exchange rate in such a way as to prevent exploitation of foreign exchanges."

It must be here emphasized that China imposed the silver export tax only after consulting the American Government on two previous occasions. In substance, China presented her views as follows:

"The London Silver Agreement of July, 1933, was recently ratified by the Chinese Government with the understanding that its major purpose was to assure the stability of silver price which was thought menaced by the large surplus stocks held by the Governments of India and Spain.

"The preamble of the agreement states in part that 'it is to the advantage of China that sales from monetary stocks of silver be offset by purchases herein provided, with a view to its effective stabilization.'

"It now appears that under the Silver Purchase Act of 1934, the stability of silver price and the interests of China are as much menaced as by the previous situation of potentially sellers.

"China would therefore appreciate an indication of the probable policy of America in the future purchase of silver in order that China may properly safeguard her currency.

"China, as the leading silver standard country, considers that silver has much more vital concern to her than to any other country. The American Silver Purchase Act and the consequent stimulation of silver price abroad have caused a serious drain of China's silver stock. China is certain that the American Government desires to avoid actions that might aggravate the present situation, and accordingly will co-operate with China to prevent any further rise and to maintain the stability of silver prices."

54. At the 351st meeting of the Central Political Council on April 5, 1933 it was decided to impose a duty of $2\frac{1}{4}\%$ *ad valorem* on the export of silver and kindred metals which may be used for the coinage of the silver dollar.

In a separate proposal for the institution of an export duty on silver Finance Minister T. V. Soong stated: "It is hereby proposed, in order to facilitate the circulation of the silver dollar, that beginning from April 6 (1933) a duty of $2\frac{1}{4}\%$ be imposed on the export of silver and other kindred metals which may be used for the coinage of the silver dollar, with the exception of the mint bars produced by the Central Mint, in order to restrict the export of silver and thereby preserve the materials for coinage."

The Chinese Customs Service at Shanghai issued a notice on April 7, 1933 to the same effect: "The Public is hereby notified that in accordance with Government instructions, from the 6th April this year a duty of $2\frac{1}{4}\%$ *ad valorem* will be levied on export abroad of Silver Sycee, Silver Bars, Silver Ingots, Silver Slabs, and Silver in Mass. This duty however will not be levied on export abroad of Central Mint Bar."

(From the *Chinese Economic Bulletin*, April 15, 1933, quoted by the *China Year Book*, 1933, p. 597).

To China's messages of August 19 and September 23, 1934 the American Government replied that "the American authorities are willing to conduct their operations within the general purpose of the Silver Purchase Act, with the closest attention to the considerations put forward by the Chinese Government, and also to explore with China's representatives certain larger problems involved." Thus, as Mr. Li Ming remarked, "While other countries try to *depreciate* their currencies, China is being forced to *appreciate* her currency by external force and pressure." In order to correct misunderstandings regarding China's policy of imposing the silver export tax and equalization charge an authorized spokesman of the Ministry of Finance explained the situation in these words:

"It is not true that China is off the silver standard. As hitherto, the circulating medium of the country consists of silver and of bank notes and deposits freely convertible into silver. What has happened is merely that the link between silver in China and silver abroad has been broken . . . because silver (and China's currency) had been forced to levels not in line with the price level in China and the value of world commodities."

Admittedly, the silver export tax and equalization charge were imposed for the purpose of stopping silver outflow, discouraging speculative profit, keeping commodity prices from falling and averting a serious financial panic. But these highly cherished hopes could not be adequately fulfilled since silver continued to leave China—in spite of the export levies on the white metal. Why? Because (1) silver price in the world market continued to rise as a result of the American silver purchase policy; (2) foreign trade balance was still heavily against China; (3) speculative profit was still obtainable in view of the continued rise in silver value; and (4) crafty methods of smuggling silver out of China were incessantly employed by unprincipled miscreants.

VIII. China's New Currency Policy

It is quite obvious that the Chinese currency situation following the imposition of the silver export tax and equalization charge was still pregnant with grave dangers. The Chinese Government order of October 14, 1934 should be viewed only as an expedient measure to tide over a threatening situation. Practical plans for renovating and rehabilitating the Chinese currency system should be effectively put into operation.⁵⁵ In recognition of this fact the Chinese Government decided to embark upon a fundamental reform of the national currency system, and the proclamation of the Currency Decree of November 3, 1935 was the result.⁵⁶

As already pointed out, while the abolition of the Tael and the introduction of standard silver dollar in 1933 literally achieved wonders in unifying and standardizing the Chinese currency; the imposition of the silver export tax and equalization charge in 1934 and the popularization of legal tender notes and the conservation of silver coins and bullion in 1935 completed the program of currency reform by stabilizing and controlling the external and internal value of the Chinese national currency. The adoption of a managed currency lays the cornerstone of China's economic structure. Once for all, the Chinese currency is set free from forces beyond control that tend to precipitate and produce frequent and violent fluctuations in the value of the Chinese dollar, *Yuan*.

In this connection the public statement of Dr. H. H. K'ung on the new monetary policy of China is particularly significant and illuminating. With the view to checking the downward movement of commodity prices and the outflow of silver from Chinese shores the currency decree of Oct. 14, 1934 averted an immediate calamity. "It was, however, clear at the outset that

55. Vide Shen, L.Y., "After the Silver Tax—What?" the *China Press Weekly* for February 16, 1935.

56. The official texts of the Currency Decree, Dr. Kung's statement and supplementary measures of currency reform were published in this *Bulletin* for March, 1936, pp. 53-60.

the remedy adopted at that time could only be temporarily effective; it was not a fundamental solution."⁵⁷ For in 1935 China was beset with rising silver value and exchange rate, continued silver export and growing smuggling, extreme contraction of currency and credit, rising interest rates and falling commodity prices, declining value of real estate and securities, and widespread business failure and unemployment. In short, the situation was most critical during the 12 months preceding November, 1935. The New Monetary Policy as embodied in the currency decree of Nov. 3, 1935 aims "to conserve the currency reserves of the country and to effect lasting measures of currency and banking reform." Following the precedents of many countries in recent years, China resolutely adopted the managed currency. Under the new monetary policy several sweeping changes were introduced:

- 1) The use of paper money in place of silver coins
- 2) The centralization of note issue in Government Banks
- 3) The concentration of currency reserves in the Currency Reserve Board
- 4) The stabilization of exchange rate at the ratio of one Chinese dollar to $1/2\frac{1}{2}$, US\$29 $\frac{1}{2}$ and Y103
- 5) The nationalization of silver coin or bullion in exchange for legal tender notes
- 6) The reorganization of the Central Bank into the Central Reserve Bank of China
- 7) The revitalization of the commercial banks and other financial institutions.

The concrete results of the new monetary policy are most gratifying.⁵⁸ The issue of bank notes was unified and centralized. Subsidiary coins were standardized and stabilized. Commodity prices were stimulated and interest rates eased. The heavy

drain on China's silver stock was checked and public confidence restored. Exchange value of the Chinese dollar in terms of the English pound sterling and the American gold dollar was effectively stabilized and adverse balance in China's foreign trade greatly reduced.

For the first time in her history China has successfully put into operation a truly national monetary policy and a fundamentally sound monetary system. It is almost unbelievable that Chinese currencies could have undergone such radical changes in the short period of two years (1933-1935). It was a dream to think that the Chinese people would abolish the Tael and use silver dollars, and it was a miracle to believe that they would give up silver (coin or bullion) and accept in return legal tender bank notes. Yet the people of China today are using paper money for all transactions. And, what is all the more surprising is the fact that they have full confidence in the monetary authorities. Government leadership and popular support have made the inauguration and operation of China's new monetary policy an overwhelming success.

In China today new currencies are in daily use and popular demand. The Chinese dollar is the most stable unit in the history of Chinese currency. The Chinese dollar since 1935 has been fixed at the rate of $1/2\frac{1}{2}$, US\$29 $\frac{1}{2}$ and Y103 and its value has been consistently maintained through the foreign exchange operations of the Central Bank of China. Unlike any other national currency unit the new Chinese dollar is fully protected from violent and frequent fluctuations. The Chinese Government is determined to maintain the value of the Chinese dollar and preserve the reserve fund for its stabilization by means of a mild form of exchange control. That monetary management in China has been in successful operation should be recognized by all students of Chinese currency and finance. Without doubt, the stability of national currency is an indispensable factor to the economic development of any country. In the new Chinese dollar China has

57. Kung, H. H., "China's New Currency Policy" in this *Bulletin* for March, 1936.

58. Vide Shen, L. Y., "A Review of China's Currency Reform," in this *Bulletin* for December, 1936, pp. 27-39.

found an ideal currency which has already proven to be a great aid to launching and carrying on her program of economic reconstruction.

In the past years China's subsidiary coins differed widely in weight and fineness with consequent fluctuations in their value in terms of the silver dollar. Since the advent of the new monetary policy China has done away with her cumbersome system of subsidiary coinage.⁵⁹ It is common knowledge that prior to Nov. 4, 1935 nobody could tell just how many copper coins or silver dimes one Chinese dollar might be changed for. At various times, one dollar might be changed for from 100 to 300 copper coins or from 10 to 12 double dimes, depending on the existing conditions in the money exchange market. Recently, however, the business community in Shanghai followed the general rule of accepting 3 copper coins for one cent and 15 cents for one 20 cts. silver dime, thus making one dollar change for 300 coppers, or six 20 cts. dimes plus 10 coppers. That was the money change situation at Shanghai on the eve of the Currency Decree insofar

as foreign business firms and Chinese department stores are concerned. But the wide variations in the value of the Chinese dollar in terms of subsidiary coins remained to be uprooted by the Regulations Governing Subsidiary Coins of January 11, 1936. Under this law a new set of subsidiary coins was introduced and their value stabilized for the first time. The new subsidiary coins are of purely representative value and bear a fixed relationship to the Chinese Dollar; they are minted at the Central Mint and circulated by the Central Bank of China and its branches. In each single transaction, nickel coins and copper coins are legal tender up to the amount of \$20 and \$5 respectively, except in payment of various taxes and exchange transactions at the Central Bank of China. China's fractional money on a decimal basis may be described as follows:

	Value	Weight	Fineness
Nickel Coins:	20 cents	6 grams	100% nickel
	10 cents	4.5 grams	100% nickel
	5 cents	3 grams	100% nickel
Copper Coins:	1 cent	6.5 grams	95% copper and 5% tin-zinc alloy
	½ cent	3.5 grams	95% copper and 5% tin-zinc alloy

59. In 1889 Viceroy Chang Chih-tung opened the first modern mint at Canton. The modern one-cent (10-cash) copper coin was first issued by the Canton Mint in 1900. The first copper coin was 28 m.m. in diameter. According to the currency regulations of August 22, 1905 the 10-cash copper coin was to weigh 2 Kuping mace, made of 95% copper and 5% zinc. It was originally intended that 100 one-cent copper coins could be exchanged for one silver dollar. But due to depreciation and over-production, copper coins of much reduced value flooded the market. It was estimated that by the close of 1917 as many as 31,700,000,000 one-cent (actually 10-cash) copper coins were in circulation. The exchange value of the 10-cash copper coin in terms of the silver dollar are given in annual average rates as follows:

1912 132	1920 141.5	1928 285
1913 130	1921 154.6	1929 278
1914 139	1922 174.7	1930 265
1915 136	1923 181.6	1931 265
1916 127	1924 206.4	1932 285
1917 129	1925 240	1933 292
1918 132.9	1926 x	1934 305
1919 136	1927 x	1935 300

The first Chinese silver subsidiary coin was produced at the Canton Mint in 1890. Profit in minting silver subsidiary coins was the chief cause for the keen competition among the provincial mints, leading inevitably to over-production, debasement and depreciation. They existed in four denominations: 50 cents, 20 cents, 10 cents and 5 cents. The first and last varieties were found somehow unsuited to the needs of the people and they

gradually disappeared from circulation. Of the two remaining denominations the 10-cent piece was at one time the most popular among the quartette, but was finally driven out of circulation by the appearance of the 20-cent silver coin of Canton mintage (廣東雙毫) in 1927, partly because of the steady rise of commodity prices and partly because of the automatic operations of the Gresham's Law. Under the currency regulations of 1914 the weight and fineness of silver subsidiary coins were given as follows: 20-cent coins, 0.12 Kuping Tael, 700 fine and 10-cent coins, 0.06 Kuping Tael, 700 fine. The most prominent issues included (1) Ta Ching dragon coins, 800 fine, (2) Republican issues, 550-700 fine, (3) Yuan Shih-kai coins, 700 fine. The last group represented the full-valued fractional money on a decimal basis. Issued by the Tientsin and Nanking Mints in 1917, they were meant to function as "big money," but the attempt was not successful.

To the Westerner the talk of "big money vs. small money" was a vexed question in the complexities of Chinese currency. The silver subsidiary coins, like the copper coins, fluctuated considerably in their exchange value to the silver dollar. One silver dollar may be changed for as many as 12 ten-cent coins (or 6 twenty-cent coins) plus a few coppers, or as little as 11 ten-cent coins or even 5 twenty-cent coins without coppers. The fluctuating value of Chinese subsidiary coins became a source of profit to the money changers. The wide gap between "big money" and "small money" gave rise to the lucrative trade of "money exchange" in commercial centers. (Cf. Kann, E., "The Currencies of China," Ch. VI and Ch. XVII).

The new subsidiary coins have simple and artistic designs. For the 1-cent and 1/2-cent copper coins the obverse shows the picture of the ancient spade money with the value of the coins in Chinese words, namely, "*yi fen*" (one cent) and "*pan fen*" (half cent); while the reverse bears the Chinese National Emblem—the Sun with its 12 Rays—with the year of issue in Chinese words above the design, such as "Chung Hua Ming Kuo Er Shih Wu Nien" (中華民國二十五年), meaning the 25th Year of the Chinese Republic (1936). For the 20-cent, 10-cent and 5-cent nickel coins the obverse also depicts the spade money with the value of the coins in Chinese, that is, "*nien fen*" (twenty cents), "*shih fen*" (ten cents) and "*wu fen*" (five cents) respec-

tively; while the reverse bears the profile view of Dr. Sun Yat-sen's picture with the year of issue above the portrait. It is significant to note that whereas previous issues of Chinese silver and copper coins were inscribed in both Chinese and English; the standard silver dollar and the new nickel and copper subsidiary coins have an all-Chinese design without a single foreign word.

The new nickel and copper subsidiary coins which began to circulate in the market on Feb. 10, 1936 have enjoyed a high degree of popularity right from their initial issue. The following table shows the increasing utility of these coins as evidenced by the rapidly growing amount of new subsidiary coins minted at the Central Mint.

Year	Month	20-cent Nickel Coins	10-cent Nickel Coins	5-cent Nickel Coins	1-cent Copper Coins	1/2-cent Copper Coins	Total Value
1935	December	—	—	—	3,100,000	—	\$31,000.00
1936	January	140,000	680,000	760,000	11,400,000	1,840,000	257,200.00
	February	1,010,000	2,340,000	4,200,000	11,500,000	7,240,000	797,200.00
	March	3,838,327	1,960,501	12,775	18,400,000	17,440,000	1,235,554.25
	April	994,604	2,398,630	7,844,427	27,860,000	9,960,000	1,159,402.15
	May	2,852,004	6,086,635	19,680,000	23,640,000	1,880,000	2,408,864.30
	June	2,783,609	4,717,902	18,240,000	24,080,000	2,800,000	2,195,312.00
	July	5,950,000	12,360,000	6,800,000	24,740,000	760,000	3,017,200.00
	August	9,680,000	11,120,000	1,040,000	24,820,000	720,000	3,351,800.00
	September	8,740,000	9,200,000	—	30,460,000	—	2,972,600.00
	October	8,080,000	7,980,000	—	32,180,000	—	2,735,800.00
	November	5,051,148	3,217,762	—	33,420,000	2,560,000	1,679,005.80
	December	—	—	—	46,180,000	1,600,000	469,800.00
1937	January	—	—	—	39,200,000	5,080,000	417,400.00
	February	500,000	3,000,000	3,680,000	38,880,000	12,800,000	1,036,800.00
	March	—	—	2,760,000	46,000,000	40,000	598,200.00
	April	—	899,405	2,480,462	48,730,289	—	701,266.49
	May	—	2,516,612	2,004,953	45,441,311	—	806,321.96
	June	—	2,873,725	1,816,450	45,761,245	—	835,807.45
	July	—	2,515,282	1,525,207	43,185,475	—	759,643.40
Total		49,619,692	73,866,454	72,844,274	618,978,320	68,880,000	\$27,466,190.80

A unified system of note issue is distinctly better suited to the economic needs of a country than a diversified one, because the former system can more effectively maintain a stable price level and, with a high degree of elasticity, more adequately exercise control over national credit. To put this principle into practice, the Currency Decree of Nov. 3, 1935 undertakes to place the diversified and complicated system of note issue under a single control. The Government Bank notes are granted legal tender power; while all other bank

notes shall be replaced by Government Bank notes. Eventually, the Central Reserve Bank will have the sole right of note issue. The legal tender notes are backed by a full amount of reserves, 60% in cash and 40% in securities. The cash reserves are chiefly composed of silver in coin and bullion. But the new regulation of May 17, 1936 stipulated that the cash part of the reserves shall be composed of gold, foreign exchange and silver, and that silver part of the cash reserve shall be at least 25% of the total cash reserve. Under the Currency Decree

a Currency Reserve Board with branches in various commercial centers was established by the Ministry of Finance "for the purpose of centralizing the issue and consolidating the credit of legal tender notes." "The Currency Reserve Board shall have the custody of the reserves against legal tender notes and shall control the issue and retirement of such notes."⁶⁰

On Nov. 3, 1935 the total amount of note issue of the Government Banks stood at \$427,414,917, including (1) The Central Bank of China, \$135,664,764 (2) Bank of China, \$187,233,603 and (3) Bank of Communications, \$104,516,550. By June

27, 1937 the notes issued by the Government Banks aggregated \$1,607,202,334, including (1) The Central Bank of China, \$375,839,967, (2) Bank of China, \$509,862,882, (3) Bank of Communications, \$313,548,434 and (4) Farmers' Bank of China, \$207,951,051. The steady increase in China's total legal tender is attributable to the gradual retirement of other bank notes and the exchange of silver coins or bullion for legal tender notes in conformity with the silver nationalization policy. The following table shows the trend of note issue in China from Nov. 3, 1935 to June 27, 1937.

Date	Central Bank of China	Bank of China	Bank of Communications	Farmer's Bank of China	Total Amount of Notes Issued
1935					
November 3	\$135,664,764	\$187,233,603	\$104,516,550	—	\$427,414,917
December 31	179,064,899	286,245,041	176,244,950	—	631,554,890
1936					
March 28	251,503,350	310,150,611	186,697,700	—	748,351,661
June 28	299,253,125	351,772,792	204,912,051	\$27,907,600	883,845,568
September 26	313,435,163	377,768,426	217,110,411	33,267,520	941,581,520
December 27	325,592,469	459,310,240	295,045,525	34,116,920	1,114,065,154
1937					
March 28	361,834,976	501,403,992	308,576,595	31,669,704	1,203,485,267
June 27	375,839,967	509,862,882	313,548,434	42,059,480	1,241,310,763

Note: For details on the conditions of legal tender notes issued and reserves kept by the Government Banks, see Currency Reserve Board Reports in the Statistics section of this issue.

IX. Conclusion

China has a long history of currency—from spade money to managed currency. Perhaps, China was one of the earliest countries, if not the earliest, to have used money in all of its economic functions. Long before any civilized country in the world China had developed and employed currencies, both metallic and paper, in the exchange of goods. In the beginning, business transactions were consummated in the direct exchange of commodities, known in monetary science as "barter." In ancient times crude forms of money were used in China, such as the spade money. Later the bronze coin came into use as the medium of exchange. Silver in bullion was popularly accepted as money for many centuries past; and prices were quoted in terms of its weight with the "tael" as the standard

unit, such as "yi liang ying tse," meaning one tael in silver.

In those days of national self-sufficiency China lived peacefully without a thought to currency problems. Subsequent to 1842, however, China's growing contact with Western countries gradually gave rise to currency problems as the result of international trade and exchange relations. The instability of Chinese currency on the silver basis was soon recognized as a great handicap to the normal development of Chinese economic conditions. During the last years of the Manchu regime various projects of currency reform were introduced and adopted, but repeated failures resulted from incompetency and inefficiency in carrying out the new measures. Still these attempts at currency reform were not in vain. At least, they had made the Chinese Government and people conscious of the inadequacies of their monetary standard and the necessity of a stable national currency. In fact, the

60. For Regulations Governing the Currency Reserve Board and its Branches and the Inspection of Note Issues and Reserves see this *Bulletin* for March, 1936, pp. 55, 59-60.

past attempts and failures at currency reform step by step paved the way for the eventual success. China made the first effort at the unification and standardization of her currencies in April, 1933, when the tael was legally abolished and a standard silver dollar introduced. In November 1935 China made the second effort at the stabilization and control of her national currency through the nationalization of silver and the adoption of a managed currency. Since then, the Chinese Dollar is insured against wide fluctuations in its value; and today the stability of the Chinese currency in terms of foreign exchange and domestic prices is an accomplished fact. A brief review of the "big parade" of Chinese currencies, old and new, in the order of their appearance may proceed as follows: (1) ancient spade money, (2) bronze coin, (3) crude paper money, (4) copper coin with a square hole, (5) silver bullion in the shape of a shoe, (6) foreign silver dollars, (7) Chinese dragon dollars and dimes, (8) modern bank notes, (9) Yuan Shih-kai silver dollars, (10) Sun Yat-sen silver dollars, (11) Customs Gold Unit (C.G.U.), (12) standard silver dollar, (13) legal tender notes and (14) standard nickel and copper coins.

To sum up, China's new currencies consist of the Chinese Dollar now in the form of legal tender notes in popular denominations of \$1, \$5 and \$10, subsidiary coins of 20 cts., 10 cts. and 5 cts. (in nickel) and 1 ct. and $\frac{1}{2}$ ct. (in copper), and subsidiary currency notes of 50 cts., 20 cts. and 10 cts. These notes and coins are in great demand among the people, and are destined to weed out all other forms of currency throughout the length and breadth of the country.

The national currency unit of China today is the *Yuan* (圓), or the Chinese Dollar with its fractional unit called *Fen* (分), or the Chinese Cent. On coins or notes the denomination of the currency is indicated by "One-Yuan" (壹圓) or "Ten Fen" (拾分) in Chinese as the case may be. The word "chiao" (角) on subsidiary currency notes designates "dime"; thus "er chiao" (貳角) means simply "double dime" or twenty cents. Strictly speaking, the term "chiao" is rather confusing. It is quite certain that in future issues the subsidiary currency notes will bear the same denominations in Chinese as those on subsidiary coins.

With the Chinese currency units of *Yuan* and *Fen* in mind, it seems in order to suggest that the Chinese Dollar should have a definite name and symbol known and recognized in China and abroad. First, the obsolete name of "Mexican" or "Mex." for the Chinese Dollar should no longer be used by any one interested in China. Incidentally, foreign firms are strongly urged to stop the habit of sending out bills or statements in Taels accompanied by its converted value in Chinese dollars and cents. Other names like "Shanghai Dollar," "Local Dollar," etc. do not fully represent the meaning and value of the Chinese Dollar. It is here recommended that the Chinese Dollar be represented by "Chinese Dollars" (*Yuan*) or its symbol "C\$," such as C\$1,000.25 or 1,000.25 *Yuan* or any other name or symbol that clearly describes the Chinese Dollar as China's national currency and monetary unit.

