

Deliveries in Hankow are estimated at 20,000 peculs per month, but I have been unable to ascertain what proportion is White, and what Brown.

Wholesale prices average :—for 1st quality White,..... Hankow Ta 6.6.5.0				
„ 2nd „ „	„	„	„	6.2.5.0
„ 3rd „ „	„	„	„	5.9.0.0
„ 1st „ Brown,.....	„	„	„	4.2.5.0
„ 2nd „ „	„	„	„	4.1.0.0
„ 3rd „ „	„	„	„	3.9.5.0

This branch of trade is almost entirely in the hands of Natives of Hwang-chow-foo (黃州府). They draw their supplies from “Chung-king,” on which market the Sugars are first placed. The expenses of transit are about 7 mace per bag, and Le-kin imposts equal Ta 1.0.3.0.

SHIPPING.

VESSELS ENTERED AND CLEARED DURING 1868 AND 1869.

FLAG.	1868.		1869.	
	No.	Tons.	No.	Tons.
American Steamers.....	114	91,970	143	130,994
„ Lorchas.....	11	614	21	1,249
„ Junks.....	22	1,850	34	3,045
British Steamers and Ships.....	92	79,211	56	46,980
„ Lorchas.....	54	5,120	61	6,084
„ Junks.....	18	1,819	30	2,597
German Lorchas.....	6	371	2	176
Danish „	8	312	2	44
Total,.....	325	181,267	349	191,169

The above table shows a falling off so far as British, German, and Danish tonnage is concerned. The Steamers of the Shanghai Steam Navigation Company made 143 round trips during the year; those of the Union Company 51.

The rates of freight which obtained throughout the year were :—

Per Steamer to Shanghai,.....	Ta 5	per ton of 40 cubic feet.
„ „ „ Ningpo,.....	„ 6	„ „ 40 „
„ Lorchas to Shanghai,.....	„ 3	„ „ 40 „
„ „ „ Ningpo,.....	„ 4	„ „ 40 „
„ Junk to Chinkiang,.....	„ 1.6 & 2	„ „ 40 „

The Steamers *Agamemnon* and *Erl King*, received £ 8 per ton to London, the ships *Eliza Shaw* and *Huntly Castle*, £ 6.10.0, and the *Lenox Castle*, £ 6.

The quantity of freight offering caused an increase in the number of Lorchas, and they succeeded in carrying away a considerable quantity of bulky and deadweight cargo. Most of these vessels are of the most sorry description, and the only wonder is how they manage to make the voyage.

Chartered Junks proceed as far as Chinkiang only, where, as soon as they have discharged their import cargoes, they become amenable to the local Junk regulations. They are generally re-employed by the Salt Guild, and return to Hankow with full cargoes.

OCCURRENCES DURING THE YEAR.

a. *Movements of Foreign Officials*:—G. H. C. SALTER, Esquire, U. S. Consul, was recalled by the Home Government, and was succeeded by R. M. JOHNSON, Esquire.

b. *Movements of Chinese Officials*:—His Excellency LI HUNG CHANG, whose name has been so prominently brought before the public in connection with the suppression of the Tai-ping Rebellion, arrived on the 26th February, and assumed office as Governor General of Hu-Kwang. Later on in the year His Excellency started on a mission to

Szechuen,

Szechuen, having for his object the settlement of Missionary troubles. The Acting Superintendent of Customs, CHUNG KEEN KEUN, was appointed Salt Commissioner at Canton, and was succeeded by H. E. CHENG-LAN, the official who administered Customs' affairs when the port was first opened.

c. Visits of Foreign Ministers, Admirals, &c., &c.:—On the 18th March, Vice-Admiral Sir H. KEPPEL, arrived in H. M. S. *Salamis*, attended by a large staff of officers, and proceeded up river to determine how far the navigation could be performed by Foreign vessels. The decision arrived at was that the River is navigable as far as I-chang for vessels drawing 7 feet of water, but beyond that town the navigation is to all intents and purposes impossible.

Delegates from the Shanghai Chamber of Commerce also accompanied the expedition, and drew up a very valuable report on the commercial capabilities of the up-river districts. It is probable that they would have gained more details had they travelled privately, instead of attaching themselves to an official party.

His Excellency Sir RUTHERFORD ALCOCK, H. B. M.'s Minister, &c., &c., &c., paid the port a flying visit during November.

d. Wrecks.—No wrecks occurred in the Hankow district during the season. Once or twice steamers were reported as having grounded, but owing to the sandy nature of the bottom no damage was sustained.

e. Lights.—The only light shown between this and Kiukiang, was at Gravenor Island. It is hoped that a series of beacons can be erected before the River rises over its banks again.

f. Withdrawal of established, or opening of new Firms.:—A new Russian firm was established under the style of HAMINOFF RODIONOFF & Co., and the English firm of JERDEIN & Co. was closed at the end of the year.

The Mercantile community now consists of 16 British, 3 Russian, 3 American, and 2 German firms.

