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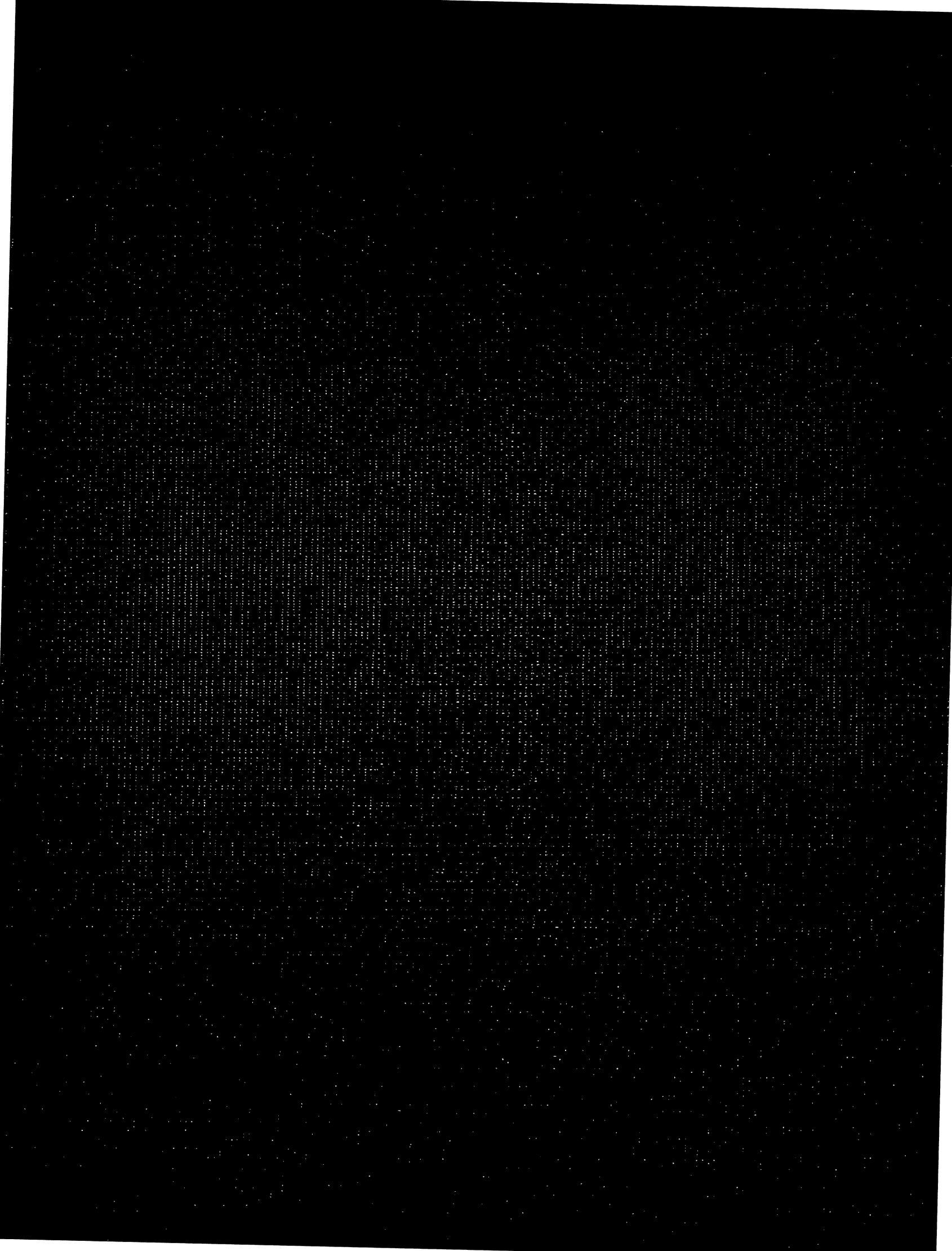
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DEVELOPMENT OF CHINA'S EXPORT TRADE
1901-1925

by

Huang Yü Jung

Submitted in partial fulfillment of the requirements for the Degree of Master of Arts at Clark University, Worcester, Massachusetts, June, 1928, and accepted on the recommendation of

A handwritten signature in cursive script, appearing to read "L. V. Kent", is written over a horizontal line. The signature is bold and stylized, with a long horizontal stroke extending to the right.

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DEVELOPMENT OF CHINA'S EXPORT TRADE
1901-1925

Chapter I

Introduction

China, potentially the largest market in the world, has an area 4,300,000 square miles, larger than Europe, and an area equal to that of the United States, Mexico, and Central America combined. The population of China (about one-fourth the entire population of the world) is about equal to that of Europe. From a commercial point of view, one would believe that China, a market of more than 400,000,000 persons, should offer an unlimited field for international commerce, while her numerous undeveloped resources should make her one of the greatest producing nations of the world. But the purchasing power of the people in China is so low that any improvement in economic conditions is immediately reflected in an increase of capital and a rise in the purchasing power. The price of labor advances the moment that the products of

China gain a higher market value, and with it the possibility of greater consumption; that is, the more China can sell, the more China can buy, because all trade resolves itself into barter. In a number of cases China can offer products, which are of great value to other nations. For example, the American paint and varnish manufacturers have found that Chinese wood oil is superior in drying qualities to linseed oil. This has become indispensable to the success of the industry. It is found that Chinese cotton is peculiarly adapted to the American blanket manufacturing industry, but China, through the sales of cotton to the United States, finds that it is possible for her to buy the longer staple American cotton for its finer count yarns. Also, the more vegetable oils that the United States purchases from China, the more kerosene and other products China buys from the United States. We can see, therefore, that China's entire international trade depends chiefly upon the products which she exports to other nations. If we want to understand thoroughly China's future potentiality, we must give our attention to her exports.

Although the Portuguese have had direct trade with China since the sixteenth century, followed by

Spanish, Dutch, and British traders, and although American ships were found in the waters of South China during the early nineteenth century, it was not until the beginning of the twentieth century that trade with the western world was actually opened. Since that time China's foreign trade has increased rapidly, especially her exports. In 1864 the total value of the exports was 54 million Haikwan taels, and in 1901 it had mounted to 169 million taels--almost a three-fold increase in a period of 37 years. After that, the exports increased four and one-half fold within twenty-five years to about 776 million taels in the year 1925.

During the first twenty-five years of the twentieth century, there was a great political change in China. Revolution and rebellions occurred nearly every year; in 1912 the power of the Manchus was swept away and a Republic was set up. Owing to her vast area and large population the reorganization of a strong central government has not been an easy task. Internal dissensions appeared frequently. The great strife since 1914 has been between the provinces of the North and South, and while troops, who formerly kept order, have been away at war, the country has been overrun with lawlessness. During wars, honest peasants and

workmen have been taken from a life of productivity and put into the unproductive armies. Floods and pestilences have also come. In spite of all these calamities, China's trade has gone on as usual and her exports show an amazing increase.

The year 1901 has been taken as the starting point for a more detailed study of the Chinese export trade up to the present time, because of the interesting development of the export trade since that date.

During the period 1901-1925 we find (1) a remarkable shifting of various articles to leading positions in the export trade; (2) interesting changes in the importance of export ports, and developments of new ports; and (3) the changing importance of the foreign countries to which the products are sent. These problems will be approached in the following manner: (1) general treatment of the export trade, the leading export articles, the leading export ports, and the leading countries to which the exports are sent; (2) indication and some detailed discussions of the great number of problems involved; and (3) suggestions to explain these problems.

Before proceeding with the detailed discussion of the exports of the period, it will be necessary to

mention the statistics which were used in this study. The statistics, published by the Chinese Maritime customs, are not a complete record of the foreign trade of China, because the customs have no record of the foreign trade which goes through the Northern and Western land frontier ports. Furthermore, all trade with certain foreign countries carried on in Chinese junks is not accounted for because it is not under the control of the inspector general. The value of exports, made from time to time in the annual reports, therefore, is probably not the real value. On the other hand, the political situation at Hongkong has always been a chief difficulty. Although Hongkong is a distributing center for the foreign trade of South China, it is also a British colony and its trade is included with the foreign trade of China. No statistics are published showing the origin of the imports or the destination of the exports. Although the Chinese customs were able to present a record of the trade between China and Hongkong, it was impossible to know how this trade was distributed among the countries. This must all be taken into account, even though attempts have been made to avoid this difficulty.

Chapter II

General Tendencies of Export Trade Value 1901-1925

The trend of the total exports of China is influenced to a certain degree by the peculiar status of the Chinese money and the fluctuations to which it is exposed.

Exchange Value of Chinese Money

The system of currency is based on the silver standard. Previous to the Revolution different units of currency for the interior trade existed in various parts of the country. The Chinese Republican Government tried to better some of these chaotic monetary conditions by establishing the Yuan (now the Chinese silver dollar) as the standard unit. Although different regional units are now gradually being displaced by this dollar, as yet practically no unity has been reached.

Because of these variable conditions, it was absolutely necessary for the Chinese Maritime Customs to establish an independent unit on which to base the

collection of duties. Thus, the Haikwan tael or Haikwan Liang (means Maritime Customs Ounce) was adopted. The term expresses what it really is--an imaginary money unit equivalent to the value of one Chinese ounce or liang of silver.

It is here that the problem arises. The value of silver on the world market is always subject to rather great fluctuations which have been particularly notable in recent times as a result of disturbances caused by the World War. These changes in the silver price, of course, have affected the value of the Haikwan tael, and have had in some years a very favorable, in other years a decidedly unfavorable, influence on the total magnitude of the Chinese export trade. Nevertheless, how much influence they did have on the total quantity of the Chinese exports we do not know. In the case that prices in China did not change, the curve of the total value of the Chinese exports would represent fairly well the trend in quantities. However, we know that prices did change, in part due to temporary market conditions; in part to a general tendency toward a higher cost of living; in part probably to changes in the silver value. It is entirely impossible without additional

purely economic research work to assign the relative importance of the price changes to each one of the factors involved. Besides, such an analysis is immaterial to the main problems as treated from a geographical point of view.

The main fact is that the curve giving the total value of the Chinese exports is not an accurate representation of the total quantity of goods exported, but that the difference is probably much less than it would be in many other countries, under the same conditions of large fluctuations in the value of their money on the world market. Chinese economic life is not yet such an essential part of the world economic system that prices follow, after a relatively short time, the variations in exchange. The continuous changes in the silver price have sometimes meant a distinct advantage, sometimes a distinct disadvantage, to the Chinese exporters. This would best be studied in connection with the graphs representing the quantities of the various export articles. However, as those graphs are not readily available, we may use, without making great mistakes, the curve representing the total export value in Haikwan taels.

During periods of a low silver price, the buyer

from foreign countries which have a gold standard, has an advantage over the buyer from other countries because he can buy more Haikwan taels (i.e. more goods) for the same amount of money. He finds prices in China low; therefore, he will be likely to make larger purchases. During periods of high silver price, the reverse is true. If we make a comparison of the graphs, these facts will be quite evident.

During the period of high silver prices in the years 1906 and 1907, Chinese exports showed a marked decrease, while during the years of low silver prices (1910, 1911, and 1912) the exports increased rapidly. The low export trade value of 1914, coinciding rather unexpectedly with falling silver prices, was probably entirely due to abnormal conditions caused by the outbreak of the World War, while the increase in exports which followed, coming at the time when there was an enormous increase in the value of silver, was due to abnormal World War conditions when raw products were bought at any price. The following slump in the silver prices was accompanied by another great increase in the export values. The increase in the quantity of export, however, during this last period was probably not quite as great as formerly, because prices

in China had been mounting rapidly during the last years (Figures 1 and 2).