(This is the last instalment of an article on the development of Chinese currencies up to the outbreak of the present Sino-Japanese hostilities.—Editor).

ECONOMIC CONDITIONS IN KWANGSI*

By GEORGE H. CHANG

I. MINING

Historical records tell us that the mining industry of Kwangsi Province originated far back in the early part of or even before the Ching Dynasty, although achievements of the early mining enterprises can not be traced. Mines operated during a more recent period, such as the coal mines of Hsi-wan (西灣), the silver and tin mines of Kwei hsien (貴縣), and the tin mines of Tan-chih (丹池), under either government or private operation, have all resulted in a failure on account of the lack of capital and experience in the mining industry and difficulties in transportation.

Since the establishment of the Republic, the Chinese Government began to feel the growing importance of mining and measures have been made to explore the mine fields in Kwangsi and other provinces. Operations of the tin mines in the Fu-Ho-Chung (富賀鍾) and Tan-chih districts were developing gradually, and in the fourth year of the Republic (1915) the mining of antimony was occupying a prominent place. In the sixth year of the Republic (1917), wolfram, manganese, and coal mines have been operated one after another. The Provincial Government began to require the mining companies to file for registration and apply for mining permits at the Government Office, thus limiting commercial mining operations to some extent. The purpose of the provincial government, however, was chiefly the collection of additional duties and taxes. There was at the time no established scheme in the interest of the mining industry and its rehabilitation.

After the conclusion of the World War, a sudden slump in value was witnessed in the mining industries. Coupled with continued political disturbances in the province, the mining industry of Kwangsi was greatly affected. Conditions in Kwangsi returned to normalcy in 1927 and a Department of Reconstruction was established, with a Bureau of Industry under it. It was not until then that there was a responsible authority to take charge of the mining industries. Plans were made and carried out regarding the investigation of geological substances and mineral deposits, the study of the technic of exploring and smelting, the procedure of applying for mining districts, and the construction of communication facilities in the mining districts. In 1932, the Provincial Government encouraged the opening of small-scale mining enterprises and solicited capital funds from Overseas Chinese for mining purposes. In the short span of two years, mining companies flourished like mushrooms, there being no less than 800 small mining companies and 200 large ones.

In recent years the Provincial Government with a view to expanding the mining industry has resorted to the utilization of bank loans, the establishment of semi-governmental corporations, the renting or loaning of mining machineries, the exercise of complete provincial operation, etc. A steady progress is seen now in the development of Kwangsi's mining industry. For the interest of the public a brief sketch of the conditions of the various mining enterprises in Kwangsi is given as follows.

*A translation from a Chinese article on the subject published in the Ministry of Industry Monthly, Vol. II, No. 1.

1. **Tin Mines.**—The tin mines of Kwangsi are located in three large districts, namely; Fu-Ho-Chung (富, 賀, 鍾), Tan-chih (丹池), Popai (博白) and Luchuen (陸川).

(a) *Tin Mines of the Fu-Ho-Chung District.*—Tin mines are found scatteredly located in the southeast of Fu-chuen (富川), the northern part of Ho hsien (賀縣), and in different parts of Chungshan hsien (鍾山縣). The entire level tin producing district covers an area of about 200 square *li* and the hilly region of 430 square *li*. The mine fields, stretching over a distance of some 30 *li*, are composed chiefly of sand-stones, or gravels with an abundant content of tin. So far a near estimate of the volume of tin deposits of these mines is not available.

According to a report made by the Mining Reconstruction Bureau of the Fu-Ho-Chung District regarding the mine fields of Chung-Shan (鍾山), Woo-kung-shui (五拱水) and Shui-kwang-poh (水礦壩) there are altogether 76 pits of tin mines. After a total of 128.99 ounces of pure tin-sand has been produced from the 136 cubic feet of mud-sand digged out, it was figured that on the average each cubic foot of mud-sand would produce about 0.9 ounce of pure tin sand. The depth of the pits is found to be from 30 to 90 feet. Taking 60 feet as the average, then each square *li* of the mine field would contain about 8,000 tons of tin. Calculating on this basis, the total volume of tin deposits in the level district of the Fu-Ho-Chung area can be estimated at about 1,500,000 tons or more. The area of the hilly region is about 430 square *li*, of which about 125 square *li* can be readily mined. The thickness of the earth surface is about 20 feet. Taking as an average one ounce of tin per hundred *catties* of earth, the volume of tin deposit of this area would be about 362,500 tons. The above estimates give us a rough idea of the richness of tin deposits in the Fu-Ho-Chung district.

(b) *Tin Mines in the Tan-chih (丹池) District.*—The tin mines in the

Tan-chih district are of two kinds, namely, gravel fields and mountain ores. The mountain ores are located in Chang-po (長坡), while the gravel fields are to be found in Ta-chang (大廠), Pa-li (巴黎), Lung-tou-shan (龍頭山), Tung-chu-chiang (同車江), Kang-ma (亢馬), and Ping-Tsun (平村). The formation and size of these mines are most irregular. They extend over a distance from 300 to 400 feet, with a thickness varying from 1 or 2 feet to few inches. The area of the hilly region in the Tan-chih district is about 340 square *li*, while the level region is only about 8 square *li*. According to an estimate, each cubic foot of the gravel ores contains about 1.3 ounce of tin. A conservative estimate of the average depth of the pits is about 60 feet. Therefore the 8 square *li* tin field would contain a volume of about 92,800 tons of tin. As to the volume of tin of the hilly region, it is difficult to make an estimate on account of the fact that the formation of the ore layers are most irregular, some being ore veins and others mine pockets. But since the mine field covers a wide area, it is doubtless that there is an abundant volume of tin deposits.

(c) *Tin Mines of the Lu-chuen (陸川) and Po-pai (博白) Districts.*—The total area of tin mines and their volume of deposits in these two districts have not undergone any kind of survey so far; hence an estimate of the volume of tin deposits can hardly be made. But of the mining districts to which permits have already been granted, Heng-ma-tung (紅馬桶) covers about 2,465 acres, Chia-ti-kung (甲地貢) about 2,770 acres and Chow-wang-tu (周旺堡) 3,942 acres, a total of less than 3 square *li*.

During the past few years, the Provincial Government of Kwangsi has been paying special attention to the development of the mining industry. Considerable capital has been raised from Overseas Chinese to finance mining projects. Tin mining enterprises, operating on both large and small scales, began to make their appearance one after another. In the course of the past

decade (1927-1937), the number of tin mining districts increased from 277 to 648. The yearly production of the Kwangsi tin mines stood at 321,987 k.g. in 1927, but in 1935, it has increased to 1,242,143 k.g. The rapid development in tin mining can be easily seen.

Since 1936, the Provincial Government has further encouraged the tin mining industry by leniently granting mining permits to Overseas Chinese investors. Mining taxes have been reduced and duties on machines have been exempted with an aim to lightening the burden of the miners. The Provincial Government also planned to purchase mining machinery in large shipments and rent them for use to the mining companies so that such companies with small or insufficient capital may also have a chance to carry on their work in an efficient way. For large mines of abundant deposits, which small companies cannot afford to operate, investments are either to be made by the Provincial Government or by both the government and private concerns in order to carry out the project. All these measures are being gradually carried out with the hope to develop the tin mines of Kwangsi Province to their best possible degree.

2. **Gold Mines.**—Numerous gold mines are scattered in various districts of Kwangsi Province. Those occupying a more prominent place are located in the vicinities of Tien-yang (田陽), Tsang-woo (蒼梧), Hsia-ying (夏鄧), Shang-lin (上林), Wan-chia (萬嘉), and Ting-liang (亭亮) districts. These mines are composed of layers of gold-dust, while gold ores are found in the mines of the Shang-lin (上林), and Huang-hwa-shan (黃華山) districts. Some gold mines of greater importance may be mentioned as follows:

(a) *Gold mines of the Tien-yang (田陽) region.*—Several *hsien* districts in the western part of Kwangsi are all gold-producing areas. But in Tien-yang *hsien* the volume of production is considerably larger than that of the other districts. Tien-yang is quite a hilly district and most of the

gold ores are to be found mingling with muddy-sand in the cleft of the hills or with sand-stones on the slopes of the hills. The volume of gold produced from the gold-dust is comparatively much higher than that produced from sand-stones.

These gold fields were discovered around 1914-1915 when an endeavor was being made in exploring the antimony mines in this district. Since 1918 some mining corporations have been organized by merchants, but with no obvious success. It was not until the beginning of the present decade that the gold mining industry assumed a more steady progress with more merchants applying for mining permits. By the end of 1935, there were 8 companies working on large mines, covering an area of 30,709 acres, and 16 companies working on small mines, covering an area of 3,059 acres and 35 sq. k.m. These mining companies have all registered at and obtained mining permits from the Provincial Government.

Due to difficulties in transportation, and in recruiting workers, however, the gold mining industry of the Tien-yang district, has not developed to any remarkable extent in the past ten years. According to different statistical reports, the annual production of gold amounted to only a little over 2,000 ozs. This meagre volume of production was due also to the fact that only native methods of excavation and gold washing were applied.

(b) *Gold mines of Woo-Ming (武鳴) and Shang-lin districts.*—The gold mines of the Woo-ming and Shang-lin districts are scattered over a wide area of no less than several hundred square miles. In these areas, both gold ores and gold-dust layers are to be found. The depth of the gold-dust beds range from 10 to 20 meters above ground. Of the gold ores the Huang-hua-shan vein is considered the most prominent. The natural gold nuggets are of the size of yellow beans.

Several companies have applied for mining permits to work on these mines, but so far no reports have been made regarding their accomplishments. Despite the irre-

gular formation of the veins of gold mines in the said districts, they are, according to expert reports, worth while to work on. So in April, 1933, the Provincial Government of Kwangsi organized the Shang-lin Mining Corporation, purchased assaying machines and planned to start small-scale prospecting and excavating projects.

(c) *Gold mines of Tsang-Woo*.—The most prominent gold mine in Tsang-woo is located in the Hsia-ying district. It forms a wide level of gold-dust layer. Basing on the volume of gold washed out from the gold-dust in this district, each *mow* contains on the average no less than 60 ozs. of gold. The whole area of the mine is about fifty *li* in length and two *li* in width, a total of some 100 square *li*. Careful investigation measures have been carried out, and mining permits have been constantly applied for by mining companies, which commenced to work on the mines with the native method. In the meantime, plans have been made for the purchase of mining machineries. Considerable headway is expected to be made in the near future.

3. **Coal Mines**.—Coal mines of Kwangsi Province also cover a wide area. But of the more outstanding are those in Ho-shan (合山) of the Chien-kiang (遷江) and Hsi-wan (西灣) of the Chungshan (鍾山) districts.

(a) *The Chien-kiang coal mine*.—The Ho-shan coal mine in Chien-kiang was first excavated in the latter part of the Ching Dynasty. But there is no record as to the extent of work done. In 1932, two companies, Tung-fu (同福) and Tung-teh (同德) asked for permits to work on part of the Ho-shan coal mine. In 1933, the two companies were reorganized and combined under the name of Ho-shan Coal Mining Company with a capital of \$800,000. In 1935, they obtained the consent of the Provincial Government to act as their guarantor for a loan of \$200,000 from the Kwangsi Provincial Bank. At the same time, they succeeded in securing a credit loan in railway tracks and other materials to the worth of \$600,000 from the Loo-lin

(魯麟) Co. of Hongkong, with the intention to build a light railway from Ho-shan to Ta-wan-yuh (大灣圩), covering a distance of 160 *li*. The original plan was to transport coal from Ho-shan by rail to Ta-wan-yuh, and then from there ship it to Canton by boat. But it was later found out that the volume of coal deposits was only about 9,000,000 tons, coupled with the difficulty in carrying out the mining work, the Ho-shan coal mine was considered unworthy of exploring.

Prospecting measures, nevertheless, kept on and in August, 1936, it was discovered along the banks of Hungshui river (紅水河) near Ngeh-tan (鵝灘) and Shih-Woo-tan (十五灘) a semi-anthracite coal bed with a depth of from five to fifteen feet. From Ngeh-tan in the north to Shih-woo-tan in the south, the mine ranges over 30 *li*, covering an area of no less than 60 square *li*. According to a report of the Ho-shan Company, coal deposit of a depth of 13 feet is to be found 24 feet below ground on the eastern bank of Ngeh-tan. Along Shih-woo-tan, where it is rather hilly, it has to be dug some 53 feet below ground before reaching the coal bed, which is about 25 feet in depth. According to an expert estimate, the total volume of coal deposit within the abovementioned area should be about 50,000,000 tons.

The Ho-shan coal is of the anthracite quality with high heating power. It is in great demand in Canton and other places. The Ngeh-tan coal is of the semi-anthracite kind, which, though not as good as the Ho-shan coal, can produce a heating power of over 10,000 units. It is also considered as good quality coal produced in the southern part of China. Coals produced in these districts cannot be smelted into cokes for the purpose of gold refining. They are, nevertheless, good enough as fuel to supply the industrial needs of Southern Kwangsi as well as the factories of Kwangtung province.

In view of the limited amount of capital invested by the merchants, and the lack of mining equipments and transporta-

tion facilities, the Provincial Government, after an agreement with the Ho-shan Coal Mining Company, reorganized the company and increased its capital to \$3,600,000, the Provincial Government bearing unlimited liability. New mining measures were expected to be completed in 8 months. It was estimated that after June, 1938, the daily output of coal would be 500 tons. This would be sufficient to meet the industrial demand of coal in the two provinces, Kwangtung and Kwangsi, on the one hand, and curtail the inflow of imported coal on the other. So far no reports are available regarding the accomplishments of these mines.

(b) *The Hsi-wan Coal Mine.*—The Hsi-wan coal mine is located in Hsi-wan-yuh and its adjacent districts on the neighboring boundaries of Chung-shan *hsien* and Ho *hsien*. It is about 8 kilometers in length and 1300 metres in width. The average thickness of the coal layer is 1.2 metres, making a total volume of coal deposit of approximately 12,000,000 tons. The coal is of the bituminous quality, containing a high percentage of carbon. It can be smelted into coke for the purpose of gold refining.

Toward the end of the Manchu regime, the Chinese Government had once purchased mining machineries and invited German mining engineers to operate on the mines. But due to the lack of transportation facilities and a good consuming market, considerable loss was sustained, causing the suspension of operations. During the period of 1919-1920, a large part of the machineries was either lost or so deteriorated that they could no longer serve the purpose. In the meantime, the tin mines of Kwangsi were beginning to develop and the need of coal was greatly felt. With this point in view the Provincial Government permitted the people to freely apply for mining permits for small mines. By using the native method of mining, a daily output of more than ten tons of coal was produced. This served to meet the need

of mining fields, machines and engines and tin refineries.

Up to 1934, there were more than 20 tin mining companies, which were all using petroleum or crude oil for running their machinery, thus giving rise to considerable outflow of capital. Seeing the disadvantage, the Provincial Government allotted the amount of \$1,000,000 for the establishment of a power plant at Pah-pu (八步) to take the place of petroleum fuel and minimize the operating as well as production cost. The construction of the power plant was completed and called for a daily supply of 50 tons of coal. Coupled with the need of coal by the mining companies, the quantity of coal produced by manual labor was far from sufficient to meet the huge demand. To cope with the existing situation, a Hsi-wan Coal Field Office was established in 1936 to map out measures for operating the coal mines with machinery. The plan was divided into five steps; from the repairing of engine rooms, opening of roads to the digging of tunnels and wells in the mines. The entire work was expected to be completed in the early part of this year.

4. **Wolfram Mines.**—Wolfram mines of Kwangsi Province were first discovered in Ping-yang-*hsien* (平陽縣) and its adjacent districts. The Li-moo (栗木) wolfram mine of Kung-cheng *hsien* (恭城縣) was discovered in the winter of 1934, while the wolfram mines of Kwan-yang *hsien* (灌陽縣) were discovered in 1935.

(a) *The Wolfram Mine of Ping-yang.*—Wolfram deposits in the Kao-tien (高田) district of Ping-yang *hsien* are very rich. But owing to the fact that the wolfram layers are so broken apart from each other that satisfactory mining of the mineral substance is made very difficult. Besides, the wolfram ores are very intricately located. Surrounding the wolfram mines there are granite veins which are intermixed with quartzite veins. The formation of the quartzite veins is very irregular in thickness and direction, so are the

wolfram veins. For this reason accurate prospecting has become impossible and satisfactory mining operations very difficult. Since the market price of wolfram in recent years has soared sky-high, several wolfram mining companies kept up their operation with the hope to reap a good profit. But they operated on a small scale and the output was consequently low.

(b) *Wolfram Mines of Kung-cheng* (恭城).—The Kung-cheng wolfram mines were discovered by the Fu-yuan Company (富源公司), in the winter of 1934. In January 1935, the Provincial Government sent out experts to investigate the location and richness of the mines. There are two mine beds in Kung-cheng and the district surrounding it, both richly deposited. They are lying between two mountain ranges and transportation is very difficult. As only the native method has been used in excavating and washing this mineral substance, the annual production of the entire district amounted to only 200 tons.

(c) *Wolfram Mines of Kwan-yang* (灌陽).—Kwan-yang hsien is situated in a very secluded mountaineous district, where communication is extremely inconvenient. In July 1936, one of the miners of the Kung-cheng mines in travelling through this district, accidentally discovered the wolfram ores. In a few months, many profit-seeking enterprisers began to apply for mining permits. But owing to the shortage of capital and the lack of mining knowledge, their accomplishments were insignificant. So in the early part of 1937, the Provincial Government of Kwangsi established the Kwan-yang Mining Office and reserved the right of mining operations. The present plan of the Provincial Government is of an experimental nature, depending solely on manual labor. Project of a wider scope is waiting to be made when a thorough investigation of the mining area has been completed.

5. **Manganese Mines.**—The manganese (錳) veins of Kwangsi, stretching across the middle part of the province from

Yi-shan (宜山) to Ping-nan (平南), cover a distance of nearly one thousand *li*. But manganese mines in the area of Wu-Hsuan (武宣) and Kwei-ping (桂平) are considered the center of manganese production, on account of the fact that these two districts have the largest volume of deposits of a fine quality. Besides, since these two districts are situated along a river they have the convenience of water transportation. The quantity of annual export of manganese to foreign countries from these mines once reached a high mark. But the drop of price since the conclusion of the European War, and the greatly diminished consuming market compelled most of the manganese mining enterprises to suspend their operation. Although there was an increased demand of manganese by foreign merchants in recent years, the market price has not been at all comparable to that of former years, and, hence, less enthusiasm was shown in the development of the manganese mines. The Provincial Government felt the necessity of encouraging the development of the manganese industry, and has consequently reduced various tax rates related to the manganese industry. In the early part of 1937, enterprisers applying for mining permits began to show another increase in number.

(a) *The Moo-Kwei Manganese Mine of Kwei-ping*.—The Moo-kwei (木圭) manganese mine is located in the northwest of the Moo-kwei district, covering an area of 218 *mow*. The mine field is about 3 *li* from the Hsui river (潯江) from where goods are usually transported by boat to Hsia-wu (下梧). As the mine area has not been prospected, the actual volume of deposits cannot be ascertained. But since the quantity of annual production has remained practically the same during the past ten years, a rough estimate of one thousand tons will not be overstating.

(b) *The Kwei-ping Manganese Mines*.—The manganese mines of Kwei-ping (桂平) vary both in size and thickness, from an inch to several feet. Manganese

from small mines are usually found to be of better and purer quality, while that from the large mines contains plenty of iron substance. As the upper layer of the manganese mine is more exposed to nature, thus giving the substance a chance to obtain quicker chemical changes, the manganese from these mines is found to possess a purer quality. The deeper into the mine the poorer is the quality.

(c) *San-li Manganese Mines of Wu-Hsuan.*—The San-li-yuh (三里圩) manganese mine district is located about 25 *li* to the east of Wu-hsuan (武宣) and 20 *li* beyond Lai-ma (勒馬). Manganese products are usually transported to Lai ma to be shipped out by boat. Most of the mountain ranges in the vicinity of San-li are well known for their manganese production, notably the Heng-ling (橫嶺), which covers an area of 200 *mow* with a deposit of about 80,000 tons. The Yah-tsun-wan (壓村灣) area is about 20 *mow* with a deposit of about 30,000 tons. Next in importance is the Woo-kwan-ling (五官嶺) district, which is about 60 *mow* in area with a deposit of about 13,000 tons. Manganese ores are to be found in many other places, such as Ta-keng-shan (大坑山), and Lao-hu-ling (老虎嶺), but due to transportation difficulties, they can hardly be satisfactorily explored without substantial Government assistance.

6. **Antimony Mines.** — Antimony mines of Kwangsi Province are scattered over a wide area. The quality of the substance is of the upper grade, the best containing over 60 per cent. antimony. But since communication is difficult and the antimony fields are scarcely populated, most of the mines are operated on a small scale with very limited capital funds. Furthermore, as the cost of production is high, most of the mines are in operation only when the market price is highly favorable. Otherwise, they come to a standstill and wait for the time to come. Therefore, there has been no remarkable accomplishments in antimony mining. Besides, antimony is not a costly metal and the miners

can hardly reap a handsome profit unless they sell it after it has gone through the refining process. Otherwise, the heavy cost in transporting antimony in its rock form will increase the cost of production to an unprofitable degree.

As antimony had a favorable market in 1937, the number of antimony mining companies gradually increased. Aside from the commercial antimony refineries at Yung (邕), the Trade Bureau of Kwangsi Province has made plans for the establishment of an antimony refinery with a view to boost the antimony industry.

(a) *The Pin-yang Antimony Mine.*—The most outstanding antimony mines in Pin-yang (賓陽) are located in the Chien-feng (尖峯), San-cha (三叉) and Lung-kwan (龍管) mountains. The Chien-feng antimony field has a thickness of from 7 or 8 inches to 2 or 3 feet, covering an area of some 400 *mow*. The deposit is very rich. The mine area of San-cha is about 350 *mow*, while that of Lung-kwan 300 *mow*. The quartzite vein that has already been discovered is over 300 feet in length and 1.5 to 3 feet in width. Mixed with the quartzite vein are antimony ores which are also considered as antimony ores of good prospect.

(b) *Ho-chih Antimony Mines.*—Of the antimony mines in the district of Ho-chih (河池), those at the Fu-jung (芙蓉), Pao-hwa (寶華), and Pao-shih (寶石) mountains are considered the most prominent. In the back of Fu-jung mountain there is a quartzite vein of some 800 kilometres long and 2 metres deep, containing a huge quantity of sulphic-antimony deposits. On the top of Pao-hwa and on the western slope of Fu-jung mountains there are also antimony veins extending over 500 kilometres and covering an area of about 800 *mow*. In the years 1927-28, Anking (安慶) and other mining companies have excavated antimony amounting to over 2000 tons.

(c) *Antimony Mines of Tien-yang and other districts.*—There are numerous small antimony mines scatteredly located in Tien-yang (田陽), Hsiang-tu (向都),

Tien-pao (天保) and other districts. The area of these mines are from ten to several tens of *mow*. No mine veins have been found and the deposits are also very irregular in quantity. Large-scale mining operations on these mines are considered unprofitable, despite the one or two hundred tons of antimony produced by native methods each month.

The Trade Bureau of Kwangsi Province has made plans for the establishment of an antimony refinery. It also has the intention to purchase the mining districts with the view to lightening the merchants' burden of long-distance transportation and increasing the antimony output.