The "Chartered Bank of India," the "Chartered Mercantile Bank of India, London and China," and the "Hongkong and Shanghai Bank," have Agencies here.

g. Accidents and offences.:—The only serious disturbance that occurred was at Tien-mun-hsien (天門縣) where the populace destroyed the Roman Catholic church, and the dwellings of the converts. During the months of November and December, several serious fires broke out in part of the Native town of Hankow and at Woochang. Much property was destroyed, and in one large hong thirteen human beings fell victims to the flames.

h. Weather and public health.:—The summer was a remarkably cool one, the highest range of the thermometer in a shaded situation at noon being 92°. The River deposited sand only, consequently no malaria arose on the subsiding of the flood, and the health of both the Foreign and Native community remained good.

GENERAL REMARKS.

The season 1869 will long be remembered on account of the disastrous flood with which the port was visited. All foreign-built houses suffered more or less, and had it not been for the Defence Wall which formed an excellent breakwater, many edifices now standing would have been completely destroyed. For more than three whole months the only means of communication was by boat, and there was hardly a house that was not afloat in the lower story.

Why such a site should have been chosen for a Foreign Settlement it is impossible to imagine, as any ordinary Chinese would have declared the position a bad one.

That such a large trade should have been done under such adverse circumstances is indeed marvellous, but it has to be remembered that all Hankow was not in the same plight as the Foreign Settlement. The native town is built on higher ground, and much godown room remained dry. For storage purposes, moreover, the native merchants availed themselves of the numerous up-country boats crowding the Han, which, when moored in tiers out of the current, afforded ample accommodation. Undoubtedly the greatest sufferers of all were the half-agricultural half-fisherman class of natives, who, to the number of over 40,000, were driven to the Han hills for refuge. Owing to the energetic steps taken for their relief by the Native Authorities, there were, I believe, no deaths through actual starvation, and the proof of their having been well cared for, lies in the fact that there were no cases of rioting.

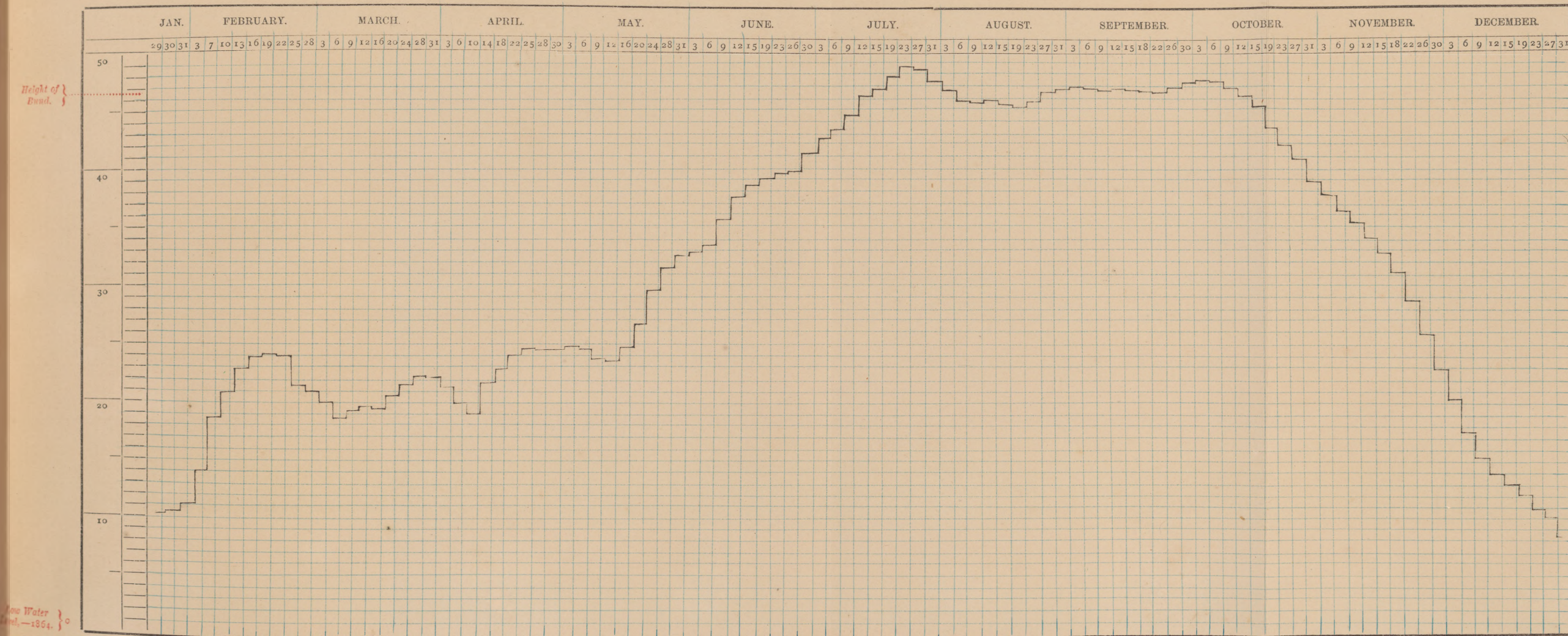
The glowing accounts given by the Delegates of the Shanghai Chamber of Commerce of the commercial wealth of Szechuen, caused a good deal of excitement amongst Foreign merchants during the year. Much discussion took place as to how the opening of a new port would influence Hankow, and those who have been longest in the place, and are probably best able to judge, gave it as their opinion that the effects would be detrimental. In this decision I imagine they are perfectly right. The Tea trade might remain to a considerable extent, but every other branch would be transferred to the new mart.