We have added a diagram representing the export trade values of China, expressed in American dollars (see Figure 3), in order to show how the development of the trade would be if we included the fluctuations of Chinese money; but, for the above-mentioned reason, we shall only use the value in Haikwan taels.

Explanation of Exports 1901-1925

The export trade of China made remarkable progress during the first quarter of the twentieth century, in spite of the World War, the continued occurrence of natural calamities, and the political disturbances caused by the transition from the Manchu dynasty to that of the Republic. With the exception of fluctuations which occurred during the years 1905, 1912, 1914, and 1920, Figure 1, showing China's export trade from 1901 to 1925, indicates clearly the vast strides made during this period. Three periods may be noted as a result of these fluctuations: the first period, 1901 to 1913; the second period, 1914 to 1921, and the third period, 1922 to 1925.

The First Period 1901-1913

During the first period a slow but steady growth

in the total value of exports was noted. The exports rose from 169 million Haikwan taels in 1901 to 403 million in 1913--over a two-fold increase in 13 years. However, there were two periods of decline between 1901 and 1913, one occurring in 1905 and the other in 1911.

From a political point of view two outstanding events in the history of China and the Far East, in general, must be considered during that period: (1) the Russo-Japanese War of 1904, and (2) the overthrow of the Manchu Dynasty and the founding of the Republic.

The immediate effect of the Russo-Japanese War upon the foreign trade of China resulted in a marked decrease in the exports. The war, which took place in Manchuria, lasted about two years and destroyed the productive region in that part of China. It also paralyzed trade with the two fighting countries. Therefore, the total value of exports dropped from 239 million Haikwan taels in the year 1904 to 227 million the following year. The value of exports to Russia decreased from 12 million Haikwan taels in 1903 to 5 million and 9 million in 1904 and 1905 respectively. The decrease in the value of exports to Japan was from 37 million in 1904 to 35 million and 33 million

in 1905 and 1906 respectively. After the war, the provinces of Manchuria were opened to trade and she established commercial relations with the rest of the world. This was one of the important factors which caused the exports to increase rapidly during the years which followed.

The second political event occurred in the year 1911. A revolutionary movement which began in Hupeh province spread rapidly over China. Everywhere there was fighting between the governmental and the revolutionary armies during that time. As a result of this state of unrest, the power of the Manchus was swept away and in 1912 a republic was established. The outbreak of the revolution and the disturbed state of the country caused a decline in the total export values in 1912. However, this decline did not continue, for in 1913 the value of the total exports was much greater than it had been at any time previous to that year. Despite the fact that there was a rebellion in the summer of 1913, the total value of exports increased to 403 million Haikwan taels.

During the period from 1901 to 1913, drought and flood occurred in China and disease was added to famine on more than one occasion. In 1902 Southern

China suffered from drought and deficiency of food, and this was accompanied by an epidemic of cholera which spread rapidly throughout the country. The winter of 1906-1907 was also one of famine. A disastrous and deadly pneumonia plague broke out in Manchuria during the winter of 1910, which, spreading quickly over the country, completely demoralized the people and paralyzed trade. In 1911 floods, which resulted in famine conditions in the provinces of the north, swept across the valley of the Yangtze Kiang. However, these calamities during this period did not have any serious effect on China as a whole, but caused great suffering in the local provinces in which these disasters occurred. Only slight fluctuations may be noted in the total value of the exports during this period.

In spite of these disastrous conditions, several beneficial factors, which encouraged and increased the exports, may also be mentioned. Among these is the development of the railways. In 1895 there were practically no railways in China, and by the end of 1913 almost all the present lines of China had been completed. It is estimated that there were about 800 miles before the year 1901, but in 1913 the total

mileage had increased to over 6,000 miles. As a result of this, trade with the areas which the railway penetrated was greatly increased. The total value of exports from Hankow in 1904, just one year before the Peking-Hankow railway was completely opened to traffic, was 7.1 million Haikwan taels. By the year 1909 the exports of Hankow had increased to 17.8 million taels -- a two-fold gain during the five years. The export value of Kiaochow in the year 1904 was 0.8 million taels. The next year, when the Kiaochow-Tsinan railway was opened, the export value of the port rose to 4.5 million Haikwan taels, more than a five-fold increase, and by the year 1919, it had reached 25.4 million taels. After the railways were built the exports from Manchuria increased rapidly. Before the railway was opened to traffic, the value of exports in 1907 in Dairen was just 2.2 million, but within three years' time, it rose to 22.3 million taels, about ten times the former figure. The export of linseed from Tientsin is another illustration. Previous to 1911 no linseed was exported. In the autumn of the year when the Peking-Suiyuan railway reached the northern part of Shansi province, the export trade was opened. During the next year the linseed exports

from Tientsin amounted to over 442 thousand tons.

Another factor which favored the export trade was the increase in the number of open ports. In 1900 the number of open ports in China was 33, but by 1913 this number had increased to 48. Most of these new ports were opened to trade between the years 1907 and 1910, many of them being in Manchuria. These centers of trade were distributed from the frontier, between Manchuria and Russia, along the whole coast of China and along the southern borders of the country from the ocean to the boundary between Tibet and India. They were found along the important rivers by which the interior of the country could be reached, and also along the new lines of railway communications.

During this period the importance of the main export articles changed considerably; some new articles were added to the trade while some unimportant ones became very important.

The Second Period 1914-1921

With the outbreak of the European War in 1914, the total export value of China for that year decreased from 403 million Haikwan taels in 1913 to 356 million taels, a 12 per cent decrease as compared with

1913. The next year the total value of exports increased to 418 million taels and continued to rise until 1919, when the trade reached a total of 630 million taels. In 1920, a severe drop to 541 million taels occurred, and by the end of 1921 the trade had not fully recovered.

The greatest factor which influenced the fluctuations during this period was the outbreak of the World War which caused an immediate decrease in trade. A few months after the outbreak of the war in 1914 when the nations of the world had begun to readjust themselves to new conditions, markets developed for materials used in connection with the war, and for products formerly supplied by the countries engaged in the conflict. Thus, one finds that certain Chinese raw materials, food products, and metals, such as antimony, albumen, aniline dyes, indigo paste, cotton, egg products, vegetable oils, oil seeds, hides, skins, furs, wool and silk were in great demand during the years of the war and even during the year following the signing of the Armistice. The increased demand for these articles resulted in 1919 in the highest total value of exports. The big decrease in 1920 was due to business depression throughout the

entire world, as a result of the war; however, the next year the value of exports rose, although it did not approach the high values of 1919.

There are other factors which affected the trade which should also be considered. The shortage of transoceanic ships and the resultant rise in freight rates became a problem. Immediately after 1914, the transportation question became a serious one, because one-fourth of the world's mercantile tonnage was taken from ordinary trade as a result of war. The readjustment in shipping on this account soon reduced the tonnage in both the Atlantic and Pacific Oceans, and the shortage of ships greatly hindered the export trade of China, not only because of high rates, but also because of the large quantity of commodities in China for which space on ships bound for Europe and America could not be found. The difficulty was made worse by the fact that a part of the exports consisted of cheap and bulky materials which could not bear so easily a high cost of transportation, resulting from the increase in freights from 300 to 500 per cent from the year 1914 to 1918. During 1919 the shortage of ships was decreased. This was a factor in the increase of exports in that year.

The doubling of the price of silver during the year created another serious handicap to the export trade of China. "After 1916 the rate of exchange between the American gold dollar and the Chinese silver tael became extremely unfavorable to the former. In normal times a tael has been exchangeable for less than 70 cents of American money. But in 1916 the average rate was 79 cents for one tael; in 1917 it went up to \$1.03; then to \$1.26 and \$1.39 in the two successive years. This unfavorable exchange, of course, greatly hampered the growth of American imports from China."¹

There are also other factors which checked the growth of exports from China. The revolutions in Russia and the stopping of through traffic on the Trans-Siberian Railway entirely cut off the Russian market from 1917 to the end of 1921. During this interval, political troubles in China continued, and the consequent handicap in transporting goods added to export difficulties. Besides these, there was a severe drought throughout the northern provinces of China in 1920, which decreased the exports for that

1

Pan, Shū Lun, "The Trade of the United States with China," Chapter IV, pages 72 and 73.

year. It will be noted that the main commodities of China's exports greatly changed during the years 1914 and 1921.

The increase of food products accounts for much of the increase in the export trade of China during 1918 and post-war years. In the last year of the war, there was a shortage of cereal crops in Japan and Siberia, which increased the export of cereals, such as wheat and millet, from China to these two regions. In addition, there was the European demand for Chinese cereals, which increased the exports to 35 million taels in the year 1920. Cereals were the only commodities among all China's exports which were not influenced by the world's economic depression. Eggs and egg products were exported in increasing amounts during the years 1916 and 1919, their value being doubled within these four years. Frozen meats, poultry, and wild game were of greater importance during these years. In general, every kind of food product obtainable in China was exported.

The Third Period
1922-1925

During this period, the export trade of China showed a steady increase from 654 million Haikwan

taels in 1922 to 752 million in 1923 and 771 to 776 million taels in the following two years.

General economic conditions throughout the world showed signs of improvement. Foreign exchanges, comparatively speaking, were more stable. The inflation of currency and credit, which occurred in so many countries after the close of the war, was reduced. The difficulties which existed during the second period--such as the shortage of boats and high freight rates--did not exist during this period.

The development of Chinese railways continued. The total mileage actually opened to traffic was slightly over 6,000 miles in 1913. During this period it increased to 7,000 miles. Nevertheless, there were some factors which hampered the growth of trade. Internal political troubles continued throughout the period and the export trade was seriously handicapped by the difficulty, or even impossibility, in some cases, of transporting the produce from inland to the treaty ports for further shipment abroad. The Shanghai incidents of the 30th of May, 1925, paralyzed trade, and strikes and boycott movements hindered the further growth of export trade in that year.

In addition to the political trouble, there was

a climatic factor which had a bad influence upon the export trade in 1924. The heavy floods in July and August, which interfered with trade and transportation, caused severe famine in the northern provinces. Despite the unsettled state of the country and the climatic disaster, the export trade of China increased.

It can now be seen that in spite of all the unfavorable conditions during these three periods--internal and external unrest, physical disturbances within the country, and World War influences--China has struggled through this turmoil, and her trade has increased, and will, in all probability, continue to progress for many years hence.

Chapter III

Leading Export Articles 1901-1925

The export trade of China is dependent upon several important commodities--raw silk, silk goods, tea, beans and bean by-products, eggs and egg products, vegetable oils, raw cotton, hides, skins, and furs, cereals, and coal. Each one of these commodities will be discussed separately, first, as to the general trend of development during the twenty-five years; and second, as to its importance in the export trade.

Raw Silk

The most important commodity exported from China during the period 1901 to 1925 in point of value is raw silk. The export value of this product increased from 50 million Haikwan taels in 1901 to 113 million in 1919 and to 153 million taels in 1925--a three-fold increase. During this period of increase there were several serious fluctuations. One of them which occurred in 1914 was due to the outbreak of the World

War, which curtailed the market for raw silk in Europe. This was not of long duration, for, by the year 1916, the market had recovered and there was an especially large demand for raw silk in America. At this time, also, the raw silk of Turkey and Italy could not be exported because of European trouble and thus China had no competitors in the world market. Therefore, the export trade reached 113 million taels in 1919--a record which had never before been reached. The depression of the world's economic conditions in 1920 caused another decline in the export trade of raw silk. However, by the following year China had recovered from this decline and by 1923 the value of the exports of raw silk had reached 154 million taels. By 1924 the shortage in the raw silk crop of China and the heavy taxation combined with inland war conditions caused the price of Chinese silk to increase. On the other hand, the price of Japanese silk was much lower, causing great competition between the two countries. Because of this condition, a third drop occurred in this year, due to the decreasing demand of America and France for this Chinese product. However, by 1925 the value of the exports had begun to rise again (See Figure 4).