II. ELECTRIC ENTERPRISES

Electric enterprises in Kwangsi Province can be separately discussed under two categories, namely, provincial institutions and private concerns.

A. Provincial Institutions.

Little attention was paid to electric enterprises by the Provincial Government of Kwangsi until 1926, when the Kwangsi Department of Reconstruction was established. Electric works in the province consisted chiefly of the construction of power plants, which are briefly accounted in the following lines:

(1) *The Kwangsi Power Plant of Wu-chow.*—The Kwangsi Power Plant was first established in 1915 by commercial interests at Wu-chow (梧州) under the name of "Wu-chow Power Plant." The plant had two coal engines of 100 h.p. and one of 200 h.p., generating enough electricity to supply the need of 13,000 lights. But due to incompetent management, complaints were often raised by the consumers. In 1926 the Commercial Bureau of the Wu-chow Municipality once again instructed the Power Plant authorities to improve the plant, but to no avail. So in November of the same year, the Plant was taken over by the Commercial Bureau and leased all the machines and equipments of the plant. In the mean time, a new site

was selected on the western bank of the Fu River (撫河) for the construction of a new plant. By September, 1927, installation of machines and engines was completed and the plant was formally opened for operation on October 10, marking the inauguration of the first government operated power plant in Kwangsi.

The new plant was originally under the direct management of the Commercial Bureau and the Municipal Affairs Commission of Wu-chow. But the engineering works were entrusted to the sole management of the Engineering Department. In December 1927, the Municipal Affairs Commission was reorganized into the Municipal Government. The power plant was consequently placed under the concurrent administration of the Engineering Bureau of the Municipal Government. And after March, 1930, it became directly under the administration of the Municipal Government.

With a view to enforcing provincial control of all electric enterprises so as to expedite the enforcement of the reconstruction scheme, the name of the plant was changed to "The Power Plant of Kwangsi" in August, 1934. The plant having undergone frequent improvements was steadily developing. It is now considered one of the largest power plants in Kwangsi Province.

(2) *The Liu-chow Branch Plant.*—A power plant was first constructed in Liu-chow (柳州) in 1917. It had a 48-Watt charcoal generator, which was made in Canton. Later, a 40-Watt petroleum generator was added. At the beginning the plant was making a little profit, but due partly to incompetent management and lack of technicians, and partly to political reasons, the plant has in the past years suffered considerable losses. In the summer of 1936, the worst happened. Both of the generators broke down and despite the financial assistance given it by local authorities, it could hardly manage to balance its budget. In the fall of 1934, Kwangsi enforced the provincial control of electric enterprises

and allowed the Kwangsi Power Plant an overdraft of a large amount of funds from the Kwangsi Provincial Bank for the establishment of a new plant. The site of the new plant is located on the banks of a river where communication and water supply are both convenient. One of the 250-kilowatt petroleum generators of 3,150 volts of the Kwangsi Power Plant was shifted for use to the new plant. Construction and other works were finished in the early part of 1935. In May of the same year, the plant was formally established and opened for service. As Liu-chow is an industrial center of Kwangsi, the demand for electric supply can be readily realized. Hence soon after the opening of the new plant, its electricity supply became insufficient to meet the rapidly increasing demand. Plans have been made for the installation of additional equipments, and it was hoped that the scheme would be soon materialized.

(3) *The Kwei-hsien Plant.*—More than ten years ago some merchants in Kwei-hsien (貴縣) raised a certain amount of capital and organized a power company with the intention to supply the community with electricity. Unfortunately, due to civil strife, the company went bankrupt almost as soon as it was established. In recent years, conditions have been restored to normalcy and with an increase of inhabitants in the community and the recovery of business activities, an acute necessity of electrical facilities was felt. In March, 1935, the Provincial Government instructed the Kwangsi Power Plant to establish a preparatory department to make plans for the construction of a power plant in Kwei-hsien. At the same time, a large sum of overdraft was allowed the Kwangsi Power Plant for construction and engineering expenses. A 280 h.p. dynamo of 3,150 volts was purchased from the Kwangsi Power Plant and installed in the new plant, which was opened for service in October, 1935.

(4) *Lung-chow Branch Plant.*—Since Lung-chow (龍州) is an important

frontier district, special emphasis has been placed on the development of electrical facilities by the Provincial Government. In 1933, considerable funds were appropriated by the Provincial Government for the establishment of a power plant, and a contract was signed with the Siemens Company for a large consignment of electric machines, equipments and materials. Construction work of the plant commenced in December, 1934 under the supervision and direction of the Kwangsi Power Plant, and was completed in April, 1935. After a satisfactory inspection of the various electric machines was made by German Engineers of the Siemens Company, the plant was formally put into operation in May the same year.

(5) *The Kwei-lin Branch Plant.*—In 1916, an electric power company was established in Kwei-lin (桂林) by commercial interests. But until 1934, the Company had rendered little service to the community due to incompetent management, largely attributable to the lack of electrical engineers and trained technicians, not to mention the difference of opinion among the shareholders.

In order to improve the electrical facilities of the municipality, the Kwei-lin Municipal Department petitioned the Provincial Government for taking over the Company and placing it under the administration of the Municipality. In May, 1934, negotiations with the Kwei-lin Power Company were completed and interests of the Company were transferred to the Kwei-lin Municipality under the altered name, "Kwei-lin Electric Company". With the approval of the Provincial Government, engineers, technicians, and workers were sent to Kwei-lin from the Kwangsi Power Plant to take care of the construction and rehabilitation works. Expenses for the scheme were also appropriated by the Kwangsi Power Plant. Repairs and improvements were underway, and, soon afterwards, electric lights were once more seen glittering in Kwei-lin.

In May 1935, as a result of the enforcement of provincial control of electrical facilities of the entire province, the Kwei-lin Electric Company was placed under the management of the Provincial Government with its name changed into "The Power Company of Kwei-lin."

(6) *The Pab-pu Branch Plant.*—As have already been pointed out in the foregoing paragraphs, the three districts of Fu-chuen, Ho hsien and Chungshan are known far and wide to be very rich in mineral resources, especially the fine quality tin mines of Ho hsien. In order to develop the tin mines on a large scale, reduce the cost of production, increase the volume of output, improve the refining process and compete in the world market, it is clear as day light that the construction of a large power plant is indispensable. Realizing the fact that this project is of great concern to national economy, the Provincial Government of Kwangsi has dispatched the Commissioner of the Kwangsi Reconstruction Department to investigate conditions of the districts in person. Subsequently a detailed plan was made for the construction of a power plant. It proposed to purchase as a start a 1,500-Watt generator and budgeted the engineering expenses at over \$1,000,000 national currency, which was at the time beyond the financial power of the Provincial Government to invest.

The Siemens Company learned of the power plant scheme and with the consent of its head office at Berlin, presented to the Kwangsi Provincial Government an installment plan for the machinery required. As the annual production of mineral products could be increased to over \$10,000,000 by paying the meagre sum of only several thousand dollars a month, the matter was considered a very expedient and desirable one and readily adopted by the Provincial Government.

As the Fu-chuen, Ho hsien and Chungshan districts are abundantly deposited with mineral products and cover a wide area, a 1,500-Watt generator was later considered not big enough to supply the need. More-

over, the larger the generator the lower will be the cost of each h.p. of power produced. As it would not pay to make the additional purchases in the future, the authorities decided to purchase two generators of 1,600-Watts each. The contract was finally signed with the Siemens Company at the price of £25,400 for the machinery and accessory equipments in November, 1934. The plant was so designed that space for a third generator was included. Besides, two engineers were sent to the Siemens Factory at Berlin for two years' practical training at the expense of the new plant.

B. Private Concerns.

(1) *The Power Company of Nanning.*—The Power Company of Nanning (南甯電力公司) was promoted in 1914 by Messrs. Hsu Teh-tsai (徐德齋) and Tan Ming-fang (覃名芳), who raised a capital of \$30,000 and purchased two 65 h.p. generators, producing 40 kilowatts of electricity. The Company was opened to service in June, 1915. In 1917, due to insufficient electric supply, the Company secured a loan from the Kwangsi Provincial Bank for the purchase of a 105 h.p. generator. In 1920, the Company succeeded to raise additional capital to the amount of \$170,000 Kwangsi currency, and a new generator of 125 h.p., generating 88 kilowatts of electricity, was installed to meet the increasing demand of electricity. Again due to insufficient electric supply in 1934, the Company secured a \$80,000 loan from the Kwangsi Provincial Bank and purchased a generator of 470 h.p. with a generating power of 390 kilowatts. Two years later, the Company further increased its electric supply facilities by installing a 750 h.p. generator with a generating power of 500 kilowatts. In the meantime, it has obtained from the Reconstruction Department of Kwangsi a business license expiring at the end of 1944.

(2) *The Chen-hua Power Company of Yu-lin.*—Yu-lin is located in the eastern part of Kwangsi on the trunk line of the

provincial highways and is quite a prosperous commercial community. The Chen-hua Power Company of Yu-lin (鬱林振華電力公司) was promoted by merchants with a capital of \$65,000 in 1920. A 150 h.p. generator purchased from Canton was installed in the latter part of 1921 and began to supply the community with electricity.

(3) *The Chin-kwang Power Company of Pei-liu.*—In 1925, several notables of the locality promoted the Chin-kwang Power Company of Pei-liu (北流晉光電力公司) by raising a capital of \$60,000. Two 150 h.p. generators made in Canton were purchased and installed, and in the spring of 1926, the Company was opened for service. Besides supplying electricity to electric-light consumers, the Company also supplied the needs of some small local industries.

III. INDUSTRY

1. *The Liang-Kwang Sulphuric Acid Factory.*—The Liang-Kwang Sulphuric Acid Factory (兩廣硫酸廠) was jointly organized by the provincial governments of Kwangtung and Kwangsi in Wu-chow, Kwangsi with a capital of \$560,000 national currency. Its equipments consist of two 175 h.p. steaming machines and twelve 80 K. W. motors. The daily production of sulphuric acid ranges from 7 to 10 tons. The product is of the upper grade quality and has a good market. Besides being largely consumed in Kwangsi sulphuric acid is also exported to Kwangtung, Hongkong, the Yangtze Valley, and as far as the South Sea Islands.

2. *The Leather Tannery of Nanning* (南甯製革廠).—Kwangsi is well known for its production of ox hides, the annual export of which amounts to about \$1,000,000 in value. To utilize this product, a leather tannery was established by the Provincial Government in 1927 at Nanning, but due to political upheavals, it temporarily stopped functioning. In the fall of 1928, the tannery was re-opened and the Provincial Government appropriated the sum of \$130,000 to add to its capital.

From that time on, the quality of the tanned leather goods has been greatly improved and the volume of production was also gradually increasing. But since the tannery was working on a small scale, the quantity of its production was not sufficient to meet the demand of the entire province. Plans are about to be made for the expansion of the tanning industry. The amount of business done by the tannery in the fiscal year 1935 amounted to \$240,500 national currency.

(3) *The Kwangsi Printing Factory* (廣西印刷廠).—A printing factory was first established in 1906 at Kwei-lin under the name, "Kwangsi Official Printing Office." Up to 1912 the factory has undergone several changes as regards its organization and equipments. In 1933, the Kwangsi Provincial Government appropriated the sum of \$283,000 as the capital of the factory, and ordered the construction of a new factory and the purchase of different kinds of printing and electric machines. In 1934, the factory was placed under the direct management of the Provincial Government with its name changed to "Kwangsi Printing Factory."

The factory has about 300 workers working under several departments. The main business of the factory is the printing of basic text books, important publications and documentary forms of the local authorities, tax stamps, and subsidiary coin notes of the *hsien* districts. As the printing business was rapidly increasing the factory purchased several printing machines of up-to-date models so as to expedite the rate of its work. The amount of business done by the factory in the fiscal year 1935 amounted to about \$370,000 national currency.

(4) *The Kwangsi Alcohol Distillery* (廣西酒精廠).—The Kwangsi Alcohol Distillery is located in Liu-chow (柳州). Plans were first made in 1927 for its establishment, but due to various reasons, the Distillery was not formally opened for business until November 1932. It has a capital of \$300,000 national currency, ap-

propriated by the Provincial Government. The chief manufacturing materials are orange juice and cereals of various kinds. Thirty thousand *catties* of alcoholic spirit (98°) was the average monthly output of the Distillery. For the purpose of substantiating the source of raw materials and reducing the cost of production, the Distillery in 1934 utilized 1300 *mow* of the uncultivated land nearby as a farm field for the cultivation of various cereals. In the spring of 1935, efforts were made toward the improvement of the method of distillation and the fostering of ferments. From that time on the volume of production was increasing remarkably. Prior to 1934, the monthly sales of alcohol in Kwangtung and Hunan amounted to about 20,000 *catties*. Subsequently, as Kwangtung and Hunan provinces have established their own distilleries, the consumption of Kwangsi alcohol was greatly affected. The amount of business done by the Kwangsi Distillery in the fiscal year 1935 amounted to \$60,000 national currency.

(5) *The Nanning Dyeing and Weaving Factory* (南甯染織廠).—The Nanning Dyeing and Weaving Factory was established in the autumn of 1934 with a capital of \$269,000 national currency appropriated by the Provincial Government. One hundred weaving machines and other equipments were ordered from Shanghai at a cost of over \$124,000. Prior to this 40 apprentices were sent in 1933 from Kwangsi to be trained in the Wing-on Textile Factory, No. 3, in Shanghai. They returned to Nanning in April, 1934, to take up dyeing and weaving work in the factory. The factory was formally established in October, 1935. Most of the raw materials, cotton yarns and dyeing stuff were bought from Shanghai and Kwangtung. Its cotton cloth product is of a fine quality both in color and substance. The total amount of its business in the fiscal year 1935 amounted to \$260,000.

(6) *The Kwangsi Sugar Refinery* (廣西糖廠).—The Kwangsi Sugar Refinery was established at Kwei hsien in 1935. The

sum of 1,200,000 dollars was appropriated by the Provincial Government as its capital. The factory has a godown, a testing laboratory, a machine shop and office buildings. Sugar cane is the main kind of raw material, which is bought from the local dealers. To increase the supply of this raw material, the factory have been extending loans and granting sugar cane seeds to the farmers for the purpose of cultivating sugar canes. In the year 1935, the factory has produced sugar to the amount of 18,000 *piculs*. Its turnover in the same year amounted to about \$250,000. In order to expand its sales, the factory has been negotiating with responsible parties in Hongkong and Shanghai to distribute its products in those two ports of commercial importance.

(7) *The Wood-Oil Factory of Kwangsi* (廣西桐油廠).—Wood-oil is one of the main exports of Kwangsi Province. Its annual export amounted to about 120,000 *piculs*. With a view to maintain its business credit the Provincial Government established in June, 1934 a Wood-oil Factory at Wuchow to take care of the purifying, testing as well as distribution of wood-oil. As to selling, it is still left to be freely handled by the merchants, with the exception, however, that wood-oil before going through the purifying and testing process of the factory is not allowed to be sold in other provinces, so as to maintain the price and quality standard of the product. The Kwangsi wood-oil which has been purified and tested in the Wood-oil Factory need not be certified again in Hongkong when exported to outports. Since April, 1935, when the Factory commenced to carry out the purifying and testing processes, not only the price of wood-oil has been augmented, but also its distribution has been expanded. The annual return obtained directly and indirectly from the wood-oil industry by the government and merchants amounted to over \$300,000. In November, 1935, the factory was incorporated with the Import

and Export Trade Bureau of Kwangsi Province.

(8) *The China-ware Factory of Ping-yang* (廣西瓷器廠).—The China-ware Factory of Pin-yang was first organized by commercial interests under the name of Hsui-nan Company (薰南公司). In August, 1933, it was reorganized into a semi-governmental enterprise under the management of the former Industrial and Commercial Bureau of Kwangsi under its present name. A capital of \$35,000 national currency was appropriated by the Provincial Government, and in October of the same year, the manufacture of China-ware products began. The raw material first obtained in the vicinity of the factory was not durable enough to stand prolonged burning. The factory succeeded to acquire the kind of china-earth that can endure fire-burning from a district some 30 miles from the factory. Luckily, the material proved successful, and its products also proved satisfactory to many of its customers. The main products of the factory consist mostly of household wares, articles for electric equipments, flower vases, spittoons, etc. The products of the factory were usually completely sold out as soon as they were displayed in the market. The factory, therefore, often had to take orders from its customers. It is quite obvious that the scope of its business was waiting to be expanded. In the fiscal year of 1935, the business turnover of the factory amounted to only \$13,000 national currency. In order to increase the productivity of china-ware, plans have been made for the establishment of a new factory with its new site also located in Pin-yang hsien. Purchasing orders have also been made for mold-manufacturing machines. A favorable prospect is expected for Kwangsi's china-ware industry when these plans have been satisfactorily carried out.

(9) *The Match Factory of Kwangsi* (廣西火柴廠).—The Match Factory of Kwangsi was first organized by commercial interests under the name, Wu-chow Match Factory. It was taken over by the Pro-

vincial Government in July, 1935 and re-organized into a semi-governmental enterprise with a capital of \$10,000 national currency to be subscribed on the 50-50 basis by the government and the merchants. One representative was to be appointed by each party to supervise and direct the works of the factory. While the internal routine duties such as general management, factory management, business functions, material purchasing, etc. were to be entrusted to responsible personnels to be appointed by the private shareholders, a chief accountant was to be appointed by the Provincial Government to look after the finances of the factory.

The daily production of the former factory amounted to only 12,000 packages of matches (each package containing ten boxes of matches). But since its re-organization, the daily production increased to about 22,800 packages. In order to further increase the quantity of production, an additional amount of \$30,000 national currency was appropriated by the Provincial Government for the construction of a larger godown and the purchase of more machines.

(10) *The Machine Factory of Nanning* (南甯機械廠).—The Machine Factory of Nanning was jointly established in July, 1937 by the Experimental Station of the Kwangsi People's Mass Education Institute and the Machine Shop of the Kwangsi Highway Administration. The factory manufactures such products as generators, water pumps, water pipes, transportation apparatus and machines, agricultural implements and various mechanic accessories. The Provincial Government has appropriated for the factory, for the time being, a monthly working capital of \$1,500 national currency. The scope of activities of the factory was regarded as too narrow and limited, and plans were in the process of being made for its expansion.

VI. AGRICULTURE

Agriculture in Kwangsi may seem to be of less importance when compared with

developments along other lines in the province. Nevertheless, its ultimate importance has not been neglected by the Provincial Government. The agricultural conditions in Kwangsi can be briefly discussed under three separate headings, namely, forestation and land cultivation, land irrigation, and pasture.

1. *Forestation and Land Cultivation.*—The waste land in Kwangsi province extends over a wide area. As a result of the Provincial Government's persistent encouragement in land cultivation, the area of reclaimed land in the years 1926-1935 has reached the figure of 50,322,487 *mow*. Of this figure, 73.15% was reclaimed by either individual or private concerns, while the rest was undertaken by the local authorities.

Waste land suitable for forestation is to be found all over the province. The Provincial Government, determined to attain the aim of utilizing profitably every piece of land, has during the past decade endeavoured to encourage forestation. Although the achievement in that respect in the last ten years was nothing so remarkable as to deserve much praise, yet the forestation movement has extended to all parts of the province. The number of trees planted by the forestry stations during the ten years amounted to 57,293,126, which covered an area of 585 *mow* of land. The number of trees already planted on the forest site amounted to 38,291,397 covering an area of 61,495 *mow* of land, while the number of trees planted for forestation by the various *hsien* districts amounted to 71,834,558.

2. *Land Irrigation.*—In the past years, little attention has been paid to land irrigation. So during the time when rain-falls were scarce, drought would inevitably take place. Hence the livelihood of the people was oftentimes greatly endangered. Seeing the vital importance of the land irrigation project, the Kwangsi Provincial Government has consequently appropriated considerable funds in recent years for the construction of water routes and dams. The

dams already built to completion can serve to irrigate an area of 244,350 *mow* of land, which would yield a crop of 42,434,000 *catties*. Those under construction would be able to irrigate an area of 12,750 *mow* of land, which would yield a crop of 24,410,000 *catties*, while those being planned would be able to irrigate an area of 62,800 *mow* of land, which would yield a crop of 5,531,500 *catties*.

To observe the weather and climate conditions in various parts of the Province, the Provincial Government wasted no time in building an observatory at Nanning and several other climate testing stations for the benefit of agriculture.

3. *Pasture.*—The weather and climate in Kwangsi Province are considered as suitable for pasturing. But since no efforts have been made for improvements in feeding, managing, sanitation and mating, pasture, or the breeding of domestic animals and fowls, has not been undertaken on any large scale as an independent enterprise, but rather as a side line of the farmers. The representative domestic animals in Kwangsi are cows and oxen, pigs, horses and goats, while those of domestic fowls are chicken, ducks, geese, and pigeons. According to statistical reports, there have been bred in Kwangsi 1,375,875 cows and oxen, 34,561 horses, 2,036,002 pigs, 77,883 goats, 10,656,048 chicken, 5,678,890 ducks, 454,710 geese, and 373,800 pigeons. Pigs, chicken and oxen constitute the main items of exports from Kwangsi, occupying an important position in the economy of the province.

V. HIGHWAYS

Highway construction in Kwangsi had its origin far back in the last year of the Ching dynasty. Making preparations for national defense, Mr. Soo Yuan-chun (蘇元春) directed the construction of the Lung-nan highway for the purpose of transporting ammunitions. It was subsequently opened for traffic to the public. In 1915 and 1919 respectively, the Yung-Wu and Lung-Shui highways were constructed. The importance of highway transporta-

tion was gradually being felt, and in 1921 and 1924 respectively, construction work on the Yung-Pin and Wu-Hsuan highways commenced. However, no concrete plan with regard to provincial highway construction has yet been made.

In 1925, the Kwangsi authorities keenly felt the necessity in the improvement of highway transportation. Plans for a network of highways was devised and construction work on the trunk lines of the province was underway. Up to 1928, more than 3,200 *li* of highways have been completed and more than 690 bridges were built. In 1929 and 1930, many of the newly constructed highways were destroyed due to political disturbances in the province,

and it was impossible at that time to carry out construction schemes. Things recovered in 1931, and construction work were again assumed on the Yung-Lung, Yung-Seh and Tan-Chih lines in rapid progress. Up to the end of June 1935, about 6,300 *li* of highways have been completed. With the enthusiastic cooperation of the *hsien* and *hsiang* districts more than 13,000 *li* (built by *hsien*) and 37,000 *li* (built by *hsiang*) have also been constructed. At the present, about 13,000 *li* of the highways can serve the purpose of automobile transportation. The distinct advantages in having a good transportation system so far as the cultural, economical, political, and military activities of the province are concerned need not be elaborately expounded in this article.

THE GOVERNMENT TREASURY LAW*

(Promulgated by National Government Mandate on June 9, 1938.)

Art. I. All public treasuries of Central, Provincial and Local Governments in the Republic of China shall be administered in accordance with the present Law.

Art. II. Public institutions handling cash, bonds and stocks, and other properties on behalf of the Government are to be called the Government Treasuries. The Government Treasury of the Central Government is called the National Treasury under the control of the Ministry of Finance; the Government Treasuries of the Provincial Governments are called the Provincial Treasuries under the control of the Departments of Finance of the Provincial Governments; the Government Treasuries of the Municipalities and (the Treasuries of) *Hsien* governments are called the Municipal Treasuries and the *Hsien* Treasuries respectively, both under the control of the Bureaux of Finance of their respective local governments. But, in case no such Bureaux of Finance have been established there, their control shall remain in the hands of local authorities.