Look

Metrical Table

Shewing the Rise and Fall of Water at Hankow, for the Year

1869.



Scale one-tenth (1-10th) of an Inch to a Foot.

(To face page 34.)

APPENDIX No. 5.

NOTES ON THE PROVINCES OF HU-PEH AND HU-NAN.

HU-PEH.

The province of Hupeh, of which Woo-chang-foo is the provincial capital, is at present divided into 10 Focs

Chi-li Chow, 7 Chows, and 60 Hsiens.

Its extreme breadth from East to West, is estimated at 2,440 li, from North to South 680 li.

* * * * *

Products for which the different districts are celebrated.

DISTRICT.	PRODUCTS.
Woo-chang-foo.	Tea, Iron, Copper, Quicksilver, Hemp, Indigo, Bamboos.
Han-yang-foo.	Cotton, Grass Cloth, Stone Slabs, Oranges, Pomegranates.
Gan-loh-foo.	Cotton, Honey, Pomegranates, Arsenic.
Siang-yang-foo.	Gold, Sugar Canes, Dye stuff, Musk, Paper, Pine Timber, Malachite.
Yun-yang-foo.	Lead, Green Alum, Gypsum, Fungus, Dates, 5 kinds of Medicine.
Teh-gan-foo.	White Wax, Varnish, Gypsum, Grass Cloth, 12 kinds of Medicine.
Hwang-chow-foo.	Grass Cloth, Cotton Cloth, Tree Cotton, 4 kinds of Medicine.
King-chow-foo.	Gold, Embroidered Silks, Rhubarb, Safflower, Walnuts, Vegetable Tallow, 14 kinds of Medicine.
I-chang-foo.	Tea, Varnish, Agates, Zanthoxylum seeds, 15 kinds of Medicine.
She-nan-foo.	Tea, Zanthoxylum seeds.
King-mun-chow.	Fossils, Malachite, Cotton.

HUNAN.

Contains 9 Focs, 4 Chi-li Chows, 4 Chi-li Tings, 3 Chows, and 64 Hsiens.

Its breadth from East to West is estimated at 1,400 li, from North to South 1,270 li.

* * * * *

Products for which the different districts are celebrated.

DISTRICT.	PRODUCTS.
Chang-sha-foo.	Iron, Spelter, Quicksilver, Cinnabar, Tea, Grass Cloth, China Grass, Bamboos.
Yoh-chow-foo.	Tea, Iron, Silk, Fungus, Bamboos.
Paou-ching-foo.	Tea, Iron, Coal, Bees' Wax, Wood Oil, Grass Cloth, Cotton Cloth, Pine Timber, Bamboos.
Heng-chow-foo.	Iron, Lead, Spelter, Coal, Tobacco, Alum Green, Coloured Papers, China Grass, White Wax, Pine Timber.
Chang-teh-foo.	Gold, Iron, White Wax, Wood Oil, 2 kinds of Medicine.
Chen-chow-foo.	Quicksilver, Iron, Tea, White Wax, Varnish, Silk, Cinnabar, China Grass, Bees' Wax, Sesamum Seed, Walnuts, Fungus, 12 kinds of Medicine.
Yuen-chow-foo.	Silks, Wood Oil, Cinnabar.
Yung-chow-foo.	Iron, Lead, Wood Oil, Tea, Silk, Arsenic, Thread, Silk Embroidery, Pine Planks, Stone Slabs, China Grass, Oranges, Citrons, 3 kinds of Medicine.
Yung-shun-foo.	Musk, Cinnabar, Wild Silk, White Wax, Bees' Wax, Wood Oil, Fungus, Hemp, Honey, Zanthoxylum seed, 3 kinds of Medicine.
Le-chow.	Quicksilver, Iron, Varnish, Wood Oil, Fungus, Fossils, Malachite, Honey, Grapes.
Kwei-yang-chow.	Alum White, Spelter, White Wax, Rushes.
Hwang-chow-ting.	White Wax, Tea Oil, Wood Oil.
King-chow.	Iron, Indigo, China Grass, Gall Nuts, White Wax, Tea Oil, Wood Oil.
Pin-chow.	Iron, Lead, Tea, Brown Sugar, Fungus, Wood Oil, China Grass, Sesamum Seeds, Dates, Oranges, Walnuts, 8 kinds of Medicine.