China's raw silk may be divided into three classes--white, yellow, and wild or tussah silk. There are many silk-producing regions in China, the most important ones being Chekiang, Kiangsu, and Kwangtung Provinces for the export of white raw silk, which forms the greater part of the silk produced in China; and Szechwan, Hupeh, and Shantung Provinces for the yellow raw silk. Wild silk is obtained chiefly in the Provinces of Shantung, Fengtien, and Honan (See Figure 5).

Shanghai and Canton have been the most important ports for the export of raw silk throughout the period under consideration. At first, raw silk which was exported from Newchwang and Chefoo in North China, was sent to Shanghai for re-export to foreign countries. But later on, conditions changed and the raw silk of Fengtien was exported directly from Antung and Dairen where there are good transportation facilities to foreign countries and Newchwang lost her importance in the export trade. Kiaochow, located in the province of Shantung, then began competing with Chefoo, taking most of her exports and sending them directly to foreign countries. Soochow and Wuhu in central China also became important export ports. Tengyueh in the

southern frontier of the Yunan Province obtained in 1925 an export trade in raw silk valued at one million Haikwan taels (Compare Figures 5 and 6). Throughout the period Hankow and Chungking were the most outstanding ports for the shipping of silk from central and western China to Shanghai.

A notable change in the distribution of Chinese raw silk to foreign countries may be noted during the period from 1901 to 1925. Hongkong once held the leading position in the importation and re-shipment of China's raw silk to distant markets. In recent years she has dropped to third place in the export trade of raw silk. This decline came as a result of the sending of raw silk from the north and central regions directly abroad. France, well known in the west for her silk-weaving industry, now takes most of China's raw silk. Because of the growth of silk manufacturing in America, the United States has become the second greatest customer of Chinese raw silk. Japan, in spite of the great exportation of her raw silk, still buys a great quantity of Chinese silk for weaving purposes. In 1925 France took 34 per cent of China's raw silk, United States 32 per cent, Hongkong 17 per cent, Japan 7 per cent, India

3 per cent, and Italy 1 per cent (See Figures 5 and 6).

Although raw silk remained the chief export commodity throughout the greatest part of the period, and although China's export values increased about three times that of 1901, her relative share in the entire export trade shows a notable decline. In the year 1902 the percentage of the exports of raw silk in the total export trade was 32.1 per cent, but by 1925 this percentage had fallen to 19.7 per cent (See Figure 7). The failure of the exports of raw silk to increase at the same rate as the total export trade was due chiefly to the absence of the use of scientific methods of cultivation and preparation. The silk producers were composed mostly of peasant farmers, each one taking care of his own product. Because they knew nothing of the scientific methods used to check the spreading of disease among the silk worms which had become serious, their product was, therefore, greatly affected, both in quality and quantity. In former times, it took three or four piculs of cocoons to make a picul of silk, but now it takes from four to six because of the poorer quality of the cocoons. Besides the deterioration in the quality of the cocoons, the carelessness in the

reeling of the fibre and impurities in the product impair greatly the quality of the raw silk. In addition to this, competition from Japan is another factor to be considered. "The Japanese government took a lively interest in maintaining and improving the quality of the raw silk exported from that country. In 1897 the Japanese government established a silk-conditioning house at Yokohama and in 1900 the examination of silk for watering was made compulsory in Japan."² Watering of cocoons was sometimes practised to add weight to the product sold. Moreover, the Japanese merchants used their entire energy to promote the silk trade in the world market by advertising and by exhibitions. The government of China, on the other hand, has shown little interest in this important problem, and the merchants have never advertised. One other factor to be considered is this: China's silk is mostly exported to Europe, while Japanese silk is sent to America. The decline of the European silk industry during the war caused a decrease in the export of China's raw silk.

During recent years, the Chinese have given more attention to the reorganizing of the silk industry

2

Encyclopedia Sinica, page 515.

along modern lines, with a view to re-establishing a place in the world market. The International Committee for the Improvement of Sericulture was formed in Shanghai in 1918 for the purpose of giving instructions to the farmers of the silk-producing regions. When scientific methods are entirely introduced, there will be no doubt about the development of China's export trade in raw silk. Chinese silk is well known for its better quality in tensile strength and durability.

Silk Goods

Closely related to the exportation of raw silk is that of Chinese manufactured silk. During the years 1901 to 1925 the value of the exports of silk goods increased from 10 million Haikwan taels to 23 million taels, over a two-fold increase. This was due to the considerable increase in the exportation of pongee silk, rather than other kinds. Before the opening-up of Manchuria, the export of pongee was of minor importance. Until 1913 China's export value of pongee amounted to only 6 million taels and by 1920 the export value had reached 8 million taels. The great demand for pongee silk from France and the United States in the year 1921 caused the value in the total exports of silk goods to rise to 30 million

Haikwan taels, which is the highest record of the value of exportation of manufactured silks within this period. (See Figure 4).

The silk goods may be divided into six kinds: piece goods, pongee, embroidery, ribbons, thread, and unclassified products. The most important articles among these six are, however, piece goods and pongee. Although there are several centers for the production of domestic silk goods, the most well known are Kwangtung Province in south China, Kiangsu and Chekiang in central China, and Szechwan in west China. Pongee silk comes mostly from Shantung, Honan, Szechwan, and Manchuria (See Figure 8).

Shanghai and Canton are the most important ports for the export of silk goods. In the beginning Kowloon was one of the important ports in the South, but during later years she declined in importance. It was in 1925 that Kiaochow and Hankow obtained their foremost places among the leading export ports (See Figures 8 and 9).

At first, manufactured silk was mostly exported to Hongkong and from there distributed among other nations. But, the direct export from China to other countries became more and more important in later years

and therefore Hongkong lost her importance as a distributing center.

By referring to Figures 8 and 9, a great change in the distribution of China's silk goods may be noted. In 1902 Hongkong took 75 per cent and Korea 6 per cent of the total exports. But, in 1925 we note that Hongkong obtained only 44 per cent of the total exports of silk goods while other nations, such as India, Singapore, and the Straits Settlements obtained a greater portion than before. Korea disappeared from the export trade, due to the establishment by the Japanese of a high import duty on August 29, 1920, in order to restrict the importation of Chinese silk goods to her dependency. This tariff increased the import duty about 5 or 6 times the former levy; thus, Chinese silk goods were entirely withheld from the Korean market.

The relative share of manufactured silk in the export trade shows a decline similar to that of the raw silk during this period. In 1901 the export of silk goods obtained 6.4 per cent of the total export trade, ranking third among the export commodities. By 1925 the export of silk goods increased to 2.9 per cent, thus holding seventh position (See Figure 7).

The factors which caused the decline were many. First, there was a serious competition with the Japanese, French, Swiss, British, and German commodities in the world market. Second, Chinese silk goods were made by hand, which caused the price to be high. Third, the silk was thicker than the silk from other countries which added to its cost as well as to its period of service. Thus, it could not compete with the cheap thin silk from other countries. Fourth, the silk goods were too narrow - only about 20 inches in width - for making European style dresses. Furthermore, the lack of advertising and the heavy import duties of other nations all hindered its development.

Tea

The exportation of tea in the year 1901 was valued at 20 million Haikwan taels, and by 1915 the exports had increased in value to 55 million taels. During this period there were two fluctuations, one in 1905 due to the influence of the Russo-Japanese War, and the other in 1912 due to the fact that the regions of production were disturbed by the revolutionary movement. In 1917 a ruinous decline occurred. Because of the Russian revolutionary conditions from 1917 to 1921, the Chinese tea market was cut off en-

tirely from Russia and Siberia. The restrictions on the importation of tea into Great Britain helped to re-enforce the disaster. By 1920 the export value of tea dropped to 8 million Haikwan taels, which was the lowest record ever known. From that time, the trade has slowly recovered, and by 1925 it had reached 22 million taels (Figure 4).

The tea plant grows in China between 23° and 35° North Latitude, including the whole central and southern parts of China. The well-known productive centers are Anhwei, Chekiang, Kiangsi, Fukien, Hupeh, and Hunan Provinces (See Figure 10). The export of tea has been classified into seven kinds: black tea, green tea, black tea bricks, green tea bricks, tea tablets, tea dusts, and unfired tea leaves.

Hankow was the most important port for the export of tea to foreign countries. Kiukiang, Hangchow, Ningpo, Foochow, and Santuao were also important ports throughout this period. Among these principal ports, the black teas are mainly exported from Hankow, Kiukiang, and Foochow; green tea from Hangchow, Ningpo, and Santuao; and the brick tea from Hankow (See Figures 10 and 11).

Of China's exports Russia and Siberia were the

greatest consumers throughout the period, even though the revolutionary conditions hampered in recent years the importation of Chinese tea. However, Russia still buys much more Chinese tea than other nations. In former years the United States was an important importer of Chinese tea, but during recent times she has become less important, owing to the competition of Japanese and Formosa teas with Chinese tea in her market. Great Britain's demand for Chinese tea decreased in this period, due to the fact that the British government encouraged her people to buy India and Ceylon teas; she established a preferential duty in 1919 restricting tea which was not grown within her territory. But, the Near East nations now became the important consumers of Chinese tea. By looking at Figure 11, we note that in 1902 Russia took 45 per cent of China's exports of tea, United States 28 per cent, Great Britain 8 per cent, and Hongkong 7 per cent. But, in 1925, Russia just took 28 per cent, Turkey, Persia, Egypt, and Aden combined took 17 per cent, while the United States dropped to 13 per cent and Great Britain to 5 per cent (See Figures 10 and 11).

Next to raw silk, tea was the most important item of China's exports at the beginning of the twentieth

century. It supplied 12 per cent of China's export trade in 1901 and 16.7 per cent in 1904. But later on, the tea declined in its relative share and in 1925 tea obtained only 2.8 per cent of the export trade (See Figure 7). The decline of the Chinese tea trade has been caused by the intense competition of India, Ceylon, Java, and Japan, all of which have gradually pushed Chinese tea from the main tea markets of the world--England, Australia, and the United States. In 1899 about 16 per cent of the tea consumed in England came from China, but by 1906 this percentage had fallen to about 2.1 per cent. Later on, it averaged about 3 per cent. For example, in 1920 the United Kingdom imported only 3.6 per cent of the Chinese tea. On the other hand, she purchased 57.6 per cent of India tea, 28.9 per cent Ceylon tea, and 9.3 per cent Java tea. The India and Ceylon teas can compete with Chinese tea in the British market (1) owing to her government encouraging the people to buy the tea which grows within the British Empire, (2) owing to the large scale production of tea by better methods, and (3) because of the strong infusion of Indian tea which greatly appeals to the tastes of the English people. In the United States the decrease in

the importation of Chinese tea has been very great. The average percentage for United States' imports of tea from China in 1900-1904 was 49.6 per cent, and by 1922 it was only 15 per cent. The chief competitors with Chinese tea in the United States' market are Japan, India, and Ceylon. The same decline in the importance of Chinese tea was characteristic of the Australian market.

Although competition has been strong in the world market, the demand for Chinese tea would not have decreased had it not been for internal reasons. First, tea in China is produced on small fields; hence it is controlled by small holdings. Therefore, they cannot furnish uniform, standard qualities on as great a scale as the large plantations of India, Ceylon, and Java. Second, the manufacture of tea in China is still done by hand, thus causing the cost of production to increase as labor becomes more expensive. Third, the heavy duties on tea have helped to handicap the export of Chinese tea in this period. The export duty was originally fixed by the Treaty of Nanking, signed in 1842, at 2.50 taels per tan (133 1/3 lbs.), being about 10 per cent of the value. This tariff was used for sixty years, but in 1902 the levy was

reduced to 1.25 taels per tan. However, the price of tea has fallen since 1842, and as a result tea has at all times borne a much heavier export duty than that stipulated. In addition to this excessive export duty, tea has suffered an inland tax, called "likin", which is imposed on it during its transshipment from the region of production to the transit ports, and which averages over 2.50 taels per tan.