For the local governments similar in character to those of the Provincial, Municipal and *Hsien* governments, the aforesaid regulations are also applicable to their respective Treasuries.

Art. III. Deposits, transfers, receipts and payments of cash, bills, and bonds and stocks, as well as the safe-keeping of documents of the Government Treasury properties shall be managed by the appointed banks acting as their agents, unless otherwise stipulated in separate regulations.

The above-mentioned matters of the National Treasury are to be handled by the Central Bank of China as its agent. Matters

relating to other grades of Government Treasuries are to be handled by the appointed banks as their agents, whose appointments are to be approved by their superior authorities. In localities where no banks have been established the local Post Offices shall be appointed as their agents.

Art. IV. With regard to the following receipts, the Government Institutions may collect funds within the specified period and deposit them under their own care:—

1. Petty receipts;
2. Government Institutions located beyond the specified distance from the agent banks of Government Treasuries or the Post Offices;
3. Receipts collected and payments made in localities upon the approval and with facilities of the superior authority.
4. Government Institutions with no definite locations.

Art. V. With regard to the following payments, the Government Institutions may draw in advance from the Government Treasury within the specified period required funds for safe-keeping and meeting payments:—

1. Government Institutions located beyond the specified distance from the agent banks of Government Treasuries or the Post Offices;
2. Government Institutions with no definite localities;
3. Other payments for hired labours approved by Law.

Art. VI. The highest amount of the receipts mentioned in Art. II. as well as other restrictive conditions, with the exception of those otherwise stipulated by Law, are to be ascertained by the Government Treasury authorities. The Account-

* An unofficial translation of the text in Chinese.

ing and Auditing Offices concerned shall also be notified of the decisions.

Art. VII. Aside from the provisions in Art. IV and Art. V as well as other stipulations approved by Law, Government Institutions cannot handle upon their own initiative matters regarding receipts, payments, transfers of cash, bills, and bonds and stocks, as well as the safe-keeping of property documents; such matters are to be managed by the agent banks of Government Treasuries or the Post Offices.

Art. VIII. The receipts of cash and collection of bills and bonds due by the agent banks on behalf of the Government Treasuries are to be credited to their accounts. The rights and obligations of the two parties, except restrictions under Law, are to be ascertained by mutual agreement. The said agreement shall be presented by the Government Treasuries to their superior authorities for approval.

The Post Offices acting as the agents of Government Treasuries shall perform such functions under the aforesaid Regulations.

Art. IX. When the banks acting as the agents of Government Treasuries are in the event of liquidation or bankruptcy, the respective Government Treasuries shall have the first prior claim on their assets.

Art. X. The funds of Government Treasuries are to be deposited under following separate headings:—

1. Deposits on Total Receipts.
2. Deposits on Various Public Expenses.
3. Deposits on Various Special Sinking Funds.

The above-mentioned Total Receipt Account represents the total amount of the Common Sinking Fund specified by the National Budget Law.

Art. XI. All receipts outside the scope of the Government Budget, except those to be credited to the Special Sinking Fund Account, shall be credited to the Total Receipts Account, but separate Treasury Receipts Accounts are to be kept

by the authorities of Government Treasuries.

Art. XII. The receipts mentioned in Art. XI in the form of cash, bills, and bonds and stocks are all to be collected by the agent banks or the Post Offices on behalf of the Government Treasuries or by their staffs at the Collecting Offices. A report shall be submitted to the Collecting Offices and the Auditing Offices in charge on the type of receipts and the grade of Government Institutions. The agent banks or Post Offices of Government Treasuries as well as the Collecting Offices shall separately report same to the authorities of Government Treasuries.

Art. XIII. All expenses shall be transferred from the Total Receipts Account either to the Public Expenses Account or the Special Sinking Fund Account according to the budget before payments could be effected. But it is permissible to transfer the credits of Total Receipts Account to the Public Expenses Account for payment under emergency law, and payments made under such arrangements must be inserted in the budget for future sanction.

Art. XIV. The transfer of public expenses must be distributed according to the appropriations of the approved budget. Government Treasury authorities shall notify the agent banks or the Post Offices to transfer the respective expenses from the Total Receipts Account to the Public Expenses Account for individual government institutions. At the time when the transfers of the aforesaid expenses are made, the Government Treasury authorities and the agent banks or the Post Offices must notify the Accounting and Auditing Offices as well as the Government Institutions applying for the expenses.

Art. XV. Government Institutions must draw funds from the Public Expenses Account by means of cheques. With the exception of those payments mentioned in Art. V cheques are used only for payments to government creditors, or for advance payments of contractual obligations. Regarding the payments of salaries of military

and police officers, cheques may be made out in the whole amount for the group to be presented by the respective group representatives for immediate payment. Cheques are to be signed by the responsible authority of the institutions or his authorized delegates and countersigned by the accountant; and, in case there are auditors attached to the institutions, cheques must be verified and signed by the auditor. Otherwise, these cheques will not be honored by the agent banks or the Post Offices.

Art. XVI. The Public Expenses Accounts of Government Institutions are to be kept by the respective authorities of Government Treasuries. All transfers, safe-keeping, receipts and payments effected by Government Institutions must be reported to the said Treasury separately by the agent banks, the Post Offices and the Institutions responsible for the expenses.

Art. XVII. At the end of each fiscal year, if there is any balance in favour of the Public Expenses Account, it should be credited to the Total Receipt Account, with the exception of those otherwise specified by Law.

Art. XVIII. In case of financial necessity, Governments may secure temporary loans, either by overdrawing on bank account, or against short term bonds and stocks or bills due before the end of the fiscal year, as security for temporary loans. All receipts therefrom shall also be credited to the Total Receipts Account, and the same Account shall be debited at the time of repayment.

The aforesaid temporary loans and their repayment shall be done by the Government Treasury authorities under the supervision of their respective Auditing Offices.

Art. XIX. The Special Sinking funds and their receipts must be placed to the credit of the respective Special Sinking Fund Accounts. The transfer, payments and management of such funds must be governed by the provisions of law, contract or will in respect to the individual Sinking Funds. In the absence of instruc-

tions to such effect, the Regulations governing the Public Expenses Account shall be applicable.

Art. XX. All subsidies and contributions with definite instructions as regards their use shall be treated as the ordinary public expenses, and payments and transfers thereof are subject to the terms of Art. XIV of the present Law. For those with no directions for definite use the Government Treasury authorities and Auditing Offices shall notify the agent banks or the Post Offices to make payment directly from the Total Receipts Account to those Government Treasuries which are entitled to subsidies and contributions.

Art. XXI. The reimbursements of funds received by, and of funds paid to, the Government Treasury must be recorded within the scope of the original account according to their nature. Such procedures are to be determined by the Government Treasury authority together with the Collecting and Paying Offices as well as Accounting and the Auditing Offices.

Art. XXII. The receipts, payments, and transfers of cash, bills, and bonds and stocks of those institutions either with no definite locations or situated in foreign countries, except otherwise stipulated in Art. IV to Art. VI., may be handled by a person appointed by the Government Treasury. The said person or persons must deposit a cash bond or other reliable securities with the respective Government Treasury authorities.

Art. XXIII. The Government Treasury authorities and their agent banks or Post Offices must keep a detailed record of all government documents, important contracts regarding government assets and liabilities, and bonds and stocks on hand; and in case of need, a duplicate or photographed copy of each item should also be kept.

Art. XXIV. All accounting matters of the Government Treasuries are to be done by the Accounting and Auditing Offices.

Art. XXV. The auditing work of Government Treasuries shall be done by their respective Auditing Offices. The auditing work of the banks or Post Offices acting as agents of Government Treasuries shall be done by the same offices.

Art. XXVI. Government Treasuries and their agents, banks and Post Offices, shall report their daily balances to the Accounting and Auditing Offices.

Art. XXVII. Any breach of the present Law regarding receipts to be made shall be dealt with according to law.

Art. XXVIII. Any breach of the present Law regarding payments to be effected shall be dealt with according to law; and the law-breaker shall be held responsible for the loss sustained by the Government Treasuries and/or their agent banks and Post Offices. In case, such in-

demnities are found insufficient to meet the actual losses sustained by the Government Treasuries, the said banks and Post Offices shall be jointly held responsible for the deficiency.

Art. XXIX. With regard to the management of properties separate regulations to the effect shall be formulated.

Art. XXX. The regulations regarding government institutions embodied in the present Law are applicable to all public bodies organized under Chinese laws.

Art. XXXI. The by-laws of this Law are to be drafted by the Ministry of Finance and approved by the Executive Yuan.

Art. XXXII. The date and places for the enforcement of the present Law are to be decided by the National Government Mandate.

REGULATIONS GOVERNING LOCAL FINANCIAL REFORM*

(Proclaimed by the Chinese Ministry of Finance on April 29, 1938)

Article I. The Ministry of Finance announces an outline of practical measures for the reform of local financial structure in order to meet the war-time need of regulating currency and finance, assisting agriculture and industry and increasing general production in the various localities.

Article II. All local financial institutions applying for one-dollar and subsidiary currency notes in accordance with Article III should, in addition to their existing business operations, engage in the following types of activities:—

1. Operation of warehouses for agricultural products.
2. Mortgage loans on agricultural products.
3. Extension of loans for the purchase of seeds, fertilizers, farming cattle and farming implements.
4. Extension of loans for the improvement of farm land and water conservancy work.
5. Acceptance and discounting of agricultural papers.
6. Mortgage loans on legally acquired real estate.
7. Mortgage loans on factory plant and other fixed assets.
8. Mortgage loans on raw materials and finished products.
9. Acceptance and discounting of commercial papers.
10. Underwriting and collateral loans on industrial bonds.
11. Collateral loans on industrial stocks.

12. Mortgage loans on agricultural, forestal, fishery and mining products and native goods for daily use.

Article III. Local financial institutions may apply under the terms of Article IV for one-dollar and subsidiary currency notes at the Central Bank of China, Bank of China, Bank of Communications and the Farmers' Bank of China for an amount approved by the Ministry of Finance.

Article IV. The security reserves for these notes shall include the following varieties:—

1. Legal tender notes.
2. National Government Bonds and Provincial Government Bonds approved by the National Government.
3. Legally acquired real estate and factory assets.
4. Agricultural products.
5. Agricultural papers of not more than 180 days attached with bills of lading, warehouse receipts, and insurance certificates.
6. Industrial raw material and finished products.
7. Commercial papers of not more than 120 days attached with bills of lading, warehouse receipts and insurance certificates.
8. Industrial bonds in the process of amortization on principal and interest.
9. Industrial stocks with regular interest payments.

*An unofficial translation from the text in Chinese.

10. Agricultural, forestal, fishery and mining products and native goods for daily use.

Legal tender notes under Section

1. shall not be less than 20 per cent.

Government bonds under Section

- 2 shall not be less than 30 per cent.

All other securities under Sections 3-10 shall make up the rest of the total loan.

Article V. The Ministry of Finance shall designate a staff member of the Central Bank of China, Bank of China, Bank of Communications or the Farmers' Bank of China to investigate the business operations and inspect the books of local financial institutions applying for one-dollar and subsidiary currency notes and submit a 10-day report to the Ministry of Finance.

In case of necessity for further examination he may make a confidential recommendation to the Ministry for the appointment of a special examiner for the undertaking.

Article VI. All securities accepted as reserves for these notes shall be kept under custody by the Central Bank of China, Bank of China, Bank of Communications and the Farmers' Bank of China.

The Government banks shall submit to the Ministry of Finance monthly reports with classified tables on these securities.

Article VII. If local financial institutions applying for one-dollar and subsidiary currency notes should fail to carry on the types of business activities specified in these Regulations, shall be denied the privilege of obtaining such notes and subjected to con-

fiscation of security reserves previously submitted.

Article VIII. The time limit, composition and printing cost of the one-dollar and subsidiary currency notes shall be as follows:—

1. Time is limited to a period of 2 years with an extension of one year.
2. Notes shall be composed of 60% of one-dollar notes and 40% of subsidiary currency notes.
3. Printing cost is figured on the basis of \$25,500 for the total amount of \$1,000,000, besides the accrued interest on legal tender under Article IV Section 1 amounting to 20% of the total notes.

Article IX. The rules regarding the procedure of applying for one-dollar and subsidiary currency notes shall be jointly formulated by the Central Bank of China, Bank of China, Bank of Communications, and the Farmers' Bank of China and submitted to the Ministry of Finance for inspection and enforcement.

Article X. With regard to agricultural loans of all kinds local financial institutions shall cooperate with the Farmers' Bank of China and the Agricultural Credit Administration.

Securities against agricultural loans may be used as securities for mortgage loans from the Farmers' Bank of China and Agricultural Credit Administration. Securities against industrial and commercial loans may be used as securities for mortgage loans from Bank of China and Bank of Communications.

ORGANIC LAW OF THE NATIONAL RESOURCES COMMISSION,*

THE MINISTRY OF ECONOMICS

(Promulgated by the National Government on February 28, 1938)

Article I. The Ministry of Economics in order to develop and control important economic resources establishes the National Resources Commission in accordance with Article 21 of the Organic Law of the Ministry.

Article II. The functions of the National Resources Commission shall be as follows:—

1. To promote and operate basic industries.
2. To promote and operate important mining activities,
3. To promote and operate water and electric power plants,
4. To handle other activities designated by the National Government.

Article III. The National Resources Commission shall have one chairman, one vice-chairman, and 8-12 commissioners of "Selected Appointment" rank (簡任) to be invited by the Minister of Economics.

Chairman and vice-chairman shall have full charge of the affairs of the Commission under the instruction of the Minister of Economics and exercise supervisory power over all its staff members.

Article IV. The National Resources Commission shall have one Chief Secretary (of the "Selected Appointment" rank) and three secretaries (of the "Recommended Appointment" rank) in charge of correspondence, cash receipts and disbursements, general affairs and sundry matters.

Article V. The National Resources Commission shall have the following bureaus and divisions:

1. Industrial Bureau,
2. Mining Bureau,
3. Electrical Bureau,

4. Technical Division,
5. Economic Research Division,
6. Purchasing Bureau.

Article VI. The National Resources Commission shall have a Director for each bureau (of the "Selected Appointment" rank) and a Chief for each division in the person of a technical expert.

Article VII. The National Resources Commission shall have 20-30 technical experts with 10-12 of them of the "Selected Appointment" rank and the rest of the "Recommended Appointment" rank (薦任); 15-40 technicians with one of them of the "Recommended Appointment" rank and the rest of the "Delegated Appointment" rank (委任); 20-30 technical assistants of the "Delegated Appointment" rank; and 25-34 clerks with 4 of them of "Recommended Appointment" rank.

Article VIII. The National Resources Commission shall have one Chief Accountant in charge of accounting and statistical work in accordance with the Organic Law of the Ministry of Auditing.

Article IX. The National Resources Commission may with the approval of the Ministry of Economics engage advisers and special experts.

Article X. The National Resources Commission may establish various institutions for carrying on all types of reconstruction activities. The regulations governing the organization of such institutions shall be separately formulated.

Article XI. The by-laws of the National Resources Commission shall be separately formulated.

Article XII. This law shall be in force from the date of promulgation.

*An unofficial translation of the text in Chinese.

ORGANIC LAW OF THE MINING RESEARCH INSTITUTE,*

THE MINISTRY OF ECONOMICS

(Promulgated by the National Government on February 28, 1938)

Article I. The Ministry of Economics establishes the Mining Research Institute for the purpose of doing research work in mining technique.

Article II. The functions of the Mining Research Institute shall be as follows:—

1. To study the technical procedure for locating mines and extracting mineral products;
2. To study the extraction and utilization of fuels;
3. To study the method of smelting iron, steel, and non-ferrous metals;
4. To study and investigate the mining and smelting of other mineral resources.

Article III. The Mining Research Institute shall have one Director of the "Selected Appointment" rank (簡任); 6-8 Technical Experts with 2 of them of the "Selected Appointment" rank and the rest of the "Recommended Appointment" rank (薦任); 6-10 Technicians with 4 of them of the "Recommended Appointment" rank and the rest of the "Delegated Appointment" rank (委任); 6-10 Technical Assistants of the "Delegated Appointment" rank; and one Chief of General Affairs, and one Accountant with 2-4 clerks, all of the "Delegated Appointment" rank.

Article IV. The Director of the Institute shall have full charge of the affairs of the Institute under the instruction of the Ministry of Economics, exercise supervisory power over all its staff members, and direct the work on mining research and investigation.

Article V. Technical Experts, Technicians and Technical Assistants shall, under the instructions of the Director, take charge of different types of work on research, investigation and planning.

Article VI. The Chief of General Affairs shall, under the instructions of the

Director, take charge of all correspondence, cash receipts and disbursements, sundry affairs and other matters. Clerks shall look after all matters under the instructions of their superiors.

Article VII. The Accountant shall take charge of matters regarding accounting work and annual reports, in accordance with the Organic Law of the Ministry of Auditing.

Article VIII. The Mining Research Institute may, at its own discretion, employ a certain number of research fellows and other employees.

Article IX. The Mining Research Institute may, at any time, send representatives to mining and smelting factories to investigate and study such work on the spot.

Article X. The Mining Research Institute may accept the invitation of Government Institutions or common people to do investigation and research work on mining and smelting.

Article XI. The Mining Research Institute may, upon the approval of the Ministry of Economics, send delegates to foreign countries for the purpose of carrying on research and investigation work in mining and smelting, or to participate in the International Conference on mining and smelting technique.

Article XII. The Mining Research Institute may cooperate with other research institutes or public institutions regarding research in mining and smelting.

Article XIII. The by-laws of the Mining Research Institute shall be separately promulgated.

Article XIV. This Law shall be in force from the date of promulgation.

*An unofficial translation of the text in Chinese.

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CONDENSED BALANCE SHEET OF

AS OF DEC.

LIABILITIES

DOLLARS

Capital	100,000,000.00
Reserves	18,766,450.54
Notes in Circulation	433,186,007.61
Deposits	1,109,118,300.96
Accrued Items and Accounts Payable	9,702,020.80
Bills for Collection as per Contra	8,685,372.29
Letters of Credit Issued and Acceptances and Guarantees given as per Contra	77,353,065.17
Other Liabilities	9,789,454.70
Net Profit for the Year ended December 31st, 1937	17,252,300.90

Total \$ 1,783,852,972.97

THE CENTRAL BANK OF CHINA

31, 1937

ASSETS		DOLLARS
Cash:		
Cash in Vault	\$ 59,361,026.84	
Cash in Transit	217,946.97	
On Call with Banks	319,713,815.81	379,292,789.62
Reserve against Notes in Circulation:		
Cash	\$280,282,859.90	
Securities	152,903,147.71	433,186,007.61
Loans, Discounts, and Overdrafts		705,798,906.32
Securities Owned		37,285,352.49
Advance of Capital to the Central Trust of China		10,000,000.00
Bank Premises		18,665,744.90
Furniture and Fixtures		1,002,580.67
Accrued Items and Accounts Receivable		20,881,168.37
Bills Received for Collection as per Contra		8,685,372.29
Customers' Liabilities for Letters of Credit issued and Acceptances and Guarantees given as per Contra		77,353,065.17
Other Assets		91,701,985.53
Total \$		<u>1,783,852,972.97</u>

AMOUNT OF NOTES ISSUED BY LEADING CHINESE BANKS

1928—1938 (Unit \$)

Year	Month	Central Bank of China	Bank of China	Bank of Communications	Farmers' Bank of China
1928	12	11,696,762.00	172,304,027.00	86,026,114.00	—
1929	12	15,379,862.00	197,728,287.00	69,221,512.00	—
1930	12	22,669,228.00	203,847,444.00	82,893,785.00	—
1931	12	24,773,349.00	191,749,139.00	81,098,080.00	—
1932	12	39,145,360.00	179,647,606.87	82,424,683.00	—
1933	12	70,271,542.00	179,582,780.02	83,111,369.00	—
1934					
	4	69,319,270	156,852,474	73,358,469	—
	5	71,101,020	159,193,329	75,469,519	—
	6	70,844,349	164,005,793	78,427,381	—
	7	74,440,206	169,611,326	80,315,781	—
	8	77,841,337	174,912,545	81,095,981	3,805,105
	9	80,216,875	177,218,251	82,203,281	4,222,476
	10	83,302,703	181,719,262	86,368,581	4,563,859
	11	85,746,635	198,845,640	97,282,181	5,451,977
	12	85,339,300	201,279,742	103,234,850	5,663,382
1935					
	1	89,056,751	198,346,138	102,412,350	6,241,007
	2	89,932,353	185,222,010	91,583,450	6,964,213
	3	92,694,871	170,339,978	83,937,959	7,574,606
	4	92,031,583	163,617,456	81,428,050	9,073,954
	5	93,312,819	163,569,207	82,198,250	10,591,860
	6	98,727,916	166,446,950	85,270,650	12,011,046
	7	105,718,220	167,241,504	85,018,050	11,943,182
	8	110,294,947	169,448,348	86,646,950	12,504,957
	9	117,619,539	170,039,333	90,950,350	16,607,568
	10	131,246,364	185,503,248	102,218,250	17,628,000
	11	150,892,914	248,639,630	143,432,050	29,893,000
	12	176,065,369	286,245,042	176,244,950	29,846,807
1936					
	1	220,641,090	308,118,309	190,809,700	29,771,307
	2	234,324,443	293,838,239	181,883,700	29,590,257
	3	251,503,350	310,150,611	186,697,700	34,776,806
	4	262,247,473	323,282,987	196,065,640	51,017,410
	5	277,775,264	343,155,286	201,401,740	64,372,011
	6	299,253,125	351,772,792	204,912,051	92,034,671
	7	300,871,929	365,674,339	210,409,551	87,203,371
	8	305,955,375	367,425,396	206,476,451	96,277,071
	9	313,435,163	377,768,426	217,110,411	108,503,321
	10	305,833,781	411,073,782	244,620,711	131,910,471
	11	312,941,477	439,895,436	272,845,424	142,121,891
	12	325,592,469	459,310,240	295,045,524	162,013,831
1937					
	1	341,732,632	493,555,716	307,394,014	163,614,277
	2	357,444,141	504,103,822	301,658,094	191,705,376
	3	361,834,976	501,403,991	308,576,594	200,053,247
	4	367,613,627	513,351,186	311,317,054	192,690,947
	5	372,313,429	511,520,397	312,005,414	210,738,751
	6	375,839,967	509,862,882	313,548,434	207,951,051
	7	382,757,619	517,722,660	335,999,440	208,436,001
	8	395,373,570	535,870,201	370,840,930	209,629,941
	9	415,677,820	543,533,672	371,713,730	213,531,641
	10	423,279,518	550,372,412	361,277,130	221,430,741
	11	429,382,323	573,218,219	371,278,685	229,589,841
	12	430,608,288	606,547,669	371,143,585	230,798,241
1938					
	1	432,243,857	623,323,745	372,926,785	249,141,891
	2	441,649,625	632,986,132	361,142,985	261,409,101
	3	444,354,246	654,188,139	319,013,285	261,632,101
	4	460,876,679	652,208,169	319,013,285	261,752,101
	5	472,812,388	648,390,322	322,154,895	261,965,184
	6	489,666,785	653,251,720	321,859,495	262,219,835

CURRENCY RESERVE BOARD REPORT*

(1) Central Bank of China

Report Number	Date	Note Issue	Reserves		
			Cash	Security	% of Cash Reserve
1	1935 Dec. 31	\$179,064,899.00	\$118,256,899.00	\$ 60,808,000.00	66.0
2	1936 Jan. 25	220,641,090.00	159,308,210.00	61,332,880.00	72.2
3	Mar. 1	224,324,443.00	153,281,763.00	71,042,680.00	68.3
4	Mar. 28	251,503,350.00	168,771,650.00	82,731,700.00	67.1
5	Apr. 25	262,247,473.00	180,021,173.00	82,226,300.00	68.6
6	May 31	277,775,264.00	190,025,364.00	87,749,900.00	68.4
7	June 28	299,253,125.00	201,881,825.00	97,371,300.00	67.5
8	July 26	300,871,929.00	201,712,229.00	99,159,700.00	67.0
9	Aug. 30	305,955,375.00	204,637,275.00	101,318,100.00	66.9
10	Sept. 26	313,435,163.00	211,274,063.00	102,161,100.00	67.4
11	Oct. 25	305,833,781.00	200,173,681.00	105,660,100.00	65.4
12	Nov. 29	312,941,477.00	204,567,177.00	108,374,300.00	65.4
13	Dec. 27	325,592,469.00	212,238,769.00	113,353,700.00	65.2
14	1937 Jan. 30	341,732,632.00	222,949,732.00	118,782,900.00	65.2
15	Feb. 27	357,444,141.00	232,306,841.00	125,137,300.00	65.0
16	Mar. 28	361,834,976.00	235,038,076.00	126,796,900.00	65.0
17	Apr. 25	367,613,627.00	238,549,527.00	129,064,100.00	64.9
18	May 30	372,313,429.00	241,314,329.00	130,999,100.00	64.8
19	June 27	375,839,967.00	243,557,867.00	132,282,100.00	64.8
20	July 25	382,757,619.00	249,284,319.00	133,473,300.00	65.1
21	Aug. 29	395,373,570.00	256,905,970.00	138,467,600.00	65.0
22	Sept. 26	415,677,820.00	272,732,820.00	142,945,000.00	65.6
23	Oct. 31	423,279,518.00	271,513,170.29	151,766,347.71	64.1
24	Nov. 28	429,382,323.00	277,366,575.29	152,015,747.71	64.6
25	Dec. 26	430,608,288.00	277,821,140.29	152,787,147.71	64.5
26	1938 Jan. 29	432,243,857.00	279,340,709.29	152,903,147.71	64.6
27	Feb. 26	441,649,625.00	285,502,077.29	156,147,547.71	64.6
28	Mar. 26	444,354,246.00	288,130,698.29	156,223,547.71	64.8
29	Apr. 24	460,876,679.00	301,725,803.00	159,150,876.00	65.5
30	May 29	472,812,388.00	313,776,512.00	159,035,876.00	66.4
31	June 26	489,666,785.00	330,069,489.00	159,597,296.00	67.4

*The Currency Reserve Board was established by the Chinese National Government under the Currency Decree of November 3, 1935. For Regulations governing the purpose and functions of this Board see *The Central Bank of China Bulletin*, Vol. II, No. 1, *Documentary Materials*, pp. 54-55 and 59-60.