FLOWERS.—*Pænia Moutan*, *Pænia albiflora*, variegated Camellia, White Jasmine, White day Lily, *Hypericum Monogynum*, *Narcissus*, *Olea fragrans*, Cinnamon Rose, *Hibiscus Mutabilis*, *Cercis siliquastrum*.

ENCLOSURE.

WIND AND WATER ON THE TAKU BAR DURING THE YEAR 1869.

JANUARY.			FEBRUARY.		MARCH.		APRIL.		MAY.		JUNE.	
Date.	Water.	Wind.	Water.	Wind.	Water.	Wind.	Water.	Wind.	Water.	Wind.	Water.	Wind.
1	11.0	N. W.	11.0	N. W.	12.6	S. W.	14.0	S. W.	12.6	E.	12.6	S. E.
2	11.0	N. W.	10.6	S. W.	14.6	S. E.	11.6	E.	12.6	S. E.	11.6	W. to S. E.
3	10.6	W.	10.6	E.	12.6	N. E.	13.6	Var.	11.6	S. E.	11.0	N. W.
4	12.6	S. E.	13.0	E.	13.0	N. E.	13.0	E.	11.0	S. E.	11.6	S. E.
5	10.0	Var.	11.6	S. E.	10.0	Var.	11.6	Var.	11.6	E.	11.0	Var.
6	9.6	N. W.	12.0	S. E.	11.6	N. W. to W.	10.0	Var.	10.6	Var.	12.0	E. S. E.
7	9.6	N. W.	11.0	W.	9.0	W. S. W. to S. E.	9.0	N. W.	9.6	Var.	11.6	S. E.
8	10.6	S. E.	11.6	S. E.	11.0	S. E.	11.0	S. E.	11.6	Var.	12.0	S. E.
9	11.0	W. to S. E.	12.0	S.	11.0	N. W.	13.0	E.	12.6	S. E.	14.0	S. E.
10	12.6	N. E.	12.6	S. E. to E.	7.0	W.	11.6	Var.	14.6	S. E.	14.6	S. E.
11	12.6	N. E.	12.6	S. to S. W.	13.6	E.	12.6	N. W.	12.6	Var.	13.0	W.
12	12.6	N. E.	13.6	E.	11.0	Var.	11.0	N. W.	12.6	W.	14.0	S. E.
13	13.0	N. W.	12.6	E.	13.0	N. E.	13.0	E. S. E.	17.0	E.	14.6	S. E.
14	12.6	N. E.	12.0	N. W.	14.6	E.	13.6	E. S. E.	14.6	E. N. E.	15.6	E. N. E.
15	13.0	S. E.	11.6	Var.	10.6	Var.	14.6	E. S. E.	14.0	S. E.	14.6	S. E.
16	12.6	N. W.	15.6	N. N. E.	10.6	Var.	13.6	E.	14.0	S. E.	14.6	S. E.
17	12.0	Var.	11.6	Var.	13.0	S. E.	12.0	Var.	13.6	Var.	12.6	S. E.
18	10.0	W. to S. W.	11.0	N. W.	14.0	S. E.	12.0	N. W.	12.6	S. E.	12.0	S. E.
19	10.6	W.	12.0	E.	13.0	S. E.	11.6	W.	12.0	S. E.	12.0	S. E.
20	9.6	N. W.	11.6	W.	12.0	S. E.	12.0	Var.	11.6	S. E.	13.6	S. E. to N. E.
21	9.0	W. to S.	10.6	W. N. W.	9.0	E.	10.0	Var.	12.6	E. S. E.	13.0	S. E.
22	10.0	Var.	15.6	N. E.	13.6	N. E.	10.6	S. to S. E.	11.6	Var.	13.0	E.
23	9.6	N. W.	10.6	S. E.	12.6	S. E.	11.6	Var.	12.0	N. W.	14.0	E.
24	9.0	N. W.	10.0	E.	11.0	N. W.	12.6	S. to S. E.	11.6	W. N. W.	14.0	N. to E.
25	10.6	E.	11.6	Var.	11.0	N.	12.6	E. S. E.	12.6	N. W. to W.	14.6	Var.
26	10.6	N. W.	11.6	Var.	10.0	Var.	13.6	S. E.	13.6	Var.	14.6	S. E.
27	12.0	S. E.	11.6	N. W.	15.0	Var.	14.6	S. E.	14.0	S. E. to E.	15.0	S. S. E.
28	11.0	S. E.	12.0	S. W. to S. E.	12.6	Var.	13.6	N. E. to N. W.	15.6	E.	15.0	S. S. E.
29	11.0	N. W.			12.0	N. W.	13.0	S. W.	13.6	S. E.	15.6	Var.
30	11.0	Var.			12.0	S.	13.6	S. E.	13.0	E.	13.6	S. E.
31	10.6	S. W.			13.6	N. E.			15.6	E. to N. E.		
Highest Tide 13.0 }			15.6 }		15.0 }		14.6 }		17.0 }		15.6 }	
Lowest " 9.0 }			10.0 }		7.0 }		9.0 }		9.6 }		11.0 }	
Mean " 11.0 }			11.10 }		11.11 }		12.3 }		12.9 }		13.3 }	

WIND

WIND AND WATER ON THE TAKU BAR DURING THE YEAR 1869.