The teas of India, Ceylon, Java, and Japan, on the other hand, are exported free of all duties. Since 1919 the Chinese government has reduced the likin charges upon tea about one-half and has entirely removed the export duty. Unlike the Japanese, the Chinese merchants do nothing in the way of advertising their tea. They also make no effort to pack their teas in such a way as to attract the people's attention.

Due to all the above-mentioned factors, China's tea trade has dropped seriously. This ruinous decline has attracted the attention of the Chinese for a long time and they are now beginning to remove the internal causes. The tea merchants now manufacture their tea on modern lines in order to suit the foreign markets. Recently, the Chinese government established tea in-

vestigation bureaus at Hankow, Foochow, Shanghai, and other tea-producing regions, in order to improve the methods of cultivation. Furthermore, the government has discontinued the whole export duty and has reduced the likin to one-half to encourage the export of Chinese tea.

Hereafter, due to the greater attention that both the government and tea merchants are giving to the tea trade, Chinese tea may be able in time to regain a part of her former position in the world market.

Beans and Bean By-Products

In the first quarter of the twentieth century beans and their by-products became very important commodities in China's export trade. A marked development is noted among all the export items; beans and their by-products have surpassed tea as the second commodity. Before 1890 China's trade in beans was mainly domestic. Since that year beans have been exported to foreign nations. By 1901 the aggregate value of the export of these products amounted to 8 million Haikwan taels. Until 1907 there was slight growth in the trade, the value of the total exports of beans in that year being 12 million taels. At this time there was no trade with America or Europe, most

of the exports being sent to Japan where bean cake was used as fertilizer for the rice fields. In 1908 a Japanese company shipped the Manchurian beans to London with remarkable results. Thus, beans began to gain their market in Europe. The beans arrived at a time when there was a shortage of Egyptian cotton seeds and Argentina linseed in the West; therefore, beans were demanded and became the chief product for soap manufacturing. The demand continued to increase and in 1909 the export value of beans reached 52 million taels, greater in value than the export of tea. There was a slight decline between 1910 and 1917, but throughout this period the average export value of beans was about 50 million taels. The decline was caused (1) by the establishment of China's Republic and (2) by the outbreak of the European War. The war caused the shortage of ships and, as a result, there were high freight rates for its transshipment on the one hand and a curtailment of some of its market on the other. After the armistice was signed in 1918, the export trade increased rapidly, from 87 million taels in value in 1919 to 120 million taels in 1925. During this period of rapid growth, there was a decline in 1920, due to the depression of world business which

influenced its exports. Thus, one can see that during the period, 1901-1925, the trade made a 15-fold increase (See Figure 4).

The exports of beans and beancake are of much greater importance than the exports of bean-curd. Although the producing regions are widely distributed over China, it is in Manchuria that this crop reaches its greatest commercial value due in part to the Japanese market. The virgin, fertile soil, combined with small local consumption, due to sparse population, both encourage the exports. Dairen, Harbin, Antung, and Newchwang are the principal ports for the export of beans and bean by-products. Because of railway facilities, Japan and Russia took most of these exports. In the year 1925 about 54 per cent of the exports of these products went to Japan, 26 per cent to Russia, 4 per cent to India, 3 per cent each to Great Britain and Korea (See Figure 12).

The relative share of beans and their by-products also grew in importance in the total export trade. In 1901 these products only held 5 per cent of the total trade and by 1909 the value had increased to 15.3 per cent, and by 1925 it had reached 15.5 per cent (See Figure 7). This rapid growth was due to the opening-

up of Manchuria where one finds an unlimited, virgin, fertile land for the cultivation of beans. Unlike other regions in China, the land of Manchuria is not densely populated; therefore, its products can be shipped out for the world demand. Second, the use of beans for making oil for domestic purposes has been adopted by the Western World. They do not use them for human food, but use them in the manufacture of soap, toilet powders, lubricants, fertilizers, and animal feed.

Vegetable Oils

The wide utilization of vegetable oils in the Western World has been the cause of the remarkable growth of the export trade of China. In 1901 the trade of vegetable oils was valued at 2.7 million taels and by 1909 the value had reached 6 million taels. After that year, trade grew rapidly, especially during and after the World War. By 1919 the value of the exports was 46 million taels. This rise was due to the lack of animal products such as butter, lards, and flavoring oils during war time when the Westerners were compelled to use vegetable oils for substitutes. On the other hand, the shortage of ships and the resultant high freight rates hampered the transshipment

of bulky seeds to the West; therefore, oil was greatly demanded in that period. During the depression of world economic conditions, the export of vegetable oils was seriously affected. In 1921, the value of the exports of vegetable oils declined to 20 million taels. However, because of the ever-increasing demand for this oil, the trade soon recovered from this decline and by 1925, it had increased again to 46 million Haikwan taels, obtaining third rank among the exports (See Figure 4).

Although there are many varieties of vegetable oils, including bean, groundnut oil, cotton seed oil, wood oil, rape seed oil, sesamen seed oil, tea oil, castor oil, croton oil, olive oil, hemp oil, corn oil, and perilla oil, the most important oils exported within this period were bean oil, groundnut oil, and wood oil.

Bean oil was the most important of all the vegetable oils which were exported. The beans were grown almost entirely in north China, especially Manchuria, where they were made into oil and then used for commercial purposes; hence a great number of oil manufacturing concerns were established in that region for the preparation of bean oil for export.

Next to bean oil in importance came wood oil, or tung oil, which was extracted from the nuts of *Aleurites*, a small genus belonging to the spurge family. There are two species of *Aleurites*--*Aleurites montana* and *Aleurites fordii*. *Aleurites montana* grows in Kwansi Province; while *Aleurites fordii* grows in central and western China, mostly in the Provinces of Szechwan, Hunan, Hupeh, and Kweichow. The wood oil is used chiefly for varnish, waterproofing, cement, linoleum, and paint in the West instead of linseed oil, because of its rapid drying character. Most of this oil was exported to the United States for painting and varnishing purposes.

Groundnuts are grown in sandy soil; therefore, they are mostly produced in the Provinces of Shantung, Chihli, Honan, and Kiangsu. The oil of the groundnuts was chiefly exported from these regions, too. The trade of groundnut oil increased rapidly, especially during and after the Great War.

Of the exports of Chinese vegetable oils, most of the oil passed through Hankow, Shanghai, and Newchwang in the year 1902. Afterwards the trade grew rapidly, and other ports became of great importance in the export trade. Dairen became the outstanding port in

Manchuria and Harbin became the second in rank. Although Newchwang is the oldest port in this trade, it has not grown in relative importance as have some of the newer established ports. In central China, Hankow still holds her important position, but Yochow, Wanh-sien, and Chungking have recently been added due to the increasing exportation of wood oil in the foreign trade (See Figures 13 and 14).

In the beginning, about three-fourths of the exports of vegetable oils went to Hongkong, where they were transshipped to other nations. But, later on, the condition changed, most of the oils being shipped directly to other nations. The great demand for Chinese wood oil in the United States, as well as other kinds, made her become the leading consumer of Chinese vegetable oils. Great Britain and Russia followed the United States in importance, but to a lesser degree. Hongkong, however, has gradually lost her important position as an importer of vegetable oils (See Figures 13 and 14).

The percentage of the vegetable oils in the export trade grew as rapidly as did the value. In 1901 the value of vegetable oils in the total export trade amounted to 1.6 per cent, but in 1919 it had reached

8.4 per cent, and by 1925 it still held 5.9 per cent of the total export trade (See Figure 7). This great increase was due to the cultivation of the fertile land of Manchuria, where a great quantity of beans, ground-nuts, and other kinds of seeds were produced as well for the purpose of making oil. The growth of railways encouraged the export of oils from the interior. The imports of kerosene oil increased, because it was cheaper than vegetable oils, and thus took their place for purposes of illumination. In the Western World the people used vegetable oils as substitutes for butter and lard.

The discovery of new ways to use the vegetable oils played an important part in increasing the demand for it in the world markets. Now, besides the former uses as foodstuffs and for illumination, vegetable oils are used for making artificial leather for book binding, for the making of substances similar to celluloid, and for the manufacture of dynamite. However, the chief industrial uses are the making of paints and varnishes, soaps, candles, linoleum, and oil cloths. The vegetable oils are also used for lubricants.

Eggs and Egg Products

Although poultry eggs for many centuries have

been of great importance in the every-day diet of the Chinese and were produced to a great extent in China, they did not enter into the foreign trade until 1903. By 1904 the export of poultry eggs was valued at 1.6 million Haikwan taels. Before the World War the trade grew very slowly and by 1914 the exports only amounted to 5 million taels. When the war broke out, the great demand for foodstuffs in the fighting nations, as well as in the neutral countries, made this trade increase rapidly. By 1919 the value of exports amounted to 24 million taels--nearly a five-fold increase since 1914. In 1920 the depression of world business influenced the export trade, making it show a slight decrease, but after that, the trade rose again and by 1925 the value of exports of eggs and egg products had reached 33 million taels. During these periods of growth, there were some unfavorable factors which checked its expansion. One was the restrictive regulations which were established in September, 1917, in the United States to check the importation of Chinese dried egg powders and liquid yolks. In 1922 the United States raised the import tariff in order to curtail the export of frozen and dried eggs from China. Both of these barriers are shown clearly in the decline of

exports in the years 1918 and 1923. Although there was a great demand from other parts of the world, the trade did not grow as rapidly as it would had the United States not restricted the importation of Chinese eggs and egg by-products (See Figure 4).

Although eggs are extensively produced in China, most eggs for commercial purposes come from the regions north of Yangtze Kiang. In the south due to the numerous rivers, swamps, and ponds, the district is suitable for the raising of ducks and geese, but is not for the raising of chickens. In the southern part the eggs produced are used mostly for home consumption. In the north, conditions are different; chicken eggs are abundant and form the main export commodity (See Figure 15).

The export of eggs may be classified under three headings: (1) albumen and yolk, (2) fresh and preserved, and (3) frozen eggs. At first, most of the exports consisted of fresh and preserved eggs, but later on when facilities developed for the handling of eggs with modern methods for desiccation, drying, and refrigeration, the export trade of fresh and preserved eggs declined. The other two kinds--albumen and yolk, and frozen eggs--became the important items for export

trade.

Of the export ports, Hankow, Shanghai, Tientsin, Nanking, and Harbin are the most important in the trade. Great Britain, United States, and Japan are the outstanding importers for China's eggs (See Figure 15). Great Britain took about 44 per cent of China's exports of eggs and egg products in the year 1925, while the United States took 22 per cent, and Japan 13 per cent.

In 1904 eggs and egg products held 0.6 per cent of the total exports; in 1919, 3.8 per cent, and by 1925 they obtained 4.2 per cent, holding fourth position among the export commodities (See Figure 7). The rapid growth of this trade was due to the abundant surplus and the cheapness of China's eggs, which could be shipped to foreign markets to compete with the native products. Secondly, the use of modern methods to prepare the eggs in the form of albumen, yolk, and dried powder, made them easier to transport than the fresh and preserved eggs. Thirdly, the new methods for using them in the industries, such as in the form of liquid eggs and liquid yolk for tanning leather, albumen for printing cotton cloths, finishing paper, sensitizing photographic plates and in thickening ink,

gave way to a new demand for eggs besides its former use as human food.