(2) Bank of China

Report Number	Date	Note Issue	Reserves		
			Cash	Security	% of Cash Reserve
1	1935 Dec. 31	\$286,245,041.92	\$201,152,244.85	\$ 85,092,797.07	70.3
2	1936 Jan. 25	308,118,309.42	221,472,966.97	86,645,342.45	71.9
3	Mar. 1	293,838,239.42	226,862,812.37	66,975,427.05	77.2
4	Mar. 28	310,150,610.92	235,176,405.75	74,974,205.17	75.8
5	Apr. 25	323,282,986.92	236,368,977.27	86,914,009.65	73.1
6	May 31	343,155,285.92	229,156,077.60	113,999,208.32	66.8
7	June 28	351,772,791.92	232,062,761.27	119,710,030.65	66.0
8	July 26	365,674,338.92	232,723,470.18	132,950,868.74	63.6
9	Aug. 30	367,425,895.92	228,338,607.49	139,087,288.43	62.1
10	Sept. 26	377,768,425.92	238,375,132.85	139,393,293.07	63.1
11	Oct. 25	411,073,781.92	260,892,291.19	150,181,490.73	63.5
12	Nov. 29	439,895,436.42	274,279,079.54	165,616,356.88	62.3
13	Dec. 27	459,310,240.42	283,509,569.82	175,800,670.60	61.7
14	1937 Jan. 30	493,555,716.42	310,136,038.78	183,419,677.64	62.8
15	Feb. 27	504,103,822.30	314,888,938.12	189,214,884.18	62.5
16	Mar. 28	501,403,991.80	316,208,025.42	185,195,966.38	63.1
17	Apr. 25	513,351,186.30	320,282,037.87	193,069,148.43	62.4
18	May 30	511,520,396.80	319,045,601.32	192,474,795.48	62.4
19	June 27	509,862,882.30	315,227,416.78	194,635,465.52	61.8
20	July 25	517,722,659.75	324,004,352.77	193,718,306.98	62.6
21	Aug. 29	535,870,201.25	344,213,697.35	191,656,503.90	64.2
22	Sept. 26	543,533,671.75	350,514,758.11	193,018,913.64	64.5
23	Oct. 31	550,372,412.25	356,390,216.24	193,982,196.01	64.8
24	Nov. 28	573,218,219.25	372,831,373.79	200,386,845.46	65.0
25	Dec. 26	606,547,669.50	398,719,937.75	207,827,731.75	65.7
26	1938 Jan. 29	623,323,745.50	402,128,157.22	221,195,588.28	64.5
27	Feb. 26	632,986,132.00	406,340,084.28	226,646,047.72	64.2
28	Mar. 26	654,188,139.00	422,691,301.27	231,496,837.73	64.6
29	Apr. 24	652,208,169.50	424,019,229.71	228,188,939.79	65.0
30	May 29	648,390,322.00	423,641,213.54	224,749,108.46	65.3
31	June 26	653,251,720.00	426,215,270.00	227,036,450.00	65.2

(3) Bank of Communications

Report Number	Date	Note Issue	Reserves		
			Cash	Security	% of Cash Reserve
1	1935 Dec. 31	\$176,244,950.00	\$113,409,133.00	\$ 62,835,817.00	64.3
2	1936 Jan. 25	190,809,700.00	122,734,623.00	68,075,077.00	64.3
2	Mar. 1	181,883,700.00	125,000,823.00	56,882,877.00	68.7
4	Mar. 28	186,697,700.00	129,278,853.00	57,418,847.00	69.2
5	Apr. 25	196,065,640.00	134,475,793.00	61,589,847.00	68.6
6	May 31	201,401,740.00	139,672,360.00	61,729,380.00	69.3
7	June 28	204,912,051.00	143,188,671.00	61,723,380.00	69.9
8	July 26	210,409,551.00	146,951,971.00	63,457,580.00	69.8
9	Aug. 30	206,476,451.00	146,077,821.00	60,398,630.00	70.7
10	Sept. 26	217,110,411.00	151,943,181.00	65,167,230.00	70.0
11	Oct. 25	244,620,711.00	149,538,181.00	95,082,530.00	61.1
12	Nov. 29	272,845,424.50	165,513,514.70	107,331,909.80	60.7
13	Dec. 27	295,045,524.50	179,423,054.70	115,622,469.80	60.8
14	1937 Jan. 30	307,394,014.50	185,029,484.70	122,364,529.80	60.2
15	Feb. 27	301,658,094.50	189,338,664.70	112,319,429.80	62.8
16	Mar. 28	308,576,594.50	189,298,284.70	119,278,309.80	61.3
17	Apr. 25	311,317,054.00	189,999,084.00	121,317,970.00	61.0
18	May 30	312,005,444.00	191,369,364.00	120,636,080.00	61.3
19	June 27	313,548,434.00	191,841,498.00	121,706,936.00	61.2
20	July 25	335,999,440.00	201,678,051.00	134,321,389.00	60.0
21	Aug. 29	370,840,930.00	222,596,606.00	148,244,324.00	60.0
22	Sept. 26	371,713,730.00	223,115,246.00	148,598,484.00	60.0
23	Oct. 31	361,277,130.00	216,844,966.00	144,432,164.00	60.0
24	Nov. 28	371,278,685.00	222,837,259.00	148,441,426.00	60.0
25	Dec. 26	371,143,585.00	222,755,399.00	148,388,186.00	60.0
26	1938 Jan. 29	372,926,785.00	223,823,679.00	149,103,106.00	60.0
27	Feb. 26	361,142,985.00	216,808,719.00	144,334,266.00	60.0
28	Mar. 26	319,013,285.00	191,533,019.00	127,480,266.00	60.0
29	Apr. 24	319,013,285.00	191,533,019.00	127,480,266.00	60.0
30	May 29	322,154,895.00	193,419,313.00	128,735,582.00	60.0
31	June 26	321,859,495.00	193,256,513.00	128,602,982.00	60.0

(4) Farmers' Bank of China

Report Number	Date	Note Issue	Reserves		
			Cash	Security	% of Cash Reserve
1	1935 Dec.	\$ 29,846,807.00	\$ 29,846,807.00	—	100.0
2	1936 Jan.	29,771,307.00	29,771,307.00	—	100.0
3	Feb.	29,590,257.00	29,590,257.00	—	100.0
4	Mar.	34,776,806.00	34,776,806.00	—	100.0
5	Apr.	51,017,410.00	51,017,410.00	—	100.0
6	May	64,372,011.00	63,728,011.00	\$ 644,000.00	99.0
7	June	92,034,671.00	64,127,071.00	27,907,600.00	69.7
8	July	87,203,371.00	57,167,371.00	30,036,000.00	65.5
9	Aug. 30	96,277,071.00	65,205,871.00	31,071,200.00	67.7
10	Sept. 27	108,503,321.00	75,235,801.00	33,267,520.00	69.3
11	Oct.	131,910,471.00	97,989,351.00	33,921,120.00	74.3
12	Nov.	142,121,891.00	108,137,571.00	33,984,320.00	76.1
13	Dec.	162,013,831.00	127,896,911.00	34,116,920.00	78.9
14	1937 Jan.	163,614,277.00	129,486,357.00	34,127,920.00	79.1
15	Feb.	191,705,376.00	155,492,196.00	36,213,180.00	81.1
16	Mar. 28	200,053,247.00	168,383,543.00	31,669,704.00	84.2
17	Apr. 25	192,690,947.00	161,021,243.00	31,669,704.00	83.6
18	May 30	210,738,751.00	170,569,271.00	40,169,480.00	80.9
19	June 27	207,951,051.00	165,891,571.00	42,059,480.00	79.8
20	July 25	208,436,001.00	164,408,821.00	44,027,180.00	78.9
21	Aug. 29	209,629,941.00	130,602,761.00	79,027,180.00	62.3
22	Sept. 26	213,531,641.00	134,504,461.00	79,027,180.00	63.0
23	Oct. 31	221,430,741.00	142,403,561.00	79,027,180.00	64.3
24	Nov. 28	229,589,841.00	143,464,801.00	86,125,040.00	62.5
25	Dec. 26	230,798,241.00	144,673,201.00	86,125,040.00	62.7
26	1938 Jan. 29	249,141,891.00	163,016,851.00	86,125,040.00	65.4
27	Feb. 26	261,409,101.00	175,284,061.00	86,125,040.00	67.1
28	Mar. 26	261,632,101.00	175,507,061.00	86,125,040.00	67.1
29	Apr. 24	261,752,101.00	182,802,061.00	78,950,040.00	69.8
30	May 29	261,965,184.00	183,015,144.00	78,950,040.00	69.9
31	June 26	262,219,835.00	183,269,795.00	78,950,040.00	69.9

DISCREPANCY BETWEEN STERLING EXCHANGE & SILVER PRICE

	Sterling Exchange Theoretical Parity Based on London Silver Price		Market Selling Rate for T. T. on London		Discrepancy Between Market Rate and Theoretical Parity		Discrepancy in Percentage		Equalization Charge		Discrepancy after Deducting Equalization Charge and Export Duty	
	H.	L.	H.	L.	H.	L.	H.	L.	H.	L.	H.	L.
1935							%	%	%	%	%	%
July	25.7220	24.7013	19.1875	18.0000	6.7013	5.7638	37.23	30.43	6.75	6.75	22.78	15.64
Aug.	24.7524	23.3234	18.3750	17.3750	6.8888	5.5504	39.19	31.05	6.75	6.75	24.69	16.55
Sept.	24.1910	23.5275	18.8750	17.8125	6.0608	5.0098	33.91	26.54	6.75	6.75	19.41	12.04
Oct.	24.2930	23.6806	18.8125	14.8750	8.8566	5.1233	59.54	27.23	6.75	6.75	45.05	12.73
Nov.	23.8337	23.4765	15.0000	14.3750	9.4587	8.7316	65.80	58.21	58.50	6.75	43.71	-0.27
Dec.*	23.5785	17.0459	14.5000	14.3750	9.1098	2.7105	62.96	18.77	57.00	9.75	1.41	-2.24
1936												
Jan.	17.5563	15.5149	14.5812	14.3750	3.1188	1.1078	22.16	7.70	13.25	—	1.16	-0.30
Feb.	16.3825	15.7701	14.5312	14.3750	1.8940	1.3639	13.11	9.47	5.25	1.75	1.09	-0.27
Mar.	16.4846	15.5659	14.5000	14.4062	1.9846	1.1597	13.69	8.05	6.00	—	0.25	-0.65
Apr.	17.0460	16.1784	14.5000	14.5000	2.5460	1.6784	17.56	11.75	9.75	4.00	0.18	-0.12
May	17.0460	16.1273	14.5000	14.3750	2.6398	1.7523	18.32	12.19	9.75	3.50	1.67	-0.11
June	16.3825	15.8722	14.3750	14.3750	2.0075	1.4972	13.96	10.41	5.25	1.75	1.15	0.77
July	16.1273	15.8211	14.4062	14.3750	1.7523	1.4461	12.19	10.06	3.50	1.25	1.12	0.63
Aug.	16.0763	15.6170	14.4062	14.3750	1.6701	1.2420	11.59	8.64	3.00	0	1.06	0.53
Sept.	16.3825	15.8722	14.4062	14.2500	2.0388	1.5597	14.21	10.88	5.25	1.75	1.97	0.63
Oct.	16.4846	16.0763	14.5000	14.3125	2.0388	1.6076	14.21	11.11	6.00	3.00	1.64	-0.06
Nov.	18.7302	16.3315	14.5625	14.5000	4.1677	1.8315	28.62	12.63	21.25	5.00	0.08	-0.69
Dec.	17.4543	17.0460	14.5625	14.4062	3.0481	2.6085	21.16	18.01	12.75	9.75	0.95	-0.69
1937												
Jan.	17.4032	16.5867	14.6250	14.5312	2.8720	1.9617	19.76	13.41	12.25	6.75	1.09	-0.09
Feb.	16.5356	16.2804	14.6250	14.5000	1.9106	1.6867	13.06	11.56	6.25	4.50	-0.94	-0.02
Mar.	17.2501	16.4846	14.6250	14.5937	2.6251	1.8709	17.95	12.96	11.25	6.00	-1.10	-0.65
Apr.	17.5563	16.4846	14.6250	14.5000	2.9626	1.9534	20.30	13.44	13.25	6.00	+0.09	-1.10
May	16.6887	14.5356	14.5312	14.5000	2.1887	2.0200	15.09	13.92	7.25	6.25	+0.09	-0.35
June	16.6377	16.1273	14.5156	14.3594	2.1377	1.6898	14.74	11.70	7.00	3.50	+0.78	-0.11
July	16.4846	16.1784	14.4219	14.2500	2.1721	1.8075	15.20	12.54	6.00	4.00	+2.00	+0.78
Aug.	16.3825	15.6680	14.2500	14.2500	2.1325	1.9794	14.97	13.89	5.25	0.25	+2.14	+1.86
Sept.	16.3315	16.1273	—	—	—	—	—	—	5.00	3.50	—	—
Oct.	16.3825	16.1784	—	—	—	—	—	—	5.25	4.00	—	—
Nov.	16.2805	15.9742	—	—	—	—	—	—	4.50	2.50	—	—
Dec.	16.0763	14.8514	—	—	—	—	—	—	3.00	NIL	—	—
1938												
Jan.	16.9439	15.8722	14.2344	14.1875	2.3012	1.6847	19.30	11.87	8.00	1.50	+3.55	+1.81
Feb.	16.6377	16.2805	14.2188	14.2031	2.4346	2.0774	17.14	14.63	7.00	4.50	+2.45	+2.04
Mar.	16.7908	15.0054	14.2344	14.0625	2.7283	2.1637	19.40	15.22	8.00	NIL	+3.65	+1.92
Apr.	15.6170	15.2597	13.3125	12.4375	2.9295	2.1118	23.51	17.16	NIL	NIL	+15.76	+8.19
May	15.4128	15.1577	12.9375	10.6875	4.7253	2.2202	44.21	49.95	NIL	NIL	+36.46	+9.41
June	15.5625	15.2597	10.3125	8.1250	7.3389	5.1514	90.32	49.95	NIL	NIL	+82.52	+42.20

*From December 12, 1935 onwards, the parity is calculated according to London silver spot.

QUOTATIONS OF GOLD BAR AND CUSTOMS GOLD UNIT IN SHANGHAI AND SILVER BAR IN LONDON AND NEW YORK 1926—1938

Period	Gold Bar				C.G.U. Selling Rate in \$ Average	Silver Bar						
	Shanghai			London		London			New York			
	High	Low	Average			High	Low	Average	High	Low	Average	
1926	585.9	389.5	—	84/11	—	31 ¹³ / ₁₆	24 ¹ / ₈	28 ¹¹ / ₁₆	68 ⁵ / ₈	51 ¹ / ₈	62 ¹ / ₈	
1927	568.3	420.5	507.1	84/11	—	28	24 ¹ / ₈	26 ¹ / ₁₆	59 ¹ / ₈	53 ¹ / ₁₆	56 ¹ / ₈	
1928	510.9	443.1	490.8	84/11	—	28 ⁷ / ₈	26 ¹ / ₁₆	26 ³ / ₈	63 ³ / ₈	56 ¹ / ₂	58 ⁷ / ₁₆	
1929	637.9	472.7	538.2	84/11	—	26 ⁷ / ₁₆	21 ⁵ / ₁₆	24 ¹⁵ / ₃₂	57 ⁵ / ₈	46 ¹ / ₂	53	
1930	927.5	626.2	758.7	84/11	—	21 ⁵ / ₈	14 ⁷ / ₁₆	17 ³¹ / ₃₂	46 ⁷ / ₈	30 ³ / ₈	38 ¹ / ₃₂	
1931	1127.9	808.7	1004.4	92/6	—	21 ⁹ / ₁₆	12	14 ¹⁵ / ₃₂	37	25 ³ / ₈	28 ¹⁹ / ₃₂	
1932	1167.7	806.3	1014.1	118	1.950	20 ¹⁵ / ₁₆	16 ¹ / ₈	17 ¹³ / ₁₆	31	21 ¹ / ₄	27 ⁷ / ₈	
1933	1140.2	671.0	900.1	124/10	1.958	20 ¹ / ₂	16 ¹ / ₂	18 ⁵ / ₂₃	45	24 ¹ / ₄	34 ¹³ / ₁₆	
1934	1087.0	665.5	951.1	137/7.44	1.967	25 ³ / ₈	18 ³ / ₁₆	21 ⁵ / ₃₂	55 ¹ / ₈	41 ¹ / ₈	47 ²³ / ₃₂	
1935	1217.0	741.5	919.9	142/1.38	1.869	36 ¹ / ₄	20 ⁷ / ₈	28 ¹⁵ / ₁₆	81	49 ³ / ₈	63 ⁹ / ₁₆	
1936	1172.4	1121.4	1143.9	140/3.48	2.260	22 ¹⁵ / ₁₆	19	20 ¹ / ₈	49 ³ / ₈	43 ³ / ₈	45 ³ / ₆₄	
1937	1158.0	1137.0	1147.7	140/7.95	2.271	21 ¹ / ₂	18 ³ / ₁₆	20 ¹ / ₁₆	46 ³ / ₈	44 ³ / ₈	44 ⁷ / ₈	
1936	Jan.	1172.4	1138.3	1151.8	140/10.83	2.265	22 ³ / ₈	19	20 ¹ / ₄	49 ³ / ₈	43 ³ / ₈	47
	Feb.	1159.0	1141.5	1147.4	140/10.90	2.265	20 ¹ / ₁₆	19 ⁷ / ₁₆	19 ¹³ / ₁₆	44 ³ / ₈	44 ³ / ₈	44 ³ / ₈
	Mar.	1156.3	1144.5	1149.0	140/11.81	2.266	20 ³ / ₁₆	19 ¹ / ₁₆	19 ¹¹ / ₁₆	44 ³ / ₈	44 ³ / ₈	44 ³ / ₈
	Apr.	1147.2	1139.0	1143.2	140/9.69	2.262	20 ⁷ / ₈	19 ⁷ / ₈	20 ¹ / ₄	45 ³ / ₈	44 ³ / ₈	44 ⁷ / ₈
	May	1145.1	1128.5	1137.3	140/1.04	2.253	20 ⁷ / ₈	19 ³ / ₈	20 ¹ / ₄	45 ³ / ₈	44 ³ / ₈	44 ¹³ / ₁₆
	June	1148.0	1135.0	1139.7	138/8.32	2.239	20 ¹ / ₁₆	19 ⁷ / ₁₆	19 ²⁵ / ₃₂	44 ³ / ₈	44 ³ / ₈	44 ³ / ₈
	July	1148.0	1135.0	1139.7	138/8.32	2.241	19 ³ / ₈	19 ³ / ₈	19 ¹ / ₃₂	44 ³ / ₈	44 ³ / ₈	44 ³ / ₈
	Aug.	1132.0	1123.9	1127.7	138/4.24	2.234	19 ¹¹ / ₁₆	19 ¹ / ₈	19 ¹ / ₂	44 ³ / ₈	44 ³ / ₈	44 ³ / ₈
	Sept.	1163.3	1121.4	1128.2	137/11.94	2.226	20 ¹ / ₁₆	19 ⁷ / ₁₆	19 ¹⁵ / ₁₆	44 ³ / ₈	44 ³ / ₈	44 ³ / ₈
	Oct.	1163.3	1150.6	1156.1	141/11.02	2.289	20 ³ / ₁₆	19 ¹¹ / ₁₆	20	44 ³ / ₈	44 ³ / ₈	44 ³ / ₈
	Nov.	1157.8	1150.8	1154.6	142/3.20	2.295	22 ¹⁵ / ₁₆	20	21 ¹ / ₁₆	47 ¹ / ₂	44 ³ / ₈	45 ⁹ / ₃₂
	Dec.	1171.5	1153.8	1157.2	141/8.28	2.286	21 ³ / ₈	20 ⁷ / ₈	21 ¹ / ₄	46 ¹ / ₂	44 ⁷ / ₈	45 ¹¹ / ₃₂
1937	Jan.	1155.5	1151.5	1153.7	141/7.85	2.286	21 ⁵ / ₁₆	20 ¹ / ₄	20 ²² / ₃₂	45 ¹ / ₂	44 ³ / ₈	44 ²⁹ / ₃₂
	Feb.	1157.4	1153.1	1154.9	142/1.25	2.293	20 ³ / ₁₆	19 ¹⁵ / ₁₆	20 ³ / ₃₂	44 ³ / ₈	44 ³ / ₈	44 ³ / ₈
	Mar.	1158.0	1155.0	1155.7	142/4.30	2.297	21 ¹ / ₈	20 ¹ / ₈	20 ¹¹ / ₁₆	45 ³ / ₈	44 ³ / ₈	45 ¹ / ₈
	Apr.	1155.5	1139.5	1149.1	140/3.90	2.281	21 ¹ / ₂	20 ³ / ₁₆	20 ¹ / ₄	46 ³ / ₈	44 ³ / ₈	45 ¹⁷ / ₃₂
	May	1145.9	1139.9	1141.8	140/7.29	2.268	20 ⁷ / ₁₆	20 ¹ / ₄	20 ¹¹ / ₃₂	45 ¹ / ₈	44 ⁷ / ₈	45 ¹ / ₃₂
	June	1144.5	1139.5	1141.4	140/6.70	2.268	20 ³ / ₈	19 ³ / ₈	20 ¹ / ₃₂	45	44 ³ / ₈	44 ¹³ / ₁₆
	July	1146.8	1140.1	1143.3	139/11.86	2.260	20 ³ / ₁₆	20 ³ / ₁₆	20	44 ³ / ₈	44 ³ / ₈	44 ³ / ₈
	Aug.	1145.0	1137.0	1141.8	139/6.4	2.252	20	19 ¹³ / ₁₆	19 ²⁷ / ₃₂	44 ³ / ₈	44 ³ / ₈	44 ³ / ₈
	Sept.	—	—	—	140/4.4	2.265	20	19 ³ / ₄	19 ⁷ / ₈	44 ³ / ₈	44 ³ / ₈	44 ³ / ₈
	Oct.	—	—	—	140/6.25	2.267	20 ¹ / ₁₆	19 ¹³ / ₁₆	19 ¹⁵ / ₁₆	44 ³ / ₈	44 ³ / ₈	44 ³ / ₈
	Nov.	—	—	—	140/1.81	2.261	19 ¹⁵ / ₁₆	19 ⁹ / ₁₆	19 ¹¹ / ₁₆	44 ³ / ₈	44 ³ / ₈	44 ³ / ₈
	Dec.	—	—	—	139/9.38	2.256	19 ¹¹ / ₁₆	18 ³ / ₁₆	18 ¹³ / ₁₆	44 ³ / ₈	44 ³ / ₈	44 ³ / ₈
1938	Jan.	—	—	—	139/7.50	2.253	20 ³ / ₈	19 ¹ / ₄	19 ⁷ / ₈	44 ³ / ₈	44 ³ / ₈	44 ³ / ₈
	Feb.	—	—	—	134/9.17	2.255	20 ³ / ₈	19 ¹⁵ / ₁₆	20 ³ / ₁₆	44 ³ / ₈	44 ³ / ₈	44 ³ / ₈
	Mar.	—	—	—	139/10.85	2.258	20 ⁹ / ₁₆	18 ³ / ₈	20 ⁵ / ₆₄	44 ³ / ₈	44 ³ / ₈	44 ³¹ / ₆₄
	Apr.	—	—	—	139/ 9.30	2.256	19 ¹ / ₈	18 ⁹ / ₁₆	18 ⁷ / ₈	42 ³ / ₈	42 ³ / ₈	42 ³ / ₈
	May	—	—	—	140/ 0.87	2.260	18 ¹⁵ / ₁₆	18 ⁵ / ₈	18 ²³ / ₃₂	42 ³ / ₈	42 ³ / ₈	42 ³ / ₈
	June	—	—	—	140/ 8.56	2.270	19 ¹ / ₁₆	18 ¹¹ / ₁₆	18 ¹⁵ / ₁₆	42 ³ / ₈	42 ³ / ₈	42 ³ / ₈