JULY.			AUGUST.		SEPTEMBER.		OCTOBER.		NOVEMBER.		DECEMBER.	
Date.	Water.	Wind.	Water.	Wind.	Water.	Wind.	Water.	Wind.	Water.	Wind.	Water.	Wind.
1	11.6	Var.	12.0	S. E.	10.6	S. W.	11.0	S. W.	12.0	S. E.	12.6	S. W. to S.
2	12.0	W.	11.6	S. E.	11.6	Var.	11.6	S. S. W.	12.6	S. E.	13.0	N. to N. W.
3	11.6	N. E. to E.	11.6	Var.	11.6	N. W.	12.0	S. S. W.	14.6	N. E.	11.6	N. N. E.
4	12.0	Var.	12.0	Var.	12.6	E.	12.0	W. N. W.	11.6	W. N. W.	11.6	N. W.
5	10.0	S. E.	13.0	Var.	12.0	Var.	12.6	E. to S. E.	12.6	N. W.	11.0	N. W.
6	12.0	E. S. E.	13.0	S. E.	13.6	Var.	13.6	E. by N.	11.0	W.	11.0	N. W.
7	13.6	E. S. E.	14.6	S. E.	14.0	Var.	12.6	S. E.	12.0	N. N. W.	10.6	N. W.
8	14.0	E. S. E.	14.6	S. E.	13.6	S. E.	13.0	N. to S. E.	12.6	N. E.	11.0	N. W.
9	14.6	S. E.	15.0	S. E.	13.0	S. E.	14.0	S. W.	10.6	N. W. to W.	9.6	N. W.
10	14.6	S. E.	14.6	S. E.	14.0	S. E.	13.0	N. W.	9.6	N. W.	10.0	N. W.
11	15.0	E.	14.0	S. W.	12.6	S. S. W.	12.0	E.	11.6	N. W.	10.0	W. to S.
12	17.0	N. E. to E.	16.0	Var.	12.6	S. W. to S. E.	11.6	S. W.	8.6	N. W.	11.6	S. to S. W.
13	16.0	Var.	14.0	S. E.	12.6	S. W. to S. E.	12.0	S. S. W.	11.0	N. W.	12.6	Var.
14	14.6	S. E.	12.0	Var.	13.6	E.	12.0	S. S. W.	11.0	Var.	12.6	N. E.
15	15.0	S. E.	12.0	S. E.	12.6	Var.	11.6	S. S. W.	11.0	N. to N. E.	12.0	Var.
16	13.0	W. to S. W.	11.6	N. W.	11.6	Var.	12.6	E. by N.	12.0	S. E.	12.0	Var.
17	11.6	Var.	12.6	Var.	12.6	Var.	12.0	S. E.	12.0	E. S. E.	11.0	Var.
18	12.0	Var.	12.0	S. E.	13.6	N. E.	13.6	E.	13.0	N. N. E.	11.6	N. W.
19	13.0	E.	12.6	S. E.	13.0	E. S. E.	14.0	E.	8.0	N. W.	11.6	N. W.
20	12.0	Var.	12.6	S. E.	14.0	N. W.	9.0	N. W.	9.0	W.	11.6	W.
21	13.6	S. E.	14.0	Var.	11.6	N. W.	4.6	N. W.	11.0	W.	12.6	Var.
22	14.6	Var.	13.0	W.	12.6	E. S. E.	8.0	N. W.	12.0	Var.	12.6	N. W.
23	14.0	Var.	14.6	S. E.	14.6	E. N. E.	12.0	W. N. W.	12.0	W.	11.6	Var.
24	12.6	Var.	15.0	S. E.	13.0	E.	12.0	W.	12.0	Var.	11.0	S. W.
25	15.0	N. E.	14.0	S. E.	13.6	E.	11.6	Var.	12.0	N. E.	11.0	Var.
26	14.6	N. E.	13.6	W.	12.6	W.	12.0	Var.	12.0	N.	11.0	Var.
27	13.6	S. E.	12.0	W.	11.0	N. W.	11.0	W.	12.0	N.	13.0	N. E.
28	14.0	S. E.	12.0	S. E.	10.0	N. W.	11.0	Var.	8.6	N. W.	11.6	E. N. E.
29	14.6	S. E.	12.6	N. W. to N.	10.0	W.	11.0	Var.	8.0	Var.	10.0	S. W.
30	12.6	S. W.	12.6	N. W. to N.	10.6	S. W.	11.6	Var.	11.6	S. W.	12.0	N. E.
31	11.0	W.	11.6	W.			11.6	N. E. to S. E.			10.6	S. W. to S. E.
Highest Tide	17.0		16.0		14.6		14.0		14.6		13.0	
Lowest "	10.0		11.6		10.0		4.6		8.0		9.6	
Mean "	13.4		13.1		12.5		11.8		11.3		11.5	



15.—The main facts shown by the table are almost too palpable to justify pointing out. The assertion has lately been made in Shanghai that the treaty transit due though supposed to be $2\frac{1}{2}$ per cent. is really less than this proportion of the value of imports; and if the values taken above are just, a fact of which the inquirer may judge for himself, the assertion is perfectly true so far as Kiang-si is concerned. The $2\frac{1}{2}$ per cent. is exceeded only in the case of Turkey Reds, English Camlets, Spanish Stripes, Plain Lustres, tin, sandalwood and pepper; and in the case of all the principal cottons the half tariff does not range far from $1\frac{1}{2}$ per cent. only.