Raw Cotton

China ranks third among the cotton-producing nations of the world, next to the United States and India, but her export trade of raw cotton is not as great as that of the other two. In 1901 the trade was valued at 4.7 million taels, but since that time it has increased in a fluctuating way, until by the end of the period the value of the exports of raw cotton had reached 29 million taels--a seven-fold increase. The fluctuations of raw cotton for export depended mostly upon the demand of Japan and the production and price of American and Indian cottons. In the years 1914 to 1919 the supply of Indian cotton declined; therefore, the cotton mills of Japan bought a great quantity of cotton from China. Thus, the export value of this commodity rose from 12 million taels in 1914 to 37.8 million in 1918. In 1920 there was a marked decline in the cotton exports, due chiefly to the world business depression which influenced the cotton consumption in Japan. The increase in 1924 was due to the demand of better-grade cotton from Japan, which caused the trade to increase to 40 million taels--the highest

record ever known. Owing to adverse climatic conditions in the cotton-growing regions, the trade showed a slight decline the next year (See Figure 4).

The most important districts for the growing of cotton are Kiangsu, Chihli, Hupeh, Shantung, Honan, Shensi, and Chekiang Provinces. Hankow, Tientsin, Shansi, and Shanghai became the main export ports. More than three-fourths of China's cotton export was taken by Japan, where no cotton is grown. The United States was the second consumer of China's raw cotton, using it for her blanket manufacturing industry. Germany and Great Britain took a very small share of this trade (See Figure 16). In 1925 about 76 per cent of the raw cotton was imported by Japan, 11 per cent by the United States, 3 per cent by Germany, and only 1 per cent to Great Britain.

In 1901 the value of the exports of raw cotton in the entire export trade was 2.7 per cent; in 1904 it reached 10.3 per cent, and by 1925 it had dropped to 3.8 per cent (See Figure 7). The general tendency of its share in the export trade was increased, due to the great demand from Japan and the increase in the cultivation of cotton in China. The improvement of communication from the interior to the ports also

helped the export of this commodity.

It may be noted that recently the Government encouraged the people to buy American cotton seeds for cultivation, because the fiber of the American cotton is longer, finer, and whiter than the native Chinese cotton. This has helped increase the export trade of this product in recent years.

Hides, Skins, and Furs

China's exports of hides, skins, and furs has increased in importance within the period. There was an insignificant shipment of these articles in 1901, which was valued at 8 million taels or 5 per cent of the total trade. Owing to transportation facilities and the increasing demand from the West, the value of the export trade rose to 23 million taels in 1913 or 5.8 per cent of the total export trade. Moreover, this growth was partly due to the effect of the American Tariff Act of 1909, which allowed all hides and skins to be free from import duty; thus, a great quantity has been shipped to the United States since that year. During the Great War and post-war period, the European production of hides, skins, and furs declined seriously. Thus, Chinese products took their place in the market. By 1917 the export value of these

products reached 28 million taels, or 6.1 per cent of the total export trade. The depression of world economic conditions in 1921 made trade less profitable, but as soon as the world business recovered, the trade increased and by 1925 it was valued at 30 million taels, or 3.8 per cent of the total exports (See Figures 4 and 7).

Hides, skins, and furs are mostly produced in north China, especially in Manchuria, Mongolia, and Tibet. Furs of fox, marmot, raccoon, sable, and weasel; skins of goats, sheep, calves, and colts; and hides of cows, buffaloes, horses, donkeys, and mules--all are important exports which come under this heading. Tientsin, Hankow, Harbin, and Nanking are the most important ports for this trade.

Of China's exports of hides, skins, and furs, the United States took more than one-fourth of them, in spite of the fact that she herself produced a great quantity of them, but could not supply her own leather factories, or her furriers. Great Britain and Japan were other important buyers. By the year 1925 the United States took 40 per cent of China's exports of these products, Great Britain, 19 per cent, and Japan, 16 per cent (See Figure 17). The cheapness of these

goods has helped China to compete with the products from other parts of the world.

Cereals

The exportation of cereals was prohibited before the year 1908. During that year China made an agreement with Japan, permitting the cereals which were produced in Manchuria to be shipped abroad. Afterwards, this agreement was used widely in China; thus, the exports of cereals grew rapidly. But, rice is still prohibited for the purpose of export. In the year 1910 the export of cereals was valued at 5 million Haikwan taels, or 1.4 per cent of the total trade, and by 1913 they were valued at 9 million taels. The climatic disaster in the producing regions made its export trade in cereals decrease for a few years. By 1918 the export of cereals reached a value of 7 million taels, and in the next two years the exports increased rapidly to a value of 35 million taels, or 5.5 per cent of the total export trade in 1920. This rapid growth was due to the partial failure in the growth of cereals in Japan and Siberia and to the great demand from Europe. When the above condition was removed the value of exports of cereals again showed a slight decline, and by 1925 they were valued at 21.8 million

taels (See Figures 4 and 7).

The cereals under this heading include barley, corn, millet, oats, kaoliang, and wheat. These kinds of cereals are mostly produced in north China, those produced in Manchuria being of greatest commercial value. The fertile virgin soil, aided by suitable climate, produced a great quantity of wheat, kaoliang, and millet. Unlike other places, the sparse population is not able to consume all the products; therefore, there is a great surplus for exportation.

Antung, which has railway connecting with Korea, also has the privilege of the reduction of one-third of the export duty, making it the chief export port for cereals. Dairen and Newchwang, situated in the southern part of Manchuria, take less important places in the exportation of these products. Harbin is the chief outlet in the north for the exports of these commodities to Russia.

Korea is the chief importer of China's cereals, owing to the bridge connection of its railway with Antung. But, most of her imports are transshipped to Japan, because of her vast population. Russia is another consumer, but in a far less degree than Japan. The direct exports of these products to Japan are very

little. In the year 1925, 86 per cent of the exports of cereals went to Korea, 8 per cent to Russia, and only 3 per cent directly to Japan (See Figure 18).

Coal

Coal is a new commodity in the export trade during this period. It entered the list of exports in 1903 with an export value of 492 thousand Haikwan taels. By the year 1909 the value reached 1 million taels, or 0.3 per cent of the total export trade. Afterwards, the trade increased because of the opening-up of coal mines by new methods and the increase in the output year after year made the exports rise rapidly. By 1914 they were valued at 8 million taels, and by 1925 the exports of these products had reached a value of 20 million taels, or 2.5 per cent of the total exports (See Figures 4 and 7).

Coal is widely distributed in China, being found in almost every province in the country. The well-known producing centers are Fengtien, Chihli, Shantung, Shansi, and Honan Provinces. Among these districts the most important mines which chiefly supply the export trade are Kailon Mine in northeastern Chihli; Fushun Mine in southern Fengtien; Fangtze, Tzuchuan, and Chunghseng in Shantung (See Figure 19).

The principal ports of distribution for coal are Dairen, Chinwangtao, Kiaochoo, Antung, and Tientsin. Through Dairen and Kiaochoo, the Fushun and Shantung coals are exported to Japan. The Fengtien coal goes to Korea through Antung. Through Chinwangtao the Kailon coal is chiefly shipped abroad. Honan coal and Shansi coal are distributed from Tientsin.

Japan is the chief buyer of Chinese coal, owing to the lack of sufficient coal in her own land. Korea, Hongkong, and the Philippines are the other consumers of Chinese exports of coal, but to a far less degree than Japan. In 1925 about 61 per cent of Chinese coal that was exported went to Japan, 17 per cent to Korea, 6 per cent to Hongkong, and 6 per cent to the Philippines (See Figure 19).

Chapter IV

Development of Leading Export Ports

A port is the gateway through which both export and import commodities pass. The variety and volume of its exports are dependent on the productivity and resources of the hinterland. A good port must have a large productive hinterland and a well-equipped connection with inner and outer districts. The opening up of new ports encourages and accelerates production and exports, both in quantity and in variety. On the other hand, the prosperity or falling-off of a port is dependent, to a great degree, on the production of the hinterland of a country and on the outside demand for the commodities produced. For instance, in former times, Chinese tea was sent to foreign countries from Foochow. As there has been a decline in the demand for Chinese tea, Foochow is no longer as important a port as it was in previous years.

Although there are fifty ports open to foreign trade, most of the exports are concentrated in a few

leading ports, such as Shanghai, Dairen, Tientsin, Canton, Harbin, Antung, Kiaochow, Hankow, Mêngtsz, Kowloon, Swatow, Foochow, Chifoo, and Newchwang. In 1925, they held 95.5 per cent of the total value of exports, the remaining 4.5 per cent being distributed among the other ports. Only the fourteen important ports mentioned above will be considered in this paper.

Before we approach the study of each of the leading ports, there are certain outstanding factors which ought to be considered. The statistics which were published by the Chinese Maritime Customs are not completed. First, they include the coastwise trade together with the trade which is to go abroad. Second, only the original export figures of each port are given, no mention being made of the re-exports. The arrows which indicate the export trade of each port on the accompanying maps show the original export values, including coastwise trade. The value of the re-exports cannot be definitely determined from the data available, but the figures used give one a good idea of the value of each port in the export trade of China. At the same time, numerous local factors influencing the trade of the various ports have to be treated in a rather general way, because of the

limited size of this study.

Shanghai

In order of importance the port of Shanghai should be treated first. It is situated at $31^{\circ} 14'$ N. latitude and at $121^{\circ} 29'$ E. longitude, on the banks of the Hwangpu, a tributary of the Yangtze Kiang, entering the greater stream at Woosung. It is about 75 sea miles from the deep open sea, but about 12 miles above the junction of the Huangpu with the Yangtze Kiang. Steamers up to 24 feet draft can pass through the entire harbor at extreme low water, but vessels of 32 feet draft can just do so at high water. The harbor can accommodate 22 man-of-war and 156 trading vessels at the same time. The climate is mild in winter; so the harbor is open all the year round. Although dense fogs are frequent and typhoons occur on rare occasions, there is no interruption of navigation. It is the main center from which trading routes of China to the world radiate. There are great steamer lines connecting Shanghai with Europe, America, Japan, and Australia, and nearly every day ocean-going vessels arrive and depart. Shanghai is equipped with all the necessary harbor facilities to aid outgoing and incoming traffic.

As a railway center Shanghai is important. The Shanghai-Nanking Railway which already links up at Nanking with the Tientsin-Pukow Railway, which is important as an outlet of the navigable Yangtze Kiang, and then to Peking, is an important line of communication. In the south the Shanghai-Hangchow Railway line, which links with the northern part of Chekiang Province, is not of as great importance as the northern line.

The hinterland of Shanghai includes a vast area, including the entire area north of Fukien, south of Shantung, and the territory of the Yangtze Valley, rich in mineral, agricultural, and livestock resources. Therefore, Shanghai can hold the outstanding position for the export trade among all other ports.

The chief commodities which are exported from Shanghai are raw silk, silk piece goods, raw cotton, skins, hides, furs, eggs and egg by-products, vegetable oils of all kinds, and cereals. Besides these, tea, beans and bean by-products, tobacco, indigo, and sheep wool are all important re-export articles.

The general trend of the export trade of Shanghai shows a constantly rising tendency during the first quarter of the twentieth century. It increased from

80 million Haikwan taels in 1901 to 130 million taels in 1904, 213 million in 1916, and 306 million in 1925. The trade increased 226 million taels within the twenty-five years or almost four-fold.

During this period of prosperity, several periods of decline are also noted, one in the year 1925 due to a flood which occurred in Shanghai, causing considerable damage to goods. Furthermore, in May of that year, the unjust treatment of Chinese immigration to the United States caused an important boycott movement. During the few months which followed, the movement had spread towards many foreign countries and had taken on the appearance of an anti-foreign agitation. This greatly hampered the exports. So, the export trade dropped from 130 million Haikwan taels in 1904 to 107 million in 1905 or over 18 per cent compared with the preceding year.