From Feb. 20, 1934 onwards, the unit of quotation for gold bar has been changed from 10 chauping taels to 10 Market taels (10 Market taels=8.525 chauping taels), and the valuation for each unit has been changed from U. S. \$240 to U. S. \$346.

Beginning from Sept. 17, 1934 the valuation of Shanghai gold bar has been changed to 507.79 Customs Gold Units.

FOREIGN EXCHANGE RATES IN SHANGHAI

1926—1938

Period	London			India			France		
	s.d. per dollar			Rupees per \$100			Francs per \$100		
	H.	L.	Av.	H.	L.	Av.	H.	L.	Av.
1925	2/3. 154	1/8. 174	2/1. 578	151.665	112.038	137.796	1,945.350	1,080.750	1,582.218
1927	1/11.288	1/9. 106	1/10.030	128.994	115.712	122.597	1,197.149	1,069.792	1,136.527
1928	1/11.834	1/10.209	1/10.695	122.421	136.505	125.888	1,267.548	1,148.377	1,170.261
1929	1/10.473	1/5. 978	1/8. 524	124.049	100.138	114.406	1,161.387	927.671	1,060.853
1930	1/6. 272	1/0. 121	1/2. 789	101.669	67.840	82.855	940.712	623.765	762.339
1931	1/5. 213	0/9. 965	1/0. 004	94.761	55.806	66.722	668.944	515.297	565.377
1932	1/4. 594	1/1. 593	1/2. 766	91.267	75.026	81.381	612.917	483.696	547.600
1933	1/3. 750	1/1. 585	1/2. 824	87.000	76.630	81.924	555.000	496.000	521.817
1934	1/6. 250	1/2. 500	1/4. 100	101.000	80.000	88.965	562.000	466.000	514.258
1935	1/8. 375	1/2. 375	1/5. 761	112.250	79.000	97.800	630.000	445.000	548.967
1936	1/2. 469	1/2. 250	1/2. 376	79.750	78.500	79.106	634.000	446.000	479.736
1936									
Jan.	1/2. 375	1/2. 375	1/2. 375	79.125	79.000	79.095	449.000	447.000	448.000
Feb.	1/2. 375	1/2. 375	1/2. 375	79.125	79.125	79.125	450.000	446.000	448.000
Mar.	1/2. 375	1/2. 375	1/2. 375	79.125	79.000	79.019	450.000	447.000	448.000
Apr.	1/2. 375	1/2. 375	1/2. 375	79.000	79.000	79.000	450.000	448.000	448.700
May	1/2. 375	1/2. 375	1/2. 375	79.250	79.000	79.048	453.000	449.000	451.000
June	1/2. 375	1/2. 375	1/2. 375	79.000	79.000	79.000	455.000	451.000	453.200
July	1/2. 375	1/2. 375	1/2. 375	79.125	79.000	79.020	454.000	452.000	452.300
Aug.	1/2. 375	1/2. 375	1/2. 375	79.125	79.000	79.100	456.000	454.000	455.500
Sept.	1/2. 375	1/2. 250	1/2. 287	79.125	78.500	78.685	570.000	452.000	463.800
Oct.	1/2. 438	1/2. 250	1/2. 352	79.500	78.750	79.115	632.000	587.000	624.600
Nov.	1/2. 469	1/2. 438	1/2. 464	79.750	79.500	79.700	634.000	632.000	633.100
Dec.	1/2. 469	1/2. 375	1/2. 416	79.750	79.000	79.360	633.000	629.000	630.800
1937									
Jan.	1/2. 375	1/2. 375	1/2. 375	79.125	79.000	79.103	630.000	629.000	629.100
Feb.	1/2. 375	1/2. 375	1/2. 375	79.250	78.125	79.214	629.000	629.000	629.000
Mar.	1/2. 375	1/2. 375	1/2. 375	79.250	79.250	79.250	646.000	629.000	636.292
Apr.	1/2. 375	1/2. 375	1/2. 375	79.250	79.250	79.250	655.000	636.000	649.269
May	1/2. 375	1/2. 375	1/2. 375	79.250	79.250	79.250	655.000	655.000	655.000
June	1/2. 375	1/2. 250	1/2. 315	79.250	78.500	78.890	658.000	655.000	656.440
July	1/2. 250	1/2. 250	1/2. 250	78.500	78.000	78.307	760.000	750.000	756.667
Aug.	1/2. 250	1/2. 250	1/2. 250	78.125	78.125	78.125	760.000	760.000	760.000
Sept.	1/2. 250	1/2. 250	1/2. 250	78.125	78.125	78.125	840.000	760.000	793.000
Oct.	1/2. 250	1/2. 250	1/2. 250	78.125	78.125	78.125	850.000	840.000	842.583
Nov.	1/2. 250	1/2. 250	1/2. 250	78.125	78.125	78.125	850.000	850.000	850.000
Dec.	1/2. 250	1/2. 250	1/2. 250	78.125	77.875	78.030	865.000	850.000	860.200
1938									
Jan.	1/2. 250	1/2. 250	1/2. 250	77.875	77.875	77.875	865.000	865.000	865.000
Feb.	1/2. 250	1/2. 250	1/2. 250	77.875	77.875	77.875	900.000	865.000	872.955
Mar.	1/2. 250	1/0. 000	1/1. 954	77.875	62.000	75.593	920.000	768.000	897.480
Apr.	1/1. 250	1/0. 500	1/0. 978	73.375	68.500	71.636	880.000	823.000	464.435
May	1/1. 000	-10.250	-11.298	72.250	57.125	62.889	900.000	760.000	820.538
June	-10. 250	-8. 000	-8. 970	57.375	44.875	50.290	760.000	594.000	665.160

Based on the official selling rates of Hongkong and Shanghai Banking Corporation.

FOREIGN EXCHANGE RATES IN SHANGHAI

1926—1938

Period	U.S.A.			Germany			Hongkong		
	U.S.\$ per \$100			Marks per \$100			HK\$ per \$100		
	H.	L.	Av.	H.	L.	Av.	H.	L.	Av.
1926	54.928	40.753	50.390	226.237	163.914	204.172	95.116	89.226	92.669
1927	47.122	42.391	44.677	—	—	—	93.301	89.294	91.254
1928	50.016	45.141	46.137	208.550	187.424	193.296	94.412	90.564	92.159
1929	45.485	36.585	41.508	190.568	152.814	174.337	94.003	82.896	88.869
1930	37.176	24.513	29.850	155.579	102.936	125.331	92.182	83.656	88.604
1931	26.272	19.931	22.243	110.524	84.071	93.638	96.312	89.337	92.290
1932	24.008	18.889	21.487	100.976	98.858	90.504	94.150	89.667	92.003
1933	34.000	19.436	26.109	95.500	81.750	86.199	92.707	88.250	90.139
1934	37.500	30.875	33.785	91.250	78.000	85.349	90.750	80.000	88.076
1935	41.500	29.438	36.261	102.500	72.500	89.228	92.000	67.000	75.938
1936	30.000	29.375	29.709	75.500	71.750	73.203	96.750	90.000	93.557
1936									
Jan.	29.500	29.5000	29.5000	73.000	72.750	72.890	92.500	90.000	91.510
Feb.	30.000	29.5000	29.8800	73.000	72.750	72.950	91.000	90.000	90.680
Mar.	29.875	29.8125	29.8678	73.250	73.000	73.020	91.500	91.000	91.320
Apr.	29.875	29.7500	29.7853	73.000	73.000	73.000	91.250	91.250	91.250
May	29.750	29.7500	29.7500	73.500	73.000	73.220	91.750	90.750	91.130
June	29.750	29.7500	29.7500	74.250	73.250	73.780	92.750	91.750	92.430
July	29.875	29.7500	29.7600	74.000	73.500	73.830	95.500	92.500	93.120
Aug.	29.875	29.8750	29.8750	74.250	74.000	74.200	96.000	95.500	95.920
Sept.	30.000	29.5000	29.9150	74.500	73.750	74.140	96.250	95.500	95.990
Oct.	29.500	29.5000	29.5000	74.250	71.750	72.240	96.750	95.500	96.180
Nov.	29.500	29.5000	29.5000	72.750	72.500	72.550	96.750	96.500	96.590
Dec.	29.500	29.3750	29.4300	73.000	72.500	72.620	96.750	96.000	96.550
1937									
Jan.	29.375	29.375	29.375	72.500	72.500	72.500	96.750	96.750	96.750
Feb.	29.375	29.375	29.375	72.500	72.250	72.274	96.750	96.730	96.750
Mar.	29.375	29.375	29.375	72.250	72.000	72.104	97.000	96.750	96.958
Apr.	29.375	29.375	29.375	72.500	72.000	72.452	97.000	97.000	97.000
May	29.375	29.375	29.375	72.500	72.500	72.500	97.000	97.000	97.000
June	29.375	29.250	29.315	72.500	72.500	72.500	97.000	96.500	96.760
July	29.250	29.250	29.250	72.500	72.250	72.385	96.500	96.500	96.500
Aug.	29.250	29.250	29.250	72.250	72.250	72.250	96.500	94.000	94.729
Sept.	29.250	29.250	29.250	72.250	72.250	72.250	94.000	94.000	94.000
Oct.	29.250	29.250	29.250	72.250	72.250	72.250	94.000	94.000	94.000
Nov.	29.250	29.250	29.250	72.250	72.250	72.250	94.000	94.000	94.000
Dec.	29.250	29.250	29.250	72.250	72.250	72.250	94.000	93.875	93.990
1938									
Jan.	29.250	29.250	29.250	72.250	72.250	72.250	93.875	93.875	93.875
Feb.	29.250	29.250	29.250	72.250	72.250	72.250	94.000	93.875	93.998
Mar.	29.250	24.750	28.613	72.250	72.250	72.250	94.000	78.000	91.037
Apr.	27.5625	25.8750	26.9049	68.000	64.000	66.600	88.500	84.000	86.880
May	27.0000	21.1250	23.3870	66.750	52.250	57.875	86.000	68.375	75.423
June	21.1250	16.5000	18.5150	52.250	40.875	45.720	68.375	53.250	59.725

Based on the official selling rates of Hongkong and Shanghai Banking Corporation.

FOREIGN EXCHANGE RATES IN SHANGHAI

1926—1938

Period	Japan			Java			Singapore		
	Yens per \$100			Florins per \$100			Straits \$ per \$100		
	H.	L.	Av.	H.	L.	Av.	H.	L.	Av.
1926	126.404	82.579	104.610	133.293	103.212	121.224	97.037	70.637	87.069
1927	100.901	86.637	93.952	117.168	105.160	110.909	83.649	75.026	79.000
1928	107.799	94.104	98.938	123.685	111.407	114.130	88.214	78.934	81.133
1929	100.226	74.424	89.544	130.824	90.790	103.394	80.574	64.640	73.358
1930	75.574	49.394	59.680	91.900	60.784	74.316	65.784	43.592	52.742
1931	67.419	40.432	45.215	65.228	50.189	55.045	60.903	35.571	41.917
1932	101.968	60.612	76.081	59.668	46.781	53.327	59.338	48.782	52.716
1933	108.750	88.825	100.909	54.750	47.788	50.608	56.000	50.053	52.951
1934	129.750	101.750	113.408	54.125	45.000	49.762	64.750	51.500	57.121
1935	143.750	102.250	125.151	61.250	43.000	53.259	72.500	51.000	64.164
1936	103.500	101.500	102.259	54.625	42.250	46.134	51.250	50.500	50.639
1936									
Jan.	102.375	102.125	102.292	43.375	42.250	43.262	51.000	51.000	51.000
Feb.	103.125	102.375	102.535	43.500	43.125	43.270	51.000	51.000	51.000
Mar.	103.125	102.375	102.659	43.500	43.125	43.178	51.000	51.000	51.000
Apr.	102.500	102.375	102.397	43.375	43.250	43.255	51.000	51.000	51.000
May	102.375	101.750	102.063	43.750	43.250	43.514	51.000	50.875	50.962
June	102.000	101.500	101.770	44.125	43.750	43.905	50.875	50.750	50.755
July	102.375	101.875	102.160	43.750	43.500	43.690	51.000	50.750	50.790
Aug.	102.375	102.000	102.230	44.000	43.750	43.940	51.000	50.875	50.965
Sept.	102.125	101.250	101.650	44.125	43.000	43.922	50.875	50.500	50.605
Oct.	102.875	101.750	102.298	54.625	51.250	53.990	51.125	50.500	50.846
Nov.	103.125	102.875	103.068	54.500	53.875	54.115	51.250	51.125	51.229
Dec.	103.500	102.625	103.015	53.875	53.250	53.570	51.250	51.000	51.110
1937									
Jan.	103.625	102.375	102.788	53.250	53.125	53.223	51.000	51.000	51.000
Feb.	102.875	102.625	102.649	53.375	53.000	53.149	51.000	51.000	51.000
Mar.	102.625	102.625	102.625	53.125	53.000	53.052	51.000	51.000	51.000
Apr.	102.625	102.625	102.625	53.250	53.000	53.236	51.000	51.000	51.000
May	102.625	102.625	102.625	53.250	53.250	53.250	51.000	51.000	51.000
June	102.625	101.750	102.205	53.250	53.000	53.130	51.000	50.500	50.760
July	101.750	101.500	101.635	53.000	53.000	53.000	50.500	50.250	53.385
Aug.	101.500	101.500	101.500	53.000	53.000	53.000	50.250	50.250	50.250
Sept.	101.500	101.500	101.500	53.000	53.000	53.000	50.250	50.250	50.250
Oct.	101.500	101.500	101.500	53.000	52.875	52.968	50.250	50.250	50.250
Nov.	101.500	101.500	101.100	52.875	52.875	52.875	50.250	50.250	50.250
Dec.	101.500	100.875	101.150	52.875	52.500	52.770	50.250	50.000	50.155
1938									
Jan.	100.875	100.875	100.875	52.500	52.500	52.500	50.000	50.000	50.000
Feb.	100.875	100.875	100.875	52.500	52.500	52.500	50.000	50.000	50.000
Mar.	100.875	80.250	97.222	52.500	41.875	51.065	50.250	40.000	48.796
Apr.	94.500	88.375	92.538	49.375	46.375	48.293	47.250	44.375	46.266
May	92.750	73.000	80.567	48.375	38.125	42.096	46.375	36.750	40.481
June	73.000	57.000	63.915	38.125	29.750	33.340	36.750	28.625	32.135

Based on the official selling rates of Hongkong and Shanghai Banking Corporation.

VALUE OF GOLD AND SILVER IMPORTED AND EXPORTED

1912—1938

PERIOD	GOLD (Unit C. G. U.)			SILVER (Unit \$)		
	Exports	Imports	Excess of Import— Excess of Export +	Exports	Imports	Excess of Import— Excess of Export +
1912	1,838,423	9,296,528	— 7,458,105	40,273,747	70,263,131	— 29,989,384
1913	450,890	3,065,290	+ 1,385,600	30,757,979	86,793,501	— 56,040,522
1914	13,861,917	861,167	+ 13,000,750	46,929,598	25,705,043	+ 21,224,555
1915	18,211,040	818,817	+ 17,392,213	60,917,518	32,277,874	+ 28,639,644
1916	8,102,268	19,903,117	— 11,800,849	102,464,123	57,783,603	+ 44,680,520
1917	5,024,575	13,871,778	— 8,847,203	75,548,028	42,856,361	+ 32,691,667
1918	2,281,659	1,228,324	+ 1,053,317	19,676,453	56,281,549	— 36,605,096
1919	9,896,428	51,078,643	— 41,182,214	13,972,795	96,741,996	— 82,769,201
1920	68,469,360	50,966,880	+ 17,502,480	52,528,606	196,860,137	— 144,331,528
1921	45,959,627	29,449,232	+ 16,460,395	88,983,447	139,510,498	— 50,527,051
1922	5,584,689	9,807,789	— 4,122,911	56,266,385	117,919,579	— 61,653,194
1923	15,813,111	10,145,898	+ 5,667,213	41,668,051	146,359,773	— 104,691,722
1924	11,782,224	2,046,761	+ 9,735,463	36,654,396	77,166,350	— 40,511,954
1925	2,883,141	1,844,714	+ 1,038,427	17,765,826	115,177,635	— 97,411,809
1926	9,204,908	1,606,745	+ 7,598,163	39,849,560	122,740,891	— 82,891,331
1927	3,375,624	2,077,193	+ 1,298,431	26,182,492	127,582,362	— 101,399,870
1928	270,027	6,329,402	— 6,059,375	8,205,327	173,969,821	— 165,764,494
1929	2,975,981	1,005,294	+ 1,970,387	24,310,312	189,187,183	— 164,876,871
1930	19,109,882	2,574,567	+ 16,535,315	55,393,177	159,788,397	— 104,395,220
1931	32,119,878	10,087	+ 32,109,791	47,429,681	118,233,016	— 70,803,335
1932	70,334,849	161,070	+ 70,173,779	108,438,127	96,993,708	+ 11,444,419
1933*	35,673,746	137,335	+ 35,536,411	94,301,685	80,129,388	+ 14,172,297
1934	26,222,399	5,856	+ 26,216,543	267,558,531	10,830,380	+ 256,728,151
1935	21,026,099	281,430	+ 20,744,669	70,394,397	10,996,768	+ 59,397,629
1936	19,065,023	1,091,575	+ 17,973,448	254,336,763	4,713,482	+ 249,623,281
1937	23,377,611	1,721,526	+ 25,656,085	399,086,203	596,469	+ 398,489,734
1936						
Jan.	—	761,137	— 761,137	16,664,432	1,248,000	+ 15,416,432
Feb.	—	57,010	— 57,010	300	572,600	— 572,300
Mar.	—	24,605	— 24,605	—	676,700	— 676,700
Apr.	—	23,674	— 23,674	—	92,349	— 92,349
May	—	4,419	— 4,419	16,500,000	28,200	+ 16,471,800
June	—	12,489	— 12,489	69,747,198	502,978	+ 69,244,220
July	5,182,438	49,666	+ 5,132,772	11,900,000	974,400	+ 10,925,600
Aug.	—	27,378	— 27,378	11,905,000	302,200	+ 11,602,800
Sept.	4,005,380	—	+ 4,005,380	91,109,000	191,350	+ 90,917,650
Oct.	7,051,376	90,382	+ 6,960,994	36,000,000	86,000	+ 35,914,000
Nov.	—	35,125	— 35,125	510,833	37,815	+ 474,018
Dec.	2,825,829	11,690	+ 2,814,039	—	890	— 890
1937						
Jan.	—	35,127	— 35,127	226	—	+ 226
Feb.	—	19,559	— 19,559	—	139,000	— 139,000
Mar.	—	—	—	8,000	48,000	— 40,000
Apr.	—	—	—	381	28,000	— 27,619
May	—	—	—	7,940	—	+ 7,940
June	—	—	—	—	123,880	— 123,880
July	24,555,334	292	+ 24,555,042	54,957,256	211,000	+ 54,746,256
Aug.	1,019,637	37,337	+ 982,300	7,993,361	—	+ 7,993,361
Sept.	1,802,640	48,808	+ 1,753,832	208,657,546	39,000	+ 208,618,546
Oct.	—	—	—	62,572,909	—	+ 62,572,909
Nov.	—	112,121	— 112,121	546,400	6,000	+ 540,400
Dec.	—	1,468,282	— 1,468,282	64,342,184	1,589	+ 64,340,595
1938						
Jan.	30,549	1,279,563	— 1,249,014	35,880,086	123,880	— 123,880
Feb.	—	1,271,988	— 1,271,988	2,162,890	—	+ 2,162,890
Mar.	28,552	2,312,283	— 2,283,731	2,496,445	—	+ 2,496,445
Apr.	25,520	834,482	— 808,962	2,353,800	—	+ 2,353,800
May	—	761,017	— 761,017	9,924,882	—	+ 9,924,882
June	—	150,281	— 150,281	4,911,648	—	+ 4,911,648

*Before 1933 figures for Gold are expressed in Haikwan Taels.