16.—The li-kin, nominally 10 per cent. at the maximum, is for cottons from 4 per cent. to 6 per cent., and for woollens from 2 per cent. to 5 per cent. On camlets the li-kin is less than the transit-due. On metals and brown sugar the li-kin is from 7 per cent. to 8 per cent.; on sandalwood, white bicho de mar, cuttle fish, pepper, and seaweed it varies between 12 per cent. and upwards of 24 per cent.

But in various ways, as above stated, goods reach their markets in the interior without paying the full 10 fên. In the first place they may be destined for towns so near Kiu-kiang that there are few barriers to be passed, and the total collectable is only 5 or 8 fên. This is the fact with both cotton and woollen piece goods, for, owing partly to the desire of avoiding the numerous barriers along the river-routes, but far more to the slowness and uncertainty of water communication, these reach their markets as a general rule by land, and on land the barriers are much fewer. To Ning-chow, to King-ter chên, and even to Shwuy-chow fu, but 5 fên is paid: 3 fên at Kiu-kiang and 2 elsewhere, according to the route. To the country around Nan-ch'ang—the great mart for piece goods by land—8 fên is the maximum; to Wu-ch'êng the same. Bulky imports, like sugar and cuttle fish which must go by boat, probably do not escape the full 10 fên as well as the 2 fên extra of Mei-chia-chow. They have their advantage in the customary false declaration of quantity which saves them 20 per cent. to 30 per cent. of the total levy due—an advantage which I should have said before is not missed by piece goods on the land routes. The heavy commodities are frequently transhipped waterborne from the foreign receiving hulks into native boats bound up the Poyang or elsewhere. In this case they avoid the Kiu-kiang payment of 3 fên, which is leviable if the goods are landed and reshipped or sent through this port by land: this with the knowledge of the li-kin authorities.

17.—The map* accompanying this memorandum shows the situation of the barrier-stations so far as ascertainable: and before coming to the application of the li-kin system to native goods and produce it will be well to give the routes followed and the amounts paid at the different Barriers by foreign goods going to the interior from Kiukiang. [Note.—The presence of a barrier is represented by the character ch'ia (卡).]

Kiu-kiang to Shwuy-ch'ang (Chwuy-ch'ang). Land, 70 li. Kiu-kiang 3 fên.

Kiu-kiang to Shwuy-ch'ang. Water, 90 li. Kiu-kiang 3 fên, do. 2 fên (for gunboats).

Kiu-kiang to Ning-chow. Land, 370 li. Kiu-kiang 3 fên. Ning-chow 2 fên.

Kiu-kiang to Shwuy-chow-fu. Land, 345 li. Kiu-kiang 3 fên. Wu-shih mên 2 fên.

Kiu-kiang to Nan-ch'ang. Land, 300 li. Kiu-kiang 3 fên. Wu-shih-mên 2 fên. Nan-ch'ang 3 fên (if passed through, but nil if only entered).

Kiu-kiang to Nan-ch'ang. Water, 80 miles, say 240 li. Kiu-kiang 3 fên (if the goods are landed first). Mei-chia-chow 2 fên (extra for gunboats). Wu-ch'êng 3 fên. Ch'iao-shêh 2 fên. Nan-ch'ang 2 fên (to make up the 10 fên; not levied if the goods are sold in the city).

Kiu-kiang to Jau-chow. Land, 260 li. Kiu-kiang 3 fên. Jau-chiao 2 fên.

Kiu-kiang to Jau-chow. Water, 85 miles, say 255 li. Kiu-kiang 3 fên. Mei-chia-chow 2 fên. Lau-ye Miao 2 fên. Tu-ch'ang 3 fên. Jau-shan 2 fên.

Kiu-kiang to King-ter chên. Land, 240 li. Kiu-kiang 3 fên. King-ter chên 2 fên.