Another decline came in the year 1911 due to the revolutionary movement in China. The third came at the outbreak of the World War in the year 1914 because all the nations of the world were affected by the new conditions. The fourth occurred in 1917 because of the influence of civil war along the Yangtze Valley. The last drop was in 1920 due to the depression of

the world's business. After that, the trade showed a rapidly rising tendency and reached its highest point at the close of the period, 1925 (See Figure 20).

Shanghai held the leading position throughout the whole period, although there were some years of slight decline. The fall in comparative importance was due to competition with other ports, such as Dairen, Harbin, and Antung to foreign trade and the increasing importance of Canton, Tientsin, Hankow, Kiaochow--all of which affected its condition. In 1901 Shanghai held 47.7 per cent of the total export trade, and by 1920 the value of exports in the total trade reached 56.8 per cent--more than half of China's exports passing through this one port. After that, a drop in the percentage of exports is noted--39.4 per cent of the whole exports in 1925 (See Figure 21).

Dairen

Dairen, the second port to be discussed, is situated at $38^{\circ} 53'$ N. latitude and $121^{\circ} 40'$ E. Longitude, on the south coast of the Liaotung Peninsula. It has, in a remarkably short time, grown to be an important port and trade center in the Far East. This rapid growth is due to the location as the gateway to southern Manchuria, which makes it an accessible

harbor to deep ocean-going vessels at any time. The excellent harbor works, due to the Japanese improvements, have given it great facilities for handling goods. It is also the terminus of the South Manchuria Railway which connects with the Trans-Siberian line. Dairen, also, has a hinterland of abundant vegetable, mineral, and animal wealth. The most abundant agricultural products are beans and bean by-products, cereals, and timber, which are largely exported. Of the animal products, the wild silk industry has increased each year. Skins and hides and furs are also important. Of the mineral resources of its hinterland, coal, iron, gold, silver, copper, and lead are present in profitable quantities. However, coal is the chief foreign export article in this group.

The value of the total export trade from Dairen in 1907 was 2 million Haikwan taels. Three years later, it reached 22 million taels, and by 1925 it had mounted to 129 million taels. These increases were due to the opening-up of Manchuria to cultivation and trade with the outside world; therefore, the export trade of Dairen, a new port which had only 0.8 per cent of the total exports in 1907, rose to second position among the leading export ports in the year

1917, and has continued to hold this place up to the present time. During the year 1925, Dairen obtained 16.6 per cent of the total export trade (See Figures 20 and 21).

Tientsin

Tientsin, a port located at $39^{\circ} 7'$ N. latitude and $117^{\circ} 7'$ E. longitude, is situated at the northern terminus of Yün Ho or the Grand Canal at its junction with the Pei Ho, leading north to Peking, and the Hai Ho, which flows into the Gulf of Pechili and offers a channel for sea-going steamers. It is about 35 miles from the sea and entrance to this port is through Hai Ho, which has a bar beyond its mouth, called Taku Bar, which hinders the free passage of the large sea-going vessels. At ordinary high water, unaffected by winds, steamers drawing up to 17 feet can cross the Taku Bar and reach Tientsin, but the larger vessels anchor outside the Taku Bar and discharge cargo from lighters. In winter, from December to March, the channel is frozen and ice breakers are kept at work whenever possible.

Tientsin has railway communication with the Southern Provinces by the Tientsin-Pukow Railway, and with Hankow by the Peking-Hankow Railway. With the

north it connects with the Peking Mukden Railway which joins the South Manchurian Railway and also the Trans-Siberian Line.

Besides its communication facilities, Tientsin has a vast hinterland which includes the metropolitan province of Chihli and also the larger part of Shansi, and considerable portions of Shensi, Honan, Kansu, Shantung, and Mongolia. Thus, it exports a great quantity of raw cotton, skins, hides, furs, coal, eggs and egg by-products, and beans and bean by-products.

The value of the total export trade of this port increased from 2 million Haikwan taels in 1901 to 62 million in 1925, rising about 31.5 fold during the twenty-five years. The trade shows steady rise except in the years 1917, 1920, and 1924. In the year 1917 a severe flood in northern China, which caused damage to the products, hampered the transportation and curtailed trade. In 1920 the depression of the world's business influenced its exports, and in 1924 Civil War occurred in its vicinity (See Figure 20). At the beginning of the twentieth century Tientsin held 1.2 per cent of the total export trade, ranking eleventh among the ports, but in 1915 Tientsin rose to fifth position, and in 1925 it became the third port of importance,

enjoying 8 per cent of the total exports (See Figure 21).

Canton

The greatest port in southern China is Canton, which is situated on the north bank, 80 miles above the entrance of the Chu Kiang or Pearl River, in latitude $23^{\circ} 12' N.$ and longitude $113^{\circ} 16' E.$ The harbor can be reached by vessels drawing less than 13 feet of water every day of the year. Because of its subtropical climate, the harbor is open all the year round. Typhoons occur occasionally at the end of the summer season and bring great danger to navigation. Canton has railway connections between Kowloon and Hongkong. The hinterland of this port includes the Chu Kiang basin which comprises the whole region of Kwangtung, Kwangsi, Yunnan, Kweichow, and a considerable part of Hunan and Kiangsi Provinces, rich in natural resources, especially agricultural products. The chief exports from this port are raw silk, silk piece goods, matting, tea, sugar, medicine, fruits, and firecrackers.

The port of Canton was the original center of the revolutionary movement of China. During the last twenty-five years the condition there has been ab-

normal. War and revolution have continued year after year; therefore, the trade of this port fluctuates greatly. In the year 1901 the export value of this port was 21 million Haikwan taels and by 1903 it had reached 44 million. During the three years which followed, there was a period of decline, but by 1907 the trade had recovered, the value rising to 51 million taels. Afterwards, fluctuations occurred year after year until 1923, when the value of the exports reached their highest record of 90 million taels, holding 11.9 per cent of the total export trade, and ranking third in importance. During the year 1925 the value of the trade dropped to 49 million taels, due to the Shanghai incidents of the 30th of May, the starting of the strike and boycott movements against British and Japanese all over China. The trade between Canton and Hongkong stopped entirely throughout the remaining months of that year. This port from 1901 to 1916 was the second port of China's export trade, but afterwards it was surpassed by Dairen. Until 1924 it held 10.7 per cent of the total exports. The next year it dropped to fourth rank, just enjoying 6.4 per cent of the total export trade (See Figures 20 and 21).

Plans have been made for developing a large deep

harbor near the mouth of the Pearl River where sea-going vessels may enter. Such a harbor on Chinese territory would make quite unnecessary the British harbor of Hongkong.

Harbin

The custom district of Harbin is situated in the Kirin Province, in latitude $45^{\circ} 45'$ N. and $126^{\circ} 39'$ E. longitude, on the right bank of the Sung Hua Kiang or Sungari River, which is frozen over for nearly half the year. From April to October it is navigable for river steamers. The port owes its foundation entirely to the Chinese Eastern Railway which connects Vladivostok with Europe and is connected with the South Manchuria Railway which in turn forms a junction at Mukden with the Peking-Mukden Railway.

The soil of the surrounding country and all along the Sungari River is nearly all virgin soil of a high degree of fertility. Here, abundant crops are produced, the chief ones being wheat, barley, oats, peas, sorghum, millet, corn, tobacco, indigo, flax, sesamen, and hemp. Livestock of all kinds are also abundant. The chief exports are cereals, beans and bean by-products, vegetable oils, eggs, tea, skins, hides, and furs.

The maritime customs of Harbin was opened in the year 1907. The following year the export value of this district was 9 million Haikwan taels, obtaining 3.4 per cent of the total export trade. By 1911 it reached 26 million, obtaining 7 per cent of the trade. This rapid growth, due to the preferential duty agreement between China and Russia, reduced the customs duties on goods which were imported to or exported from China over the Manchurian frontier to one-third the former figure.

In the year 1918 a serious decline occurred in the trade, due to the revolutionary conditions in Russia and Siberia. China's export of tea to Russia was cut off, and Siberia was kept in a state of unrest until 1921. In 1925, Harbin held 5.4 per cent of the total exports, ranking fifth in importance (See Figures 20 and 21).

The export trade of Harbin mainly depends upon Russia. When the value of China's exports to Russia rises, the export value of Harbin also rises, and vice versa. For example, during the years 1911 and 1916, the Chinese exports to Russia showed an increase and the export value of Harbin showed the same tendency. During the years 1918 and 1920, when the value of

the exports to Russia declined, the same declining tendency was noted in Harbin (See Figures 20 and 24).

Antung

The port of Antung, situated in latitude $40^{\circ} 7'$ N. and longitude $124^{\circ} 23'$ E., on the Manchurian Bank of the Yalu Kiang, separates Manchuria from Korea, 25 miles from the sea. Coastwise steamers connect Antung with Chifoo and Dairen. The Antung-Mukden Railway joins the Korean Railway at this point, and the latter railway connects with Antung by a bridge across the Yalu Kiang, which extends to the Korean port.

Antung is dependent upon the fertile hinterland of South Manchuria for its products, which consist of an abundance of wild silk, beans, and cereals. The mountains supply it with great quantities of timber.

Antung was opened to international trade in 1903 and the customs station was established in 1907. At first the trade of this port showed little progress, for in the year 1907 the export value was only 0.6 million taels. When the Mukden-Antung Railway discontinued using the narrow gauge and began using the standard gauge, and also, when the Yalu Bridge was opened in 1911, a cheaper and shorter route from Manchuria to Japan was made possible. The reduction

of one-third of the import and export duties over the Korean frontier was put into force on June 2, 1913, and a great increase in the amount of exports from Manchuria which passed through this port resulted. Furthermore, some of the goods which were exported through Newchwang and Dairen from north China now pass through this port in order to save customs duties. The value of exports increased to 35 million taels in the year 1925, obtaining 4.6 per cent of the total exports (See Figures 20 and 21).

The chief export commodities from here are beans and bean by-products, wild silk, cereals, coal, and timber.

Kiaochow

Kiaochow, an important port in the Province of Shantung, is situated at the entrance of Kiaochow Bay, at $36^{\circ} 3'$ N. latitude and $120^{\circ} 18'$ E. longitude. It possesses three harbors--the great harbor, the dock harbor, and the small harbor. The great harbor is a basin for ocean-going vessels, which come and go throughout the year. South of this is the small harbor which receives coasting steamers and junks. All are enclosed by breakwaters and well-equipped for handling goods. The climate is temperate, so the

harbor never freezes over.

In addition to the harbor facilities, the Kiaochow Tsinan Railway connects it with Tsinan, the capital of Shantung. From there it joins the Tientsin-Pukow Railway. Thus, the economic resources are not limited by the Province of Shantung, but include the Provinces of Kiangsu, Anhwei, Honan, and Chihli.

The soil is very fertile near the bay, producing wheat, barley, beans, corn, millet, and other grains. The silk and pongee industry is carried on extensively in its hinterland. Coalfields are found along the railway at Fangtze, Hungshan, Posham, Tawenkow, Ichow, and Yihsien. The chief exports from here are raw "wild" silk, pongee, raw cotton, beans and bean by-products, coal, peanuts, straw braid, eggs, skins, hides, and furs.

The port of Kiaochow has been open for international trade since 1898, but trade was very limited until 1904 when the new harbor equipped with all up-to-date facilities was opened. The Kiaochow-Tsinan Railway was also opened during that year. After that year, its exports increased rapidly. For instance, in 1903 the exports were valued at 0.2 million taels, just holding 0.1 per cent of the total trade, but in

1906 the export value had increased to 3 million taels, and by 1925 it had reached 29 million taels or 4.2 per cent of the total export trade. It may well be noted that these increases were due to the improvements in transportation and harbor facilities made by the Germans since the opening of the port in 1898.