VALUE OF MERCHANDISE IMPORTED AND EXPORTED

1919-1938

Period	Imports			Exports			Excess of Imports—
	Total	Re-exports	Net	Total	Re-imports	Net	Excess of Exports +
	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
1919			1,008,022			982,801	— 25,221
1920			1,187,586			843,862	—343,724
1921			1,411,739			936,756	—474,793
1922			1,472,387			1,020,322	—452,065
1923			1,438,662			1,173,047	—265,617
1924			1,586,372			1,202,441	—383,931
1925			1,476,773			1,209,558	—267,215
1926			1,751,537			1,346,571	—404,966
1927			1,578,148			1,431,209	—146,939
1928			1,863,320			1,544,531	—318,789
1929			1,972,083			1,582,441	—389,642
1930			2,040,599			1,394,166	—646,433
1931	2,256,276	22,899	2,233,376	1,416,693	—	1,416,963	—816,413
1932	1,665,558	20,832	1,634,726	768,077	542	767,535	—867,191
1933	1,358,978	13,411	1,345,567	612,293	465	611,827	—733,846
1934	1,038,979	9,314	1,029,665	535,733	519	535,214	—494,451
1935	924,695	5,484	919,211	576,298	489	575,809	—343,402
1936	944,523	2,978	941,545	706,791	1,050	705,741	—235,803
1936							
Jan.	61,199	249	60,950	70,773	104	70,669	+ 9,719
Feb.	63,412	183	63,229	46,763	404	46,359	— 16,870
Mar.	79,404	228	79,176	48,424	238	48,186	— 30,990
Apr.	87,181	374	86,807	54,903	55	54,848	— 31,959
May	85,437	348	85,089	54,272	30	54,242	— 30,847
June	84,003	255	83,748	58,432	25	58,407	— 25,341
July	75,121	206	74,915	60,483	32	60,451	— 14,464
Aug.	70,732	327	70,405	55,367	34	55,333	— 15,072
Sept.	80,578	190	80,388	59,544	17	59,527	— 20,861
Oct.	82,082	210	81,872	59,201	27	59,174	— 22,698
Nov.	83,003	196	82,807	59,203	33	59,170	— 23,637
Dec.	92,369	211	92,158	79,924	49	79,875	— 13,283
1937							
Jan.	77,211	185	77,026	82,220	14	82,206	+ 5,180
Feb.	85,652	240	85,412	85,138	38	85,100	— 312
Mar.	108,983	208	108,775	72,623	18	72,605	— 36,170
Apr.	109,286	152	109,134	79,816	35	79,781	— 29,353
May	111,190	199	110,991	78,366	29	78,337	— 32,654
June	114,898	222	114,676	84,852	22	84,830	— 29,846
July	124,366	226	124,140	88,822	41	88,781	— 35,359
Aug.	55,616	151	55,465	45,273	50	45,223	— 10,242
Sept.	34,486	345	34,141	67,167	7	67,159	+ 33,019
Oct.	36,422	88	36,334	48,779	45	48,734	+ 12,400
Nov.	44,808	126	44,682	50,386	116	50,270	+ 5,588
Dec.	53,315	706	52,609	55,329	100	55,229	+ 2,620
1938							
Jan.	59,375	285	59,090	43,147	49	43,098	— 15,992
Feb.	72,634	265	72,369	40,941	28	40,912	— 31,456
Mar.	99,831	571	99,260	50,180	28	50,152	— 49,107
Apr.	67,639	621	67,018	56,761	122	56,639	— 10,379
May	75,255	546	74,709	57,454	36	57,418	— 17,291
June	72,151	525	71,626	74,437	51	74,386	+ 2,670

CLEARINGS THROUGH THE
1933—

Period	BALANCE OF CLEARINGS							
	Dollars				Transfer Dollars			
	Total	H.	L.	Daily Av.	Total	H.	L.	Daily Av.
	\$	\$	\$	\$	\$	\$	\$	\$
1933	293,791	9,216	390	1,172	293,382	6,787	280	1,137
1934	486,640	6,123	565	1,618	645,083	12,546	670	1,962
1935	542,299	31,262	589	1,817	542,990	15,846	309	1,814
1936	1,105,578	32,890	890	3,762	667,134	12,654	590	2,245
1937	1,044,797	32,600	212	3,586	847,242	39,430	438	2,890
1935								
Jan.	39,708	5,311	681	1,654	54,646	8,312	920	2,277
Feb.	39,942	4,701	822	1,902	30,026	6,041	309	1,430
Mar.	34,898	2,137	672	1,342	43,705	8,088	918	1,681
Apr.	46,851	6,074	810	1,802	44,231	4,555	872	1,701
May	41,291	2,902	589	1,529	41,860	7,541	840	1,550
June	35,150	3,867	806	1,465	38,542	9,393	671	1,606
July	32,296	6,042	695	1,292	39,267	9,215	708	1,571
Aug.	40,141	5,476	682	1,544	39,344	7,467	787	1,513
Sept.	43,410	5,633	854	1,809	39,235	9,344	829	1,635
Oct.	55,170	5,976	939	2,122	52,399	13,148	892	2,015
Nov.	68,697	14,252	862	2,748	63,335	15,846	1,052	2,533
Dec.	64,737	31,262	1,028	2,589	56,401	11,329	807	2,256
1936								
Jan.	79,245	32,890	1,127	3,774	48,627	12,654	590	2,316
Feb.	86,938	13,068	1,557	3,478	52,319	8,263	714	2,093
Mar.	81,428	6,333	890	3,132	49,250	5,346	1,056	1,894
Apr.	78,243	9,082	1,574	3,402	44,841	6,322	929	1,950
May	91,239	12,300	1,212	3,509	49,301	6,572	806	1,896
June	134,672	19,686	2,029	5,887	56,682	7,129	1,085	2,267
July	98,760	25,032	1,450	3,950	50,374	4,609	751	2,015
Aug.	81,803	8,411	1,385	3,272	47,881	5,375	845	1,915
Sept.	79,259	7,012	1,882	3,170	54,463	10,370	997	2,179
Oct.	110,947	10,280	1,915	4,267	72,458	6,713	1,427	2,787
Nov.	83,267	8,020	1,583	3,469	63,837	7,853	1,469	2,660
Dec.	99,778	8,285	2,012	3,838	77,102	6,507	1,640	2,965
1937								
Jan.	86,903	9,141	2,262	3,778	74,456	18,073	1,563	3,237
Feb.	99,148	9,407	2,265	4,721	72,952	15,526	945	3,474
Mar.	93,253	7,997	2,373	3,886	75,502	15,505	1,220	3,146
Apr.	130,102	12,126	2,597	5,004	123,968	39,430	2,177	4,768
May	119,382	12,668	1,685	4,592	122,697	33,803	1,397	4,719
June	145,698	29,836	2,182	5,828	107,346	26,495	1,996	4,204
July	181,046	32,600	2,254	7,242	112,720	26,433	1,601	4,509
Aug.	81,307	8,080	574	3,696	48,982	5,208	668	2,226
Sept.	23,508	2,871	432	940	27,110	1,992	496	1,084
Oct.	36,591	6,120	373	1,464	26,591	4,246	603	1,064
Nov.	28,535	1,764	599	1,141	31,071	2,248	712	1,243
Dec.	19,324	1,750	212	743	23,847	1,864	438	917
1938								
Jan.	18,828	3,043	303	819	43,772	14,534	635	1,903
Feb.	16,910	2,519	277	769	26,397	4,761	525	1,200
Mar.	24,104	1,820	59	893	53,115	3,495	329	1,967
Apr.	18,947	1,729	351	824	44,422	4,006	1,353	1,931
May	18,515	2,368	334	712	57,384	6,858	1,378	2,207
June	23,305	1,496	576	932	54,978	6,730	1,251	2,199

SHANGHAI BANKERS' CLEARING HOUSE

—1938 (Unit \$1,000)

TOTAL CLEARINGS

Dollars				Transfer Dollars				Total Daily
Total	H.	L.	Daily Av.	Total	H.	L.	Daily Av.	Av.
\$	\$	\$	\$	\$	\$	\$	\$	\$
1,023,529	29,106	1,296	4,099	831,732	17,673	726	3,225	7,523
1,582,374	29,564	1,840	5,262	1,657,734	34,688	1,422	5,444	10,706
1,857,579	51,550	2,319	5,697	1,858,249	53,359	939	6,202	11,899
3,740,492	152,271	3,212	13,448	2,243,816	42,980	1,489	7,555	21,003
3,195,974	74,151	723	10,983	2,661,885	84,702	1,303	8,838	19,904
151,965	27,853	2,878	6,332	164,314	29,624	3,043	6,846	13,178
130,332	15,847	2,319	6,206	96,486	21,220	939	4,595	10,801
136,029	10,300	3,011	5,232	144,362	31,824	3,301	5,552	10,784
145,518	18,859	2,942	5,597	146,816	19,745	3,038	5,647	11,244
140,280	19,322	2,646	5,196	147,308	24,584	3,009	5,456	10,651
141,189	17,343	3,149	5,883	136,749	27,922	2,697	5,698	11,581
136,168	26,988	2,860	5,447	129,822	25,455	2,025	5,193	10,640
140,027	25,975	2,832	5,766	138,513	20,113	3,164	5,327	11,094
146,867	25,182	2,972	6,119	145,859	30,883	3,458	6,077	12,197
179,134	25,485	3,574	6,890	187,874	30,486	4,358	7,226	14,116
195,547	30,615	3,462	7,822	225,264	53,359	5,053	9,011	16,832
204,622	51,550	3,444	7,885	194,683	39,339	3,743	7,795	15,980
305,857	152,271	4,153	14,565	174,226	42,980	1,489	8,296	22,861
292,542	51,348	5,013	11,702	161,974	35,197	2,278	6,479	18,181
288,386	39,841	3,212	11,092	159,786	13,177	3,757	6,146	17,237
268,868	36,020	6,458	11,690	148,074	20,644	3,295	6,438	18,128
280,473	25,704	4,623	10,787	153,653	18,929	3,331	5,910	16,697
358,311	47,367	7,477	14,332	181,788	20,805	3,735	7,272	21,604
320,189	74,475	6,505	12,808	179,537	16,548	7,448	7,181	19,989
268,161	32,338	5,698	10,726	161,123	18,070	3,536	6,445	17,171
298,880	35,949	8,013	11,955	175,415	27,425	3,416	7,017	18,972
389,958	28,641	8,561	14,998	253,542	19,034	5,375	9,752	24,750
312,297	26,740	8,724	13,012	217,869	18,373	5,103	9,078	22,090
356,571	39,594	7,328	13,714	276,829	23,989	5,385	10,647	24,362
288,571	22,262	7,585	12,547	227,491	36,163	4,946	9,891	22,438
316,201	31,761	8,036	15,057	229,644	36,014	2,926	10,935	25,993
338,275	44,494	7,374	14,095	265,318	49,133	6,353	11,055	25,150
405,864	38,630	8,533	15,610	375,380	84,702	7,395	14,438	30,048
377,489	34,900	7,810	14,519	373,053	74,243	7,324	14,348	28,867
459,517	74,151	7,595	18,381	371,008	70,826	7,674	14,840	33,221
544,244	71,163	10,171	21,770	365,292	69,355	6,045	14,612	36,381
226,928	25,643	1,417	10,315	152,926	19,902	2,029	6,951	17,266
51,501	4,132	820	2,060	68,697	4,940	1,729	2,748	4,808
73,583	7,673	1,082	2,054	62,608	6,168	1,705	2,504	5,458
69,942	4,551	1,609	2,793	65,958	4,254	1,833	2,638	5,436
43,859	5,320	723	1,687	54,513	4,778	1,303	2,097	3,784
41,726	4,062	922	1,814	118,387	60,972	1,515	5,147	6,961
36,202	3,167	553	1,646	48,518	6,752	1,008	2,205	3,851
55,204	3,437	114	2,045	101,803	6,379	558	3,770	5,815
41,514	3,072	1,007	1,805	89,645	5,717	2,708	3,898	5,703
46,265	3,452	1,058	1,779	106,061	8,881	2,828	4,079	5,859
66,068	5,420	1,790	2,643	109,435	10,305	3,093	4,377	7,020

CLEARINGS THROUGH THE SHANGHAI NATIVE BANKERS' ASSOCIATION

1927—1938

PERIOD	Bills in Taels	Bills in Dollars	Bills in Taels Converted into \$	TOTAL
	Taels	Dollars	Dollars	Dollars
1927	8,092,653,200	1,506,198,000	11,318,396,084	12,824,594,084
1928	9,471,590,300	1,849,292,000	13,246,979,440	15,096,271,440
1929	10,463,162,000	2,309,687,500	14,633,793,007	16,943,480,507
1930	13,416,373,000	2,918,304,500	18,764,158,042	21,682,462,542
1931	16,622,098,500	4,036,081,500	23,247,690,210	27,313,771,710
1932	10,640,504,500	2,649,704,500	14,881,824,490	17,531,528,990
1933	1,860,988,000	11,206,212,000	2,602,780,419	13,808,992,419
1934	—	14,560,787,000	—	14,560,787,000
1935	—	13,580,830,000	—	13,580,830,000
1936	—	16,825,627,799.15	—	16,825,627,799.15
1935				
Oct.	—	1,502,615,000	—	1,502,615,000
Nov.	—	1,531,702,500	—	1,531,702,500
Dec.	—	1,529,885,500	—	1,529,885,500
1936				
Jan.	—	1,251,831,000	—	1,251,831,000
Feb.	—	1,047,876,500	—	1,047,876,500
Mar.	—	1,214,225,000	—	1,214,225,000
Apr.	—	1,281,755,500	—	1,281,755,500
May	—	1,344,901,000	—	1,344,901,000
June	—	1,329,767,500	—	1,329,767,500
July	—	1,397,066,000	—	1,397,066,000
Aug.	—	1,387,753,000	—	1,387,753,000
Sept.	—	1,365,026,000	—	1,365,026,000
Oct.	—	1,619,423,500	—	1,619,423,500
Nov.	—	1,587,465,500	—	1,587,465,500
Dec.	—	1,644,184,500	—	1,644,184,500
1937				
Jan.	—	1,459,445,500	—	1,459,445,500
Feb.	—	990,573,000	—	990,573,000
Mar.	—	1,161,253,500	—	1,161,253,500
Apr.	—	1,367,860,000	—	1,367,860,000
May	—	1,478,128,500	—	1,478,128,500
June	—	1,419,754,000	—	1,419,754,000
July	—	1,571,258,000	—	1,571,258,000
Aug.	—	1,408,071,000	—	1,408,071,000
Sept.	—	1,452,185,500	—	1,452,185,500
Oct.	—	1,451,314,000	—	1,451,314,000
Nov.	—	1,469,100,084.05	—	1,469,100,084.05
Dec.	—	1,596,684,715.10	—	1,596,684,715.10
1938				
Jan.	—	1,420,246,242.39	—	1,420,246,242.39
Feb.	—	922,535,024.72	—	922,535,024.72
Mar.	—	836,812,770.12	—	836,812,770.12
Apr.	—	740,894,725.06	—	740,894,725.06
May	—	808,178,468.83	—	808,178,468.83
June	—	753,178,998.09	—	753,178,998.09

Source: The Shanghai Native Banker's Monthly.

QUOTATIONS OF CHINESE GOVERNMENT BONDS IN LONDON

1924—1938 (Unit £)

Face Value	4½% 1898 (Brit. Is.)			4½% 1908			5% 1912 Crisp Loan			Reorg. 1913 5% (London Is.)		
	£ 100			£ 100			£ 100			U. S. \$500		
	H.	L.	Av.	H.	L.	Av.	H.	L.	Av.	H.	L.	Av.
1924	81.50	75.00	—	—	—	—	71.38	63.25	—	—	—	—
1925	84.75	70.00	—	79.50	65.50	—	73.50	66.00	—	—	—	—
1926	77.19	53.00	—	69.25	55.50	—	69.50	59.00	—	72.50	51.00	—
1927	75.00	51.50	—	48.00	35.50	—	48.75	31.00	—	58.25	43.25	—
1928	80.75	66.00	—	62.25	36.00	—	55.00	39.50	—	69.25	52.25	—
1929	80.50	74.50	—	61.75	45.00	—	45.00	42.50	—	69.50	59.50	—
1930	89.00	77.50	83.14	65.50	42.50	54.41	54.50	28.00	44.32	69.50	55.00	62.69
1931	90.50	72.00	85.37	70.00	46.00	61.26	52.00	33.00	43.71	70.50	59.00	65.15
1932	98.50	77.00	89.54	76.00	50.50	62.40	47.50	33.00	40.00	78.50	53.50	64.21
1933	102.50	94.00	99.32	91.00	60.00	79.55	66.00	37.00	52.74	90.75	69.00	82.88
1934	103.25	100.75	101.62	99.00	89.00	93.92	86.50	61.00	72.84	99.75	88.25	94.51
1935	105.00	100.00	102.09	100.00	96.00	98.41	90.25	71.50	81.92	99.75	86.00	93.89
1936	104.00	95.25	101.68	101.00	93.50	98.48	84.00	67.00	78.64	95.50	81.50	91.16
1937	104.00	75.00	97.52	100.75	88.00	97.00	95.50	57.00	78.49	101.25	61.00	86.53
1936												
Jan.	102.50	102.25	102.49	97.00	96.00	96.75	77.50	73.00	75.69	91.75	89.00	90.59
Feb.	104.00	102.25	103.13	98.50	96.00	97.68	82.25	73.00	78.26	94.50	88.50	91.61
Mar.	103.25	102.50	102.73	99.00	98.50	98.55	83.50	80.00	81.98	94.00	91.50	93.17
Apr.	103.00	102.50	102.76	98.00	98.00	98.00	82.00	80.50	81.23	95.25	93.75	94.23
May	103.00	100.00	101.82	98.50	97.00	97.81	82.00	76.00	78.94	95.00	86.50	91.13
June	100.50	95.25	97.98	97.00	93.50	95.31	75.00	67.00	71.54	87.00	81.50	84.83
July	103.00	100.00	101.84	100.00	96.00	97.87	78.50	72.00	74.75	90.50	85.00	87.79
Aug.	103.25	103.00	103.14	100.00	99.50	99.80	84.00	77.50	80.83	93.75	89.50	91.73
Sept.	101.25	99.50	100.89	101.00	100.00	100.57	82.75	78.50	81.75	93.50	89.75	91.95
Oct.	101.25	99.50	100.78	100.50	98.50	99.82	80.00	76.50	79.20	92.50	88.50	91.03
Nov.	101.50	101.00	101.25	99.75	99.50	99.68	80.00	79.00	79.57	92.75	92.00	92.30
Dec.	102.00	101.00	101.35	100.00	99.50	99.91	82.75	77.50	79.97	95.50	92.00	93.61
1937												
Jan.	102.50	102.00	102.26	100.50	100.00	100.05	86.50	82.00	83.43	95.25	94.00	94.59
Feb.	104.00	102.50	103.16	100.75	99.50	100.19	91.25	86.50	88.21	96.50	95.00	95.44
Mar.	102.50	102.50	102.50	100.50	100.50	100.50	94.40	90.50	92.82	97.00	96.00	96.58
Apr.	102.50	102.50	102.50	100.50	99.50	99.64	90.50	89.50	90.18	98.00	96.25	97.16
May	103.00	102.50	102.86	99.50	99.50	99.50	91.25	89.00	90.12	99.75	97.50	98.75
June	103.00	102.50	102.75	100.00	99.50	99.75	94.25	90.00	93.47	101.25	99.50	100.95
July	103.50	96.00	100.51	100.50	98.50	99.70	95.50	83.50	90.13	100.00	89.00	95.74
Aug.	100.00	90.00	94.03	99.00	92.00	95.00	85.00	64.00	71.59	91.50	76.00	82.81
Sept.	92.00	75.00	90.54	93.00	88.00	90.00	66.50	57.50	61.34	78.00	61.00	67.73
Oct.	93.00	89.50	91.02	95.00	90.00	92.05	68.00	60.50	63.45	74.50	64.00	68.51
Nov.	96.00	85.00	90.91	96.00	92.00	94.86	75.00	58.00	66.43	79.50	63.00	72.86
Dec.	88.00	86.00	87.16	93.00	91.00	92.73	63.50	57.00	60.66	68.50	62.00	67.25
1938												
Jan.	87.00	72.00	80.50	91.00	75.00	86.05	59.50	45.00	52.51	60.50	48.00	54.00
Feb.	77.00	74.00	75.70	86.00	85.00	85.30	50.00	47.50	48.48	58.00	50.50	53.26
Mar.	83.00	74.00	75.33	93.00	85.00	87.65	56.00	48.00	51.05	68.50	57.00	59.96
Apr.	80.00	74.00	76.16	93.00	87.00	91.00	57.00	49.50	53.68	61.50	58.50	62.76
May	88.00	80.00	84.61	95.50	92.00	93.25	61.00	49.50	55.32	73.00	64.50	68.49
June	79.00	72.00	75.19	92.00	88.00	89.29	50.00	40.00	45.79	64.00	56.00	60.21

QUOTATIONS OF CHINESE GOVERNMENT BONDS IN LONDON

1924—1938 (Unit £)