Imports via Nan-ch'ang cannot reach much further than Nan-ch'ang up the province—as to Foochow, Chang-shu, &c.—without paying the full 10 fên. This is equally true whether they reach Nan-ch'ang in the first place by land or by water. But the barriers along the water routes are much thicker; e.g., there is no “han li-kin” between the cities of Nan-ch'ang and Foochow, so that goods going by barrow pay at the capital on leaving it and not again till they enter Foochow,—indeed it is even possible that they sometimes avoid Nan-ch'ang and its barrier in going from this port, to Foochow. By water, on the other hand, there are not less than three barriers between the two places. The disparity between the number of “han” and of “shwuy” barriers will be further illustrated if a comparison is made between the route

route

* This map is a copy from the excellent Chinese map of the world (as known to China)—the 天清中外一統輿圖—published at Wu-ch'ang by Kwan Wên in 1863, while governor general of Hu-kwang. It is based on Jesuit surveys. The first copy from Chinese was made by Mr. Com. STUART, without the lines of latitude and longitude; the very neat one forwarded is Mr. MAKIOLCZYK's work from Mr. STUART's, and with the addition of the lines of latitude and longitude.

route by land to King-ter chên, and the route by water taken by chinaware coming down from that place. It has been shown that goods going by land to Shwuy-chow-fu pay only twice: and grasscloth from Wan-ts'ai comes down to Kiu-kiang by barrow with only two payments if it avoids Nan-ch'ang.

18.—There now remains to be shown the operation of the li-kin system in the case of Chinese goods, whether those of local origin or the products of other provinces. The simplest course will be to take up the articles one by one.

19.—BLACK LEAF TEA. The tea of the Ning-chow district, if packed in the country and brought down by boats, pays Lō-te-shwuy at Ning-chow and duty at the Ta-ku-t'ang branch of the native Custom-house of Kiu-kiang. Without a certificate of Ta-ku-t'ang-duty-paid it is not allowed to be exported from this port. Wu-ning packed tea, instead of paying its lō-te-shwuy at Ning-chow, which it could not conveniently do, pays at T'u-chia-p'u—near Shan-hea-too in the map—after transit has begun. But much tea is brought to Kiu-kiang in bags and packed here: this often avoids lō-te-shwuy at the place of production (Shwuy-ch'ang, Ning-chow, Wu-ning, Cha-lin, etc.) If it comes to Kiu-kiang by land it pays 3 fên at Wu-shih-mên, provided it passes that place, and 2 fên at Lan-ch'iao; there is no li-kin at Kiu-kiang, the Lan-ch'iao payment being sufficient. One coolie carries two bags of 45 catties to the bag, and pays at Lan-ch'iao, as 2 fên, 90 cash per bag; i.e. 2 cash per catty. One fên is then 1 cash a catty, and the basis of valuation (100 fên) is 100 cash a catty. A true valuation would be over 150 cash a catty. The "bag tea" seems usually to avoid paying all but 2 fên; that from Shwuy-ch'ang, for example, pays its 2 fên just before entering Kiu-kiang. This is about 1.33 % of the value of the tea. When it has been packed for the foreign market it is examined by the Kiu-kiang native Customs' employes, and receives a certificate which serves the purpose of the Ta-ku-t'ang one, and is shipped away. Arrangements are thought to be in progress for collecting the lō-te-shwuy here instead of the li-kin *en route*, for which the lō-te-shwuy is regarded as a substitute. It is the smaller tea-men who have this year brought down tea in the way above described; they save on every pecul the difference between 1.4 Ku-p'ing Tls. and 200 cash, say 1.28 Hai: Tls.

20.—PAPER. This article of manufacture usually has completed the 10 fên by the time it reaches, or does so on leaving, Wu-ch'êng; there remain 2 fên to be paid at Mei-chia-chow. The amount paid at this last named place on some of the chief kinds of paper are given in a table containing other pertinent particulars, as well as in my Trade Report for 1869. From this it appeared that the nominal 10 fên was actually 4 % of the value of the paper—this, too, without allowing for any of it eluding payment. Most of it comes down either from Ho-k'ow (Ho-how) or Kwei-k'ee on the river of Kwang-sin fu, or from Wan-ts'ai on the river of Shwuy-chow fu. From Ho-how it pays as follows:—At Ho-how 3 fên; at Kwei-k'ee 2 fên; at Jui-hung 3 fên; and at Chiao-shêh 2 fên. That from Kwei-k'ee pays 2 fên at Kwei-k'ee; 3 fên at Jui-hung; 2 fên at Chiao-shêh, and 3 fên at Wu-ch'êng. From Wan-ts'ai the payments amount to 10 fên, but at what places they are made cannot be learned.

21.—GRASS CLOTH OF WAN-TS'AI. This comes down to Nan-ch'ang—where the trade centres—by land, paying no li-kin on the way. If brought there for Kiu-kiang it pays 540 cash a bundle on leaving, this being 3 fên at an assumed *valor* of 18,000 cash. The true *valor* is considerably over 20 *Ta*. Again, this assumed valuation per bundle on which the li-kin is based, supposes each bundle to contain just 1,000 feet, whereas in practice the bundles contain on an average one-fifth as much again—1,200 feet. On passing through Wu-shêh-men it pays a fixed amount, viz: 300 cash a bundle. At Kiu-kiang the charge was formerly 400 cash, but two years ago (9th year of T'ung-chih, 5th month) the following arrangement was made:—that the grasscloth should pay 200 cash at Lan-ch'iao before coming into this port, and nothing more if sold at retail or exported within 10 days; but if not so sold or exported to pay 300 cash more. It may be estimated on the whole that grasscloth viâ Nan-ch'ang exported hence within 10 days will have paid as li-kin 2.67 % of its value, in other words 1,040 cash on a value of 38,880 cash for 1,200 feet. This amount (2.67 %) is intended theoretically to represent either 7 or 8 fên, i.e., the payments at Nan-ch'ang, Wu-shih-mên and Lan-ch'iao. But much grasscloth avoids Nan-ch'ang and comes direct here, and accordingly has only to pay at Wu-shih-mên and at Lan-ch'iao.