There have also been some years of decline, one being in the year 1907. "A decrease of 2 million taels is shown, which is accounted for by the fact that, commencing from that year, the junk trade value (about 5 million taels annually) are recorded separately and are no longer included in the comparative table."³ Another decline occurred in 1914, due to the Japanese declaring war against the Germans in this district. A third one followed in 1920, owing to the depression of the world's trade. At the end of the first quarter of the twentieth century, Kiaochow ranked seventh among the export ports (See Figures 22 and 23).

Hankow

The port of Hankow, located at 30° 40' N. latitude and 114° 16' E. longitude, is situated on the confluence of the great Yangtze Kiang and Han River,

³ on the midway between the sea and the rich province of Northern and Yangtze ports. Decennial Reports, 1902-1911, page 242. Vol. I.

Szechwan. Ocean-going vessels of deep draft can reach this port during the summer and in the winter; only river steamers can reach Hankow all the year round. It is also the terminus of the Peking-Hankow Railway. All the raw products of Szechwan, Kweichow, Hunan, Southern Honan, Shensi, Kansu, Hupeh, and Western Kiangsi are brought to Hankow for export to foreign countries. Tea is the chief export commodity, being followed by raw silk, silk piece goods, raw cotton, vegetable and wood oils, beans and bean by-products, eggs and egg products, cereals, hides, skins, furs, sesamen seed, pig iron, and bristles.

In the year 1901 the exports from Hankow were only 3 million taels, and from 1904 when the Peking-Hankow Railway was completely opened to public traffic, the exports increased rapidly. In the year 1909 they reached 17 million, and by 1911 they had increased to 19 million taels. After that year a constant decline was shown, owing to the revolutionary movements in its hinterland and the state of unrest in Russia and Siberia. In 1924 Hankow's exports began to rise again and by 1925 she obtained 3.8 per cent of the total export trade, ranking next to Kiaochow (See Figures 22 and 23).

Although Hankow is situated in central China, most of the goods are not exported directly from Hankow to foreign countries, but are first sent to Shanghai to be re-exported from there. At present, the Yangtze Kiang Commission is considering the deepening of the channel of the Yangtze Kiang in order that large ocean-going vessels can reach Hankow direct at any time of the year. Thus, it may, in the future, become a very important port in central China.

Mengtsz

Mengtsz is the most important frontier port for the Province of Yunnan. It is located at $23^{\circ} 20'$ N. latitude and $103^{\circ} 28'$ E. longitude, and is situated on a plateau 3,500 feet above sea-level, surrounded by mountains rising from 7,000 to 8,000 feet above the sea. It is an important outlet for the mineral resources of Yunnan, which consist of tin, antimony, zinc, coal, iron, copper, gold, silver, and platinum in its mountainous regions. But, the difficulty in communication has long hampered the trade. In 1910 when the Yunnan Railway was opened to regular traffic, its exports began to rise. During the Great War tin, zinc, and antimony were exported to European markets in great amounts, and thus, the export values through-

out the war time increased. After 1920, the exports showed a slight decline due to the decreasing demand of Europe for tin and antimony. Besides the minerals, other products consist of raw silk, Puerh tea, hides, feathers, and tobacco. White wax and beans are the minor exported articles. The exports of this port grew from 3 million Haikwan taels to 13 million taels within the twenty-five year period, and in 1925 Mengtsz enjoyed 1.7 per cent of the total exports, ranking ninth in importance (See Figures 22 and 23).

Kowloon

The port of Kowloon, located at $22^{\circ} 20'$ N. latitude and $114^{\circ} 12'$ E. longitude, is situated on the mainland opposite to Hongkong. It is a supplementary port for Canton, and controls the junk traffic from the mainland to Hongkong. In the year 1901 when the export trade was mostly carried on by junks, this port enjoyed 13.5 per cent of the total export trade. In this year it ranked second to Shanghai. Afterwards, when the harbor of Canton was improved, the large ocean-going vessels came to Canton direct and the junk trade from Kowloon decreased. By the year 1914 the exports dropped to 10 million taels, Kowloon enjoying only 3 per cent of the total exports. Although

the exports rose again, they never reached the high value of 1901. In the year 1925, Kowloon ranked tenth in importance, obtaining 1.5 per cent of the total export trade (See Figures 22 and 23).

Swatow

Swatow, located at $23^{\circ} 21'$ N. latitude and $116^{\circ} 40'$ E. longitude, is situated at the mouth of the Han Kiang in Kwangtung Province. The climate is subtropical and typhoons occur occasionally between the latter part of August and the beginning of October.

Swatow is the port of departure of large numbers of emigrants, about 100,000 leaving annually, for plantations and workshops in the Straits Settlements and the East Indies.

On the land side the Swatow-Chaochow Railway connects the port with the inland. The hinterland of Swatow is limited by low barren mountains. Thus, it consists only of the southern part of Fukien, western part of Kiangsi, and eastern portion of Kwangtung. The soil of the deltas of Han is somewhat light and most industriously tilled by the peasants. The chief exports from it are sugar, peanuts, indigo, tobacco, jute, feathers, hides, grass cloth, wolfram ore, and firecrackers. Owing to its limited hinterland the

export trade of Swatow increases very slowly. In the year 1901 it was 5 million Haikwan taels or 3.1 per cent of the total export trade. By the year 1925 the value of exports had reached 10 million taels--1.4 per cent of the total exports (See Figures 22 and 23).

Foochow

The port of Foochow lies on the north bank of Min Kiang, 34 miles from the sea, in latitude $26^{\circ} 7'$ N. and longitude $119^{\circ} 20'$ E., about midway between Hongkong and Shanghai. Owing to the shallowness of the Min, steamers anchor at the Pagoda Anchorage, nine and one-half miles below the city, passengers for Foochow being transferred by launches, and freight by lighters. On the land side neither roads nor railways exist and goods are transported by coolies. In addition to the transportation difficulties, the hinterland is limited by mountain ranges. Shipments to foreign countries consist almost entirely of tea, camphor, eggs, feathers, lacquer wares, and molybdenum. The chief export from Foochow is tea, the increases or declines of which influence the prosperity of the port. For instance, in the year 1917 the exportation of tea dropped about 25 per cent as compared with the year 1916; thus the total export value of Foochow,

also, showed a serious decline (See Figures 22 and 23).

Chefoo

Chefoo, in Shantung Province, at latitude $37^{\circ} 32'$ N. and longitude $121^{\circ} 25'$ E., lies on the south coast of the Gulf of Chihli, facing Port Arthur, Dairen, and Newchwang. It possesses a spacious harbor which does not freeze during the winter. However, it is exposed to strong northerly winds during the late autumn and the winter which hamper the navigation at that time.

Its hinterland is limited by hills located not far from the coast, by lack of rich soils, and by meager mineral resources. Its roads are poor and there are no railway communications with the plain area. In the year 1901 its exports were valued at 2 million taels, or 1.4 per cent of the total export trade, and by 1921 it had reached 14 million taels. Afterwards, the export trade showed a decline and by the year 1925 the value of exports was only 7 million taels, or 0.9 per cent of the total export trade (See Figures 22 and 23). The slow growth of this port in the export trade is mainly limited by its hinterland and by the competition of Kiaochow, which takes the goods from the interior by means of its railways, and

by Dairen and Antung which take away its trade from Manchuria. The chief commodities exported from Chefoo are raw silk and pongee, straw braid, hairnets, beans, and peanuts.

Newchwang

Before the development of Antung and Dairen, the harbor of Newchwang was the natural gateway for the products of Manchuria. It is situated at $40^{\circ} 58' N.$ latitude and $122^{\circ} 36' E.$ longitude on the left bank of the Liao Ho about ten miles from the sea. The harbor is ice-covered from November until the middle of March. During the open season ocean-going vessels can reach the port. It also has railway communications with Peking, Mukden, Dairen, Changchun, and Port Arthur.

The chief products of Newchwang are agricultural--beans and bean by-products, cereals, and skins and furs. Another export article is coal from Fushun.

In the year 1901 Newchwang enjoyed fourth position, having 7 million Haikwan taels of exports, or 4.3 per cent of the total export trade. Afterwards, its trade was hampered because of the two great competitors, Antung and Dairen. The former port is on the direct route between the most important productive area of Manchuria and the great centers of consumption of

raw materials in Japan. The latter, Dairen, has a monopoly of most of the Japanese ships in these waters, in addition to being an ice-free port. So, Newchwang has shown a decline during recent years, in 1925 only 0.5 per cent of the total exports passing through its harbor (See Figures 22 and 23).

Chapter V

Countries to Which Chinese Products are Sent

The countries which share the exports of China suggest another phase of this study. One of the difficulties throughout this study has been due to the fact that the customs statistics include Hongkong as a foreign nation, like Japan and France. Hongkong is a free port and the customs office there did not publish actual statistics of its trade until very recently, and even now it does not publish them in detail. Although we do not know the actual destination of all of China's exports, the actual shipments from the different ports has been sufficient for this study. Another difficulty has arisen because the customs statistics were not published separately with the exception of Russia for the various countries of continental Europe until the year 1905. Therefore, we do not have the individual records to show the share of all the different countries in the Chinese export trade.

Hongkong

Though many nations shared the export trade of China during the period 1901 to 1925, Hongkong was the most outstanding center of commerce for nearly two-thirds of the period. In 1901 Hongkong shared 71 million Haikwan taels of China's exports and by 1924 the value had reached 173 million taels--nearly a 2.5 fold increase over the first year. But, the next year the value of the trade dropped to 114 million taels, due to the boycott movement against Hongkong and Great Britain after the Shanghai incident which occurred on May 30 (See Figure 24). Although, from the standpoint of value Hongkong has increased in importance among the other nations engaged in China's export trade, her relative share of the trade has declined seriously. By 1901 about 42 per cent of the Chinese exports were taken by Hongkong; in 1924 only 22.4 per cent, and in 1925 only 14.7 per cent (See Figure 25). This decline of relative importance should be considered. First, Hongkong, being the distributing center of south China, was very important when silk and tea or other southern products were dominant in the trade as, for example, during the first part of the period. When commodities such as

beans, cotton, cereals, vegetable oils, and skins, furs, and hides gain their importance in the export trade, the northern and central ports become of great value and Hongkong shows a decline. Second, the improvement of old ports and the opening-up of new ports, which enabled shippers to send their goods direct to foreign nations, has resulted in a decline, because less trade has passed through the port at Hongkong. Therefore, Hongkong dropped to the third rank in the last year of the period.

Japan

Japan's share in China's exports has grown rapidly during this period. In 1901 her exports were valued at 16 million taels; by 1924 they had increased in value to 201 million taels; in 1925, however, they dropped to 186 million taels--this last decline being due to the boycott movement against Japan in the latter half of that year. Trade increased more than 11.6 folds during the twenty-five years (See Figure 24). Japan's share in the export trade not only increased in value, but also in relative importance as compared with all the import nations of Chinese goods. In 1901 Japan obtained 9.9 per cent of the total exports of China, in 1918 the figure reached 33.6 per cent, and

by 1925 her share had increased to 23.9 per cent (See Figure 25). The growth, both in value and percentage, of Japanese importation of Chinese goods was due to her geographical conditions. Japan is a nation of small mountainous islands, lacking enough arable land and natural resources, such as agricultural, pastoral, and mineral resources, within her own territory. On the other hand, she has a vast population and a great number of manufacturing concerns, which demand a large quantity of foodstuffs and raw materials to support them. She has long looked abroad for raw materials and foodstuffs. China is located near her and has everything which Japan needs; therefore Japan becomes the chief importer of Chinese goods. The opening-up of Manchuria to foreign trade and the great amount of capital invested there by the Japanese naturally lead the people of Japan to buy more Chinese goods. The great War not only stimulated Japanese industry but also increased the export of Chinese raw materials to Japan. The export of raw cotton, beans, seeds, hides, skins, wool, coal and pig iron for her manufacture--all increased greatly. Besides these, the importation of foodstuffs, such as eggs and egg by-products and cereals for her workers, increased.