Face Value	Gold Bonds 5% 1925—47			S. N. Rly. 5% 1903			T. P. Rly. 5% 1908. Brit.			T. P. Rly 1910 Brit. 5% (Supl. Loan)		
	£ 100			£ 100			£ 100			£ 100		
	H.	L.	Av.	H.	L.	Av.	H.	L.	Av.	H.	L.	Av.
1924	—	—	—	75.00	61.50	—	68.88	55.00	—	65.63	54.50	—
1925	—	—	—	68.50	54.50	—	56.88	52.00	—	51.50	50.00	—
1926	—	—	—	60.50	53.25	—	52.00	39.50	—	44.00	33.00	—
1927	—	—	—	48.25	34.00	—	33.00	18.00	—	30.00	18.00	—
1928	—	—	—	67.50	38.25	—	40.00	22.50	—	37.50	17.50	—
1929	—	—	—	67.25	58.00	—	43.75	18.50	—	38.50	11.00	—
1930	81.00	67.50	72.74	63.00	42.00	57.07	30.35	10.20	21.26	26.30	10.20	18.23
1931	92.25	75.00	80.29	60.00	33.38	46.35	30.35	5.10	17.22	24.29	5.15	15.21
1932	110.50	77.50	91.94	43.48	27.50	35.49	27.32	5.10	12.18	25.30	5.10	10.17
1933	108.75	77.00	93.06	55.00	30.35	41.27	27.32	12.22	18.25	23.28	12.17	16.23
1934	98.25	80.00	89.84	80.50	55.00	67.92	38.42	20.25	33.08	28.50	17.22	24.90
1935	101.25	90.00	95.30	86.75	65.00	76.63	36.00	22.00	29.56	32.00	20.00	26.16
1936	101.00	88.50	95.47	79.00	65.50	73.04	55.00	32.00	46.39	55.00	31.00	45.19
1937	104.75	70.00	93.20	90.50	37.00	68.01	78.50	27.00	54.61	78.50	27.00	53.91
1936												
Jan.	99.50	92.00	96.25	70.00	65.50	68.78	34.00	32.00	32.40	32.50	31.00	31.30
Feb.	96.50	92.00	94.68	73.00	65.50	68.84	49.00	33.50	38.30	46.00	31.00	35.70
Mar.	95.75	93.50	95.10	73.00	71.00	72.18	53.00	47.50	49.64	51.00	45.00	46.84
Apr.	96.75	95.50	96.16	73.50	71.50	72.40	53.00	49.00	50.48	51.00	49.00	50.28
May	97.00	93.00	95.32	75.50	73.00	74.38	50.00	46.00	48.10	49.00	45.00	46.86
June	92.50	88.50	90.75	72.00	67.00	69.00	46.00	39.00	41.93	46.00	39.00	41.12
July	96.00	91.25	93.67	75.00	69.00	71.13	49.50	42.00	44.85	47.50	41.00	44.02
Aug.	96.50	94.75	95.95	79.00	74.00	76.30	50.00	48.00	48.60	49.00	47.50	47.75
Sept.	95.75	93.00	94.83	78.50	75.50	77.82	50.00	48.00	49.45	48.50	47.00	47.93
Oct.	98.00	94.00	96.48	76.00	74.00	75.32	49.00	46.00	48.32	48.00	46.00	47.84
Nov.	98.25	97.50	97.81	76.50	75.00	76.10	52.00	49.00	50.63	51.50	48.00	49.94
Dec.	101.00	97.50	98.67	76.50	72.50	74.22	55.00	52.00	53.95	55.00	51.00	52.72
1937												
Jan.	101.75	99.00	100.38	79.50	75.00	77.04	60.00	56.00	58.35	59.00	56.00	57.73
Feb.	101.50	99.25	100.14	85.50	79.50	82.51	66.00	60.00	63.90	64.50	59.00	62.05
Mar.	101.75	101.00	101.35	90.00	86.25	88.54	71.50	66.00	69.81	71.00	65.00	69.02
Apr.	102.00	101.25	101.84	88.00	87.00	87.82	69.50	68.50	69.23	69.50	68.50	69.23
May	103.50	102.00	103.13	89.50	86.00	88.34	72.50	70.50	72.32	69.50	67.00	68.84
June	104.50	103.50	104.01	90.50	87.00	89.20	74.50	72.50	73.32	74.50	69.50	71.73
July	104.75	96.00	100.85	90.50	80.00	86.05	78.50	62.00	71.76	78.50	62.00	71.64
Aug.	96.50	87.00	90.59	78.00	42.00	53.44	63.50	40.00	47.28	63.50	40.00	47.28
Sept.	88.00	76.00	81.57	44.00	38.00	39.59	43.00	33.00	36.00	43.00	33.00	36.00
Oct.	83.50	79.00	81.11	41.50	38.00	39.55	33.00	30.00	31.12	33.00	30.00	31.12
Nov.	84.50	71.00	79.39	50.00	40.00	43.52	37.00	27.00	32.16	37.00	27.00	32.16
Dec.	75.50	70.00	74.07	42.50	37.00	40.57	32.00	27.00	30.09	32.00	27.00	30.09
1938												
Jan.	74.00	62.00	67.60	39.00	30.00	35.62	27.00	20.00	22.57	27.00	20.00	22.57
Feb.	66.50	64.00	64.98	39.00	35.00	37.18	24.00	20.00	21.38	24.00	20.00	21.38
Mar.	79.00	68.00	70.07	45.00	38.00	40.22	33.00	24.50	26.39	33.00	24.00	26.30
Apr.	77.00	71.00	74.29	42.00	40.00	41.34	29.00	25.00	26.95	29.00	26.00	27.21
May	81.25	71.00	77.01	43.50	30.00	38.14	35.00	27.00	30.77	34.00	27.00	30.68
June	70.00	61.00	66.74	29.00	22.00	25.00	27.00	21.00	24.07	27.00	21.00	24.07

QUOTATIONS OF CHINESE GOVERNMENT BONDS IN LONDON

1924—1938 (Unit £)

Face Value	T. P. Rly. 5% Ger.			T. P. Rly. 4% Ger. (Supl Loan)			Honan Rly. 5% 1905			Hukuang Rly. 5% 1911. London Is.		
	£ 100			£ 100			£ 100			£ 100		
	H.	L.	Av.	H.	L.	Av.	H.	L.	Av.	H.	L.	Av.
1924	—	—	—	—	—	—	80.00	68.00	—	58.83	45.00	—
1925	—	—	—	—	—	—	76.50	64.50	—	55.25	41.75	—
1926	—	—	—	—	—	—	76.00	32.00	—	52.50	42.75	—
1927	—	—	—	—	—	—	35.50	23.00	—	31.50	22.00	—
1928	—	—	—	—	—	—	39.75	22.00	—	42.00	25.13	—
1929	—	—	—	—	—	—	37.00	18.00	—	47.50	23.38	—
1930	—	—	—	—	—	—	28.00	22.50	—	35.50	20.00	43.82
1931	—	—	—	—	—	—	24.00	8.00	—	31.50	10.20	38.19
1932	—	—	—	—	—	—	13.00	5.00	—	26.30	11.16	26.35
1933	—	—	—	—	—	—	20.00	5.00	10.70	35.00	18.24	16.21
1934	—	—	—	—	—	—	32.00	20.00	28.01	47.00	28.50	24.75
1935	—	—	—	—	—	—	35.75	24.00	29.02	49.50	35.00	28.45
1936	55.00	40.00	47.45	55.00	40.00	47.25	74.25	28.00	52.29	56.00	44.00	50.61
1937	78.50	27.00	53.83	78.50	27.00	53.83	88.00	42.00	67.66	28.50	33.00	55.73
1936												
Jan.	—	—	—	—	—	—	28.00	28.00	28.00	48.00	44.50	46.65
Feb.	—	—	—	—	—	—	34.00	28.00	30.33	49.00	44.50	46.20
Mar.	51.00	43.00	45.39	50.00	42.50	44.41	34.00	32.00	33.45	55.50	46.50	51.09
Apr.	53.00	49.50	50.33	51.00	49.00	50.15	52.00	32.00	40.38	56.00	51.50	53.69
May	51.50	45.00	47.74	49.50	45.00	47.54	56.50	51.50	53.98	54.50	51.00	52.74
June	45.00	40.00	41.48	45.00	40.00	41.48	54.00	49.00	51.10	50.00	44.00	45.17
July	48.00	42.00	44.48	47.00	42.00	44.09	59.50	52.00	55.43	51.50	44.00	46.89
Aug.	48.50	46.00	47.28	48.50	46.00	47.15	68.00	59.50	63.50	54.75	51.00	52.58
Sept.	49.00	48.00	48.39	49.00	48.00	48.39	66.00	62.50	64.36	56.00	53.50	54.60
Oct.	48.00	46.00	47.70	48.00	41.00	47.61	66.50	61.00	63.86	54.00	51.50	52.68
Nov.	55.00	50.50	52.32	55.00	50.50	52.27	72.75	66.50	70.40	51.50	50.50	51.31
Dec.	50.00	48.00	49.40	50.50	48.00	49.40	74.25	71.00	72.70	55.75	51.50	53.77
1937												
Jan.	59.00	56.00	57.65	59.00	56.00	57.65	74.50	72.00	73.18	59.50	55.00	57.11
Feb.	64.00	59.00	61.95	64.00	59.00	61.95	80.00	75.50	77.33	66.25	59.50	63.68
Mar.	70.50	64.50	68.81	70.50	64.50	68.83	88.00	81.00	86.27	71.25	66.50	69.65
Apr.	69.50	68.00	68.95	69.50	68.00	68.95	87.00	85.00	85.95	71.00	66.63	70.47
May	69.50	68.00	68.74	69.50	68.00	68.74	86.50	85.00	85.82	71.25	68.50	70.51
June	74.50	68.50	71.59	74.50	68.50	71.59	87.50	86.50	86.95	75.50	70.75	73.38
July	78.50	62.00	71.64	78.50	62.00	71.64	85.50	75.00	80.98	78.50	64.00	72.16
Aug.	63.50	40.00	47.28	63.50	40.00	47.28	73.00	48.00	56.94	63.50	41.00	47.97
Sept.	43.00	33.00	36.00	43.00	33.00	36.00	50.00	44.00	46.73	43.00	33.00	36.41
Oct.	33.00	30.00	31.12	33.00	30.00	31.12	47.00	43.00	44.33	36.50	34.00	35.29
Nov.	37.00	27.00	32.16	37.00	27.00	32.16	48.00	42.00	44.27	42.00	33.00	37.18
Dec.	32.00	27.00	30.09	32.00	27.00	30.09	45.00	42.00	44.14	36.00	33.00	35.00
1938												
Jan.	27.00	20.00	22.48	27.00	20.00	22.48	44.00	35.00	39.10	35.00	26.00	29.67
Feb.	24.00	20.00	21.38	24.00	20.00	21.38	45.00	40.00	42.20	28.00	25.00	26.43
Mar.	33.00	24.00	26.39	33.00	24.00	26.30	47.00	40.00	41.65	35.00	27.00	29.52
Apr.	29.00	26.00	27.21	29.00	26.00	27.21	45.00	41.00	43.53	74.00	28.00	31.55
May	35.00	27.00	30.77	35.00	27.00	30.77	45.00	38.00	41.50	38.50	31.00	33.77
June	27.00	21.00	24.07	27.00	21.00	24.07	38.00	30.00	32.12	30.00	22.00	25.86

QUOTATIONS OF CHINESE GOVERNMENT BONDS IN LONDON

1924—1938 (Unit £)

	Lung-Hai Rly. 1913			Canton-Kowloon Rly. 5% 1907			S. H. N. Rly. 1908			Hukuang Rly. (Ger.) 5% 1911		
Face Value	£ 100			£ 100			£ 100			£ 100		
	H.	L.	Av.	H.	L.	Av.	H.	L.	Av.	H.	L.	Av.
1924	—	—	—	—	—	—	68.25	57.00	—	—	—	—
1925	34.50	17.64	—	—	—	—	65.50	46.00	—	—	—	—
1926	40.00	26.13	—	—	—	—	69.50	51.50	—	—	—	—
1927	20.88	13.75	—	—	—	—	59.00	34.63	—	—	—	—
1928	34.00	18.75	—	—	—	—	70.00	38.00	—	—	—	—
1929	41.00	16.00	—	—	—	—	80.00	71.00	—	—	—	—
1930	29.00	10.00	—	—	—	—	80.00	68.00	—	—	—	—
1931	20.75	5.00	—	—	—	—	85.00	60.00	—	—	—	—
1932	19.00	5.00	—	—	—	—	83.00	55.50	—	—	—	—
1933	15.19	8.25	11.72	—	—	—	94.00	60.00	—	—	—	—
1934	19.00	11.00	16.09	—	—	—	101.00	93.00	—	—	—	—
1935	19.32	11.50	16.23	—	—	—	102.00	100.50	—	—	—	—
1936	36.00	16.00	28.05	42.25	32.50	38.29*	—	—	—	—	—	—
1937	47.50	20.00	32.81	58.50	23.00	42.84	—	—	—	76.50	28.00	48.53†
1936												
Jan.	19.00	16.00	18.15	—	—	—	—	—	—	—	—	—
Feb.	30.50	16.00	19.96	—	—	—	—	—	—	—	—	—
Mar.	32.00	25.00	29.28	—	—	—	—	—	—	—	—	—
Apr.	35.25	27.00	30.94	—	—	—	—	—	—	—	—	—
May	36.00	31.50	33.26	—	—	—	—	—	—	—	—	—
June	30.00	28.00	29.14	—	—	—	—	—	—	—	—	—
July	32.00	28.50	29.98	—	—	—	—	—	—	—	—	—
Aug.	32.00	29.50	30.78	42.25	32.50	35.70	—	—	—	—	—	—
Sept.	30.50	28.00	29.38	40.00	36.50	39.38	—	—	—	—	—	—
Oct.	28.50	27.00	28.07	39.00	34.50	37.80	—	—	—	—	—	—
Nov.	28.25	28.00	28.04	40.50	37.50	39.21	—	—	—	—	—	—
Dec.	31.00	28.50	29.65	41.00	38.00	39.34	—	—	—	—	—	—
1937												
Jan.	35.00	31.75	32.69	44.50	41.00	42.50	—	—	—	—	—	—
Feb.	37.50	34.75	36.18	50.50	45.00	47.53	—	—	—	—	—	—
Mar.	42.00	37.75	40.88	58.00	52.50	56.02	—	—	—	—	—	—
Apr.	41.50	39.50	41.15	56.00	53.00	54.75	—	—	—	—	—	—
May	41.50	39.50	40.61	55.00	53.00	54.50	—	—	—	69.50	66.00	68.89
June	46.00	40.00	43.28	57.00	52.50	54.74	—	—	—	74.00	69.50	71.43
July	47.50	35.00	42.57	58.50	46.00	53.73	—	—	—	76.50	62.00	70.07
Aug.	36.50	24.00	28.13	51.00	30.00	43.94	—	—	—	61.00	40.00	46.94
Sept.	24.00	20.00	21.34	32.00	26.00	27.59	—	—	—	42.00	32.00	35.68
Oct.	21.50	20.00	20.93	28.00	26.00	26.60	—	—	—	34.00	30.00	31.90
Nov.	27.00	20.00	22.77	31.00	25.00	27.16	—	—	—	39.00	28.00	33.75
Dec.	25.00	20.50	23.20	27.00	23.00	24.98	—	—	—	33.00	28.50	31.61
1938												
Jan.	21.00	15.00	18.48	24.00	15.00	18.76	—	—	—	31.00	23.00	25.71
Feb.	18.50	17.00	17.35	19.00	17.00	17.80	—	—	—	26.00	23.00	24.55
Mar.	24.50	19.00	20.50	25.00	19.00	21.50	—	—	—	33.00	25.00	27.39
Apr.	23.50	20.50	21.74	25.00	22.00	23.18	—	—	—	31.00	25.00	28.47
May	25.00	19.00	21.30	27.00	23.50	24.93	—	—	—	35.00	29.00	31.32
June	18.50	14.00	15.95	22.00	17.00	18.76	—	—	—	29.00	21.00	24.38

* Average of last five months.

† Average of last eight months.

INDEX NUMBERS OF COST OF LIVING IN PRINCIPAL CITIES

Period	Cost of Living			Workers' Cost of Living		
	Shanghai	Peiping	Shanghai	Tientsin	Nanking	Canton
	1926=100	1927=100	1926=100	1926=100	1930=100	1930=100
1926	100.0	102.0	100.00	100.00	—	—
1927	106.7	100.0	101.09	105.60	—	—
1928	102.5	101.6	93.21	109.51	—	—
1929	107.9	106.5	101.98	115.67	—	—
1930	121.8	109.6	116.79	118.81	100.00	—
1931	125.9	95.8	113.82	113.80	102.09	—
1932	119.1	91.2	108.05	105.24	94.02	—
1933	107.2	81.0	97.17	92.48	83.42	84.58
1934	106.2	79.5	97.35	89.70	80.26	80.40
1935	106.6	85.9	98.72	99.02	80.58	76.92
1936	113.3	100.2	105.04	112.82	84.19	—
1937	—	—	—	—	—	—
1936						
Jan.	111.0	95.3	103.64	111.44	80.79	72.01
Feb.	112.0	95.1	104.96	114.30	85.17	76.54
Mar.	114.1	97.6	107.10	115.57	83.63	72.97
Apr.	111.7	98.2	103.90	112.42	81.78	78.42
May	111.1	102.7	102.68	113.69	82.44	77.83
June	111.8	98.6	102.74	111.39	84.46	68.79
July	112.2	102.5	105.44	110.64	85.64	63.72
Aug.	115.5	99.3	105.76	109.34	84.12	75.71
Sept.	113.5	99.0	104.82	110.36	83.11	71.71
Oct.	114.0	102.0	105.03	111.95	84.95	71.11
Nov.	114.9	104.9	104.21	115.06	85.52	68.85
Dec.	117.5	107.9	108.86	122.87	88.66	88.35
1937						
Jan.	120.1	113.9	111.24	123.63	92.66	—
Feb.	120.1	113.2	112.63	124.71	93.27	—
Mar.	116.8	111.6	108.42	125.38	91.54	—
Apr.	117.4	113.6	106.17	124.89	—	—
May	118.7	118.9	107.21	121.85	—	—
June	119.0	—	106.95	120.01	—	—
July	120.0	—	—	—	—	—
Aug.	134.6	—	—	—	—	—
Sept.	147.7	—	—	—	—	—
Oct.	139.5	—	—	—	—	—
Nov.	160.6	—	—	—	—	—
Dec.	167.2	—	—	—	—	—
1938						
Jan.	154.6	—	—	—	—	—
Feb.	158.5	—	—	—	—	—
Mar.	150.4	—	—	—	—	—
Apr.	148.2	—	—	—	—	—
May	140.9	—	—	—	—	—
June	142.6	—	—	—	—	—
Compiled by	National Tariff Commission	Institute of Social Sciences Peiping	Bureau of Social Affairs of the City Government of Shanghai	Nankai Institute of Economics	Bureau of Social Affairs of the City Government of Nanking	Kwangtung Provincial Statistical Bureau

INDEX NUMBERS OF WHOLESALE PRICES IN PRINCIPAL CITIES

Period	Shanghai	N. China	Canton	Nanking	Hankow	Tsingtao	Changsha
	1926=100	1926=100	1926=100	1930=100	1930=100	1930=100	June, 1931 =100
1926	100.0	100.00	100.00	—	—	—	—
1927	104.4	103.02	100.80	—	—	—	—
1928	101.7	107.98	96.80	—	—	—	—
1929	104.5	111.08	96.70	—	—	—	—
1930	114.8	115.85	101.40	100.0	100.0	100.0	—
1931	126.7	122.55	112.60	106.1	114.5	107.6	104.3
1932	112.4	112.87	113.79	100.8	112.4	103.6	103.5
1933	103.8	101.00	104.54	92.1	98.7	94.9	83.6
1934	97.1	92.31	94.28	80.6	89.0	86.8	80.1
1935	96.4	95.51	84.63	80.3	89.2	89.4	87.5
1936	108.5	110.62	105.41	84.8	97.2	93.4	94.4
1937	129.1	—	—	—	—	—	—
1936							
Jan.	104.3	104.09	95.56	84.2	93.0	91.7	89.8
Feb.	105.4	107.14	98.27	83.3	93.4	92.4	92.3
Mar.	106.4	110.50	99.41	84.5	96.9	92.8	95.8
Apr.	107.3	111.53	100.87	84.7	100.0	93.3	97.9
May	105.8	109.05	102.27	83.3	96.5	93.5	96.2
June	106.1	108.10	110.49	82.9	95.9	93.9	94.7
July	107.2	109.60	112.92	83.2	96.0	94.7	91.8
Aug.	107.4	109.34	109.48	83.6	94.7	94.0	89.7
Sept.	107.0	108.67	108.90	83.0	94.9	93.6	88.9
Oct.	109.7	111.52	108.74	85.8	99.4	93.4	95.0
Nov.	113.0	115.09	109.63	87.6	101.2	93.5	98.1
Dec.	118.8	122.76	111.31	91.5	105.4	93.8	102.9
1937							
Jan.	121.6	126.33	115.73	96.1	109.3	95.5	107.1
Feb.	122.9	128.88	118.04	96.8	110.9	95.3	109.3
Mar.	123.0	129.71	117.50	96.5	108.3	95.4	—
Apr.	123.9	134.12	119.78	97.0	110.6	93.5	—
May	125.1	130.41	—	—	—	—	—
June	126.1	130.40	—	—	—	—	—
July	125.8	—	—	—	—	—	—
Aug.	127.8	—	—	—	—	—	—
Sept.	129.9	—	—	—	—	—	—
Oct.	133.1	—	—	—	—	—	—
Nov.	140.3	—	—	—	—	—	—
Dec.	141.4	—	—	—	—	—	—
1938							
Jan.	139.6	—	—	—	—	—	—
Feb.	138.4	—	—	—	—	—	—
Mar.	139.2	—	—	—	—	—	—
Apr.	142.8	—	—	—	—	—	—
May	141.9	—	—	—	—	—	—
June	145.2	—	—	—	—	—	—
Compiled by	National Tariff Com- mission	Nankai Institute of Economics	Kwangtung Provincial Statistical Bureau	Ministry of Industries			Bureau of Finance, Hunan Province

INDEX NUMBERS OF WHOLESALE PRICES IN PRINCIPAL COUNTRIES

1929=100

Period	China	England	U. S. A.	France	Germany	Japan
1926	95.7	112.6	104.9	110.8	98.0	107.7
1927	99.9	108.2	100.1	102.4	100.3	102.2
1928	97.3	106.2	101.5	102.9	102.0	102.8
1929	100.0	100.0	100.0	100.0	100.0	100.0
1930	109.9	84.0	90.7	88.4	90.8	82.4
1931	121.2	70.2	76.6	80.0	80.8	69.6
1932	107.6	67.7	68.0	68.2	70.3	73.3
1933	99.3	68.2	69.3	63.6	68.0	81.6
1934	92.9	71.0	78.7	60.0	71.7	80.8
1935	92.0	74.1	83.9	54.0	74.2	84.4
1936	103.8	78.6	84.8	65.5	75.9	89.9
1937	—	89.5	90.6	92.7	77.2	108.4
1936						
Jan.	99.8	77.2	84.6	57.3	75.5	87.3
Feb.	100.9	76.7	84.6	59.3	75.5	86.9
Mar.	101.8	76.7	83.5	60.0	75.5	86.8
Apr.	102.7	76.7	83.6	59.2	75.6	87.5
May	101.2	75.5	82.5	59.6	75.7	87.5
June	101.5	76.0	83.1	60.3	75.8	88.1
July	102.6	77.6	84.5	62.4	75.9	89.8
Aug.	102.8	78.0	85.6	64.0	76.2	91.3
Sept.	102.4	79.7	85.6	67.0	76.1	91.4
Oct.	105.0	80.7	85.5	75.1	76.0	91.2
Nov.	108.1	82.6	86.5	78.5	76.1	92.6
Dec.	113.7	85.8	88.4	82.8	76.5	97.8
1937						
Jan.	119.4	87.7	90.1	85.8	76.7	106.1
Feb.	117.6	89.1	90.6	85.0	76.9	104.8
Mar.	117.7	94.4	92.1	87.7	77.3	109.1
Apr.	118.6	92.7	92.3	88.0	77.1	112.8
May	120.1	93.3	91.7	87.7	77.2	109.8
June	120.7	91.2	91.5	88.8	77.3	108.4
July	120.4	91.7	92.2	92.8	77.6	108.7
Aug.	122.3	90.2	91.8	96.2	77.8	107.0
Sept.	124.3	89.0	91.7	100.5	77.4	108.5
Oct.	127.4	87.3	89.5	100.2	77.2	107.5
Nov.	134.3	83.3	87.4	99.2	76.9	108.1
Dec.	135.3	83.5	85.7	100.6	76.9	109.7
1938						
Jan.	133.6	83.5	84.9	101.4	77.0	111.6
Feb.	132.4	81.7	83.7	100.6	77.0	113.4
Mar.	133.2	80.2	83.6	101.1	77.1	114.4
Apr.	136.7	79.3	82.6	102.6	77.0	112.3
May	135.8	78.1	—	104.3	76.8	113.2
June	138.9	77.9	—	105.3	—	—
Original base	1926=100	1913=100	1913=100	1913=100	1913=100	Oct., 1900=100
Compiled by	National Tariff Commission	Economist	Bradstreet	Statistics General	Federal Statistical Bureau	Bank of Japan

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