In the year 1918 Japan took 163 million Haikwan taels of Chinese exports, surpassing Hongkong, and she thus became the leading importer of China's exports. By 1919 Japan's share of China's exports was valued at 195 million taels, or 30.9 per cent of the total export trade. The depression of the export trade to Japan in 1920 was due to business stagnation in Japan; thus, the export values to Japan dropped to 141 million in that year. Afterwards, the trade began to recover and by 1924 the value of exports reached 201 million taels, or 26 per cent of China's total export trade.

The United States

The United States' share in the export trade of China in the year 1901 was valued at 16 million Haikwan taels or 9.1 per cent of the total trade. By 1925 it reached 143 million taels or 18.4 per cent of the total trade. The rapid growth of the trade occurred during and after the European War. The outbreak of the war cut off the materials which were formerly imported by the United States from European nations. Again, the demand of American industries for raw materials to supply the war needs was so urgent, and the supply of them became so scarce in the United States, that the Americans were compelled to buy many

kinds of materials from China which they had never bought before. Among the commodities, imported from China which have increased in commercial significance were raw silk, vegetable oils, hides, skins, and furs, eggs and egg products, raw cotton, human hair and hairnets, wool and tea. In addition to this greatly increased demand, the American Tariff Act of 1909 greatly reduced or entirely removed the American import duties on many kinds of raw materials and on several manufactured goods, thus stimulating the expansion of American imports from China. After this period of rapid expansion there was a serious drop in the year 1920 due to the business depression in the United States, affected by the post-war conditions of the world. After this drop, the trade began to slowly recover, but the increase was not as rapid as it could have been, because of the re-enacted high tariff walls of 1921-1922, which shut off a great amount of exports from China. In the year 1925 the United States took 40 per cent of China's hides, skins, and furs; 36 per cent of vegetable and wood oils; 32 per cent of the raw silk; 20 per cent of the eggs and egg products; 13 per cent of the tea; 11 per cent of the raw cotton; and 3 per cent of the silk goods. She held the second

position--next to Japan--for her share of Chinese export trade (See Figures 24 and 25).

France

The export of China's goods to France has been recorded separately since 1905. The value of the exports of that year was just 18 million Haikwan taels or 8.2 per cent of the Chinese total export trade. By 1913 the value increased to 40 million taels or 10 per cent of the total trade. The Lyons silk weaving industry depends upon Chinese raw silk for its manufacturing. Besides this, hides, skins, furs, straw braid, silk goods, tea, and peanuts are all important export articles to France. The outbreak of the World War made the trade decline during the whole period of fighting and the years just following it. In 1922 trade began to increase and in that year the value of exports amounted to 40 million taels, but the percentage of China's export trade to France had dropped to 6.2 per cent of the total trade. In 1925, however, the trade showed an increase and the exports amounted to 66 million taels or 8.5 per cent of the total export trade of China, taking 34 per cent of Chinese raw silk, 5 per cent each of skins, hides, and furs, or tea, and 4 per cent of the silk goods (See Figures

24 and 25.

Russia

Russia, including Siberia, took 9 million Haikwan taels of China's exports or 5.4 per cent of the total export trade in the year 1901. By 1904 the value of exports dropped to 5 million taels due to the Russo-Japanese War which curtailed her trade with China. Afterwards, it increased to 65 million taels or 13.5 per cent of the total trade in 1916. This growth was due to the opening-up of Manchuria and the opening of the Chinese Eastern Railway to traffic, which facilitated the transportation to Russia. From the years 1917 to 1921 the trade declined seriously due to the revolutionary movements in Russia and Siberia, which nearly curtailed the whole exports which went to that country. By the year 1922 the trade began to recover and during 1925 the value of exports reached 47 million taels or 6.1 per cent of the total export trade, ranking fifth among all the nations which import Chinese goods (See Figures 24 and 25). Russia was the chief importer for Chinese tea throughout the period. The growth of the Russian trade was accompanied by an increase in the relative importance of the export of black and brick tea. Russia herself does not produce

any tea in her own territory; but depends upon China for that commodity.

Besides tea, beans and bean by-products, vegetable oils, cereals, wheat flour, livestock, seeds, and meat are all important commodities of export to Russia. In the year 1925 Russia, including Siberia, took 28 per cent of the tea which was exported from China, 26 per cent of the beans, and bean by-products, 12 per cent of the vegetable oils, and 8 per cent of the cereals.

Great Britain

The United Kingdom's share of the imports of Chinese goods is not very great. In the year 1901 Great Britain received 4.9 per cent of China's total exports with a value of 8 million taels. When the Great War broke out, the exports of China to Great Britain increased. A large quantity of raw materials and foodstuffs was exported from China for industrial uses and for her workers. Eggs and egg by-products, cereals, wheat flour, beans and bean by-products, vegetable oils, hides, skins, and furs, and bristles all increased greatly. By 1919 Great Britain received 9 per cent of the Chinese exports with a value of 57 million Haikwan taels. Afterwards the importation of

Chinese goods to Great Britain showed a decline and in 1925 she received but 47 million taels of Chinese exports, taking 44 per cent of the eggs and egg products, 19 per cent hides, skins and furs, 15 per cent vegetable oils, 5 per cent tea, 4 per cent silk goods, 3 per cent beans and bean by-products, and 1 per cent raw cotton. But, we must take into consideration that the Chinese commodities which were exported to Hongkong were mostly transshipped to the United Kingdom; therefore, Great Britain herself must have taken more Chinese goods than the afore-mentioned values and percentages show (See Figures 24 and 25).

Korea

Korea took a very small share of the Chinese export trade in the year 1901 with a value of 1 million Haikwan taels. Trade increased very slowly until 1912 when it reached a value of 5 million taels. During the next year the completion of the Korean Railway bridge across the Yulu River, and in addition the reduction of one-third of the export duty from the Chinese frontier to Korea made the trade grow rapidly. Cereals and other articles which formerly took other routes to Japan are now exported to Korea in order to avoid the full export duty. By the year

1925 Korea held 4.4 per cent of the total Chinese export trade with a value of 34 million taels (See Figures 24 and 25). Among all the important export articles in 1925, Korea took 86 per cent of Chinese cereals, 17 per cent coal, 6 per cent silk goods, and 3 per cent beans and bean products. Most of these commodities were transshipped to Japan; therefore, Japan became the dominant importer of Chinese goods.

Singapore and Straits Settlements

Singapore and the Straits Settlements shares 1.5 per cent of China's total export trade with a value of 2 million Haikwan taels in 1901. In that region, there are a great number of Chinese immigrants who like to use the goods which come from their fatherland; therefore, the manufactured silk, tea, cotton cloth, Chinaware, and matting are all important articles for the export trade. Besides this, the port of Singapore is a distributing center; from there the Chinese goods are transshipped to the Malay Islands. Since the Great War the export trade of this region has increased rapidly. By 1925 Singapore had obtained 3 per cent of the total Chinese export trade, with a value of 23 million Haikwan taels (See Figures 24 and 25). Of China's principal export articles, Singapore and

the Straits Settlements took 8 per cent of the silk goods and 2 per cent of the vegetable oils in the year 1925.

Turkey, Persia, Egypt, and Aden

These nations in 1901 received 1.8 per cent of the total Chinese exports which were valued at 3 million Haikwan taels. Fluctuations characterize the trade. In the year 1917 the value of trade dropped to only 1 million taels. After the war it increased to 20 million Haikwan taels or 2.6 per cent of the total export trade in 1925 (See Figures 24 and 25). The main commodities exported to these regions are tea, vegetable oils, and silk goods. In the year 1925 they took 17 per cent of Chinese tea; 5 per cent of vegetable oils; and 4 per cent of silk goods.

Germany

In the year 1905 Germany's share of the Chinese exports began to be recorded separately from those of other nations in Europe. That year she received 5 million Haikwan taels of China's exports, or 2.3 per cent of the total trade. By 1913 Germany took 17 million taels of exports, or 4.2 per cent of China's total export trade (See Figures 24 and 25). This increase was due to the Germans having Tsingtao as

their concession and the investing of a large amount of capital in Shantung Province.

The chief export commodities to Germany were eggs and egg by-products, wood oil, hides, skins, furs, beans and bean by-products, sesamen seed, and straw braids. The outbreak of the Great War entirely curtailed her imports from China from the latter part of 1914 to the year 1919. After that period her trade showed a vigorous recovery and in 1925 Germany ranked tenth among all the nations which shared China's export trade, taking 16 million taels of Chinese commodities, of which 7 per cent were eggs and egg products, 5 per cent hides, skins and furs, 3 per cent of each of the vegetable oils, and raw cotton.

Summary

If we consider the exports according to their political connections, the conclusion stated above will be somewhat altered. When we take Hongkong as a part of the British Empire and add all the export trade of her colonies and dominions together, the British Empire becomes the second largest importer of Chinese commodities. Thus, the Japanese Empire, the British Empire, and the United States are the three leading nations for the consumption of Chinese goods.

Of the total Chinese export trade in the year 1925, the Japanese Empire took 28.5 per cent, British Empire 25.9 per cent, and the United States and her island possessions in the Pacific Ocean 19 per cent; therefore they shared 73.4 per cent of the Chinese export trade, being far more important than all other nations taken together.

Chapter VI

Conclusion

It is impossible to come to definite conclusions as to the result of the preceding investigations in the export trade of China during the period of 1901 to 1925. The plan given in the introduction, of discussing the export values as a whole, then of dissecting the exports into their various factors, and discussing each one in more detail (regions of production, ports of export, changes in importance); of studying the position of the leading export ports during that period; and finally, of showing the share of the countries to which the exports were sent, has been completed and as many suggestions as possible made to explain the changes. A real, thorough study of these different points would only have been possible after detailed local investigation, and this would have overstepped entirely the scope of a Master's thesis.

Nevertheless, the following points can be mentioned as the main tendencies of China's export trade

during the period:

1. The value of exports is increasing more or less regularly in spite of the great internal changes and disturbances, showing that these changes have only local influence and that the base of the exports is a sound one.
2. The number of products that form the bulk of the exports of China has increased rapidly during the last twenty-five years.
3. Raw silk still remains the most important export product.
4. Tea has declined in importance in the export trade of China.
5. New products, like beans and bean by-products, vegetable oils, and others, are rising rapidly in importance--the result of the economical development of Manchuria which is developing into the most important region of China for the export trade.
6. There is a tendency of centralizing the exports into a few main ports (Shanghai, Dairen, Canton, and Tientsin) as a result of favorable geographical positions. The other ports are either declining or increasing very slowly.
7. The share of Japan in the export trade of China increased rapidly, as the result of Japanese influence on the economical development of Manchuria.
8. At the same time, the share of the United States in the export trade of China increased regularly.
9. The importance of the British Empire in the export trade of China has declined, but the reasons are for a part political, especially the rather strained relations

between Canton and Hongkong.

10. Because the factors that have had a favorable influence on the increase of the export trade (better harbor conditions, better transportation, mineral investigations, etc.) will probably be still more important in the future, we may expect in the coming year that the increasing tendency of the export values will continue, especially regarding raw and semi-raw products.

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