22.—CHINA WARE OF KING-TER CHÊN. In the 57 miles of river (Ch'ang-kiang 昌江) traversed before the chinaware reaches Jau-chow, the full 10 fên is paid. The places and levies are as follows:—King-ter chên 3 fên; Hsi-kwa-chow (西瓜州) 2 fên; Koo-hsien-tu (古聖渡) 3 fên; Jau-chow 2 fên. This manufacture is assessed so many cash per "tsz" (仔), a *tsz* being a number of pieces bound with straw. There being a fixed mode of packing for each kind of ware, one who has had experience knows pretty well from the appearance of the packages what the contents are. There is a sub-tariff of so many cash per *tsz*, according to the quality, &c., of its contents.

23.—LOH-P'ING COAL. This pays five times in coming down to Kiu-kiang from the mines: at the first barrier below Loh-p'ing 3 fên, at Shih-chên-kai (石鎮街) 2 fên, at Chio-shan (角山) 3 fên, and at Jau-chow 2 fên. The rate is 2½ cash a picul as 1 fên; thus each pecul pays in all 25 cash as 10 fên, but in practice a basket is declared as a pecul though really containing from 15 to 40 catties more than this weight. The fifth payment is made at Hu-k'ow where greater strictness prevails: the 2 fên there leviable is 5 cash per pecul as at the other barriers, but the coal seems to be required to pay on its full weight. It may be remarked in the case of coal as in that of chinaware, that the barrier

barrier stations are so numerous on the river (Loh-ngan kiang 樂安江) that the 10 fên is paid up within the space of less than 40 miles. Valuing the coal at Tls. 4 per ton, I estimate that its 10 fên paid is about 5.40 per cent of the value.

24.—TOBACCO. This product comes by land from Lo-fang (羅坊) not far from Shwuy-chow fu. It is carried by coolies, 136 packets to the load, each packet weighing 10 ounces and worth on the average 250 cash. It pays 4 cash per packet at Wu-shih-mên, and the same at Lan-ch'iao, nothing at Kiu-kiang. But it is customary to declare only 100 packets per load, 36 packets thus eluding payment. The rate actually paid, then, as li-kin between Lo-fang and this place is 2.35 per cent. of the value, 800 cash on a value of 34,000.

The tobacco from Shwuy-ch'ang is of inferior quality, a package being worth 100 cash. It pays once—2 cash—at Kiukiang on arrival: the mode of declaration is the same as above given. Thus the sum actually paid is 1.47 per cent. of the value.

25.—COTTON. This is divided into two kinds, that with seeds—*tsz-hwa*,—and that without—*p'e-hwa*. The *tsz-hwa* is worth from 6,500 to 8,000 cash a pecul, but the valuation on which the li-kin is based is 4,500 cash: 1 fên is taken as 45 cash. Moreover, it is customary in paying li-kin to declare but 70 per cent. of the true quantity; it is usually transported in boats and deception is thus easy. The *p'e-hwa* is often carried in barrows from the country north of the Yang-tze to Nan-ch'ang and beyond. The valuation on which li-kin is based is 13,500 cash, 1 fên being 135 cash. Supposing it to be worth 24,300 cash, (15 Tls.), the 10 fên leviable—1,350 cash—is 5.62 per cent. of that value.

26.—NATIVE WHITE COTTON CLOTH. This is infinite in variety; some coming from Han-kow and other places in Hu-peh nearer than Han-kow, some from Su-chow, from Nan-ch'ang, from Hu-k'ow and from Shwuy-chang. Information is difficult to get with regard to the li-kin it pays; what is given in the following table pertains to those kinds of cloth which are best known here and is perhaps pretty near the truth. It would be interesting to know how Su-chow cloth is dealt with in going into Kiangsi from here;—the means of making this inquiry are not yet, however, at my disposal. It should be observed in reference to the table that it rather illustrates the li-kin system of Hu-peh than that which is the subject of this memorandum. At the same time it conveys a slight notion of the li-kin charges on cloth, and indicates—as the column marked *II.* shows—that the charges are far from heavy.

Description of Cloth.	Length in chang and feet per piece.	Width in feet and inches per piece.	Weight in catties and ounces.	Usual value in cash.	Li-kin; where paid, and how many cash at each place.	Total li-kin per piece from place of manu- facture to Kiu-kiang.	Li-kin from place of manufacture to Kiu-kiang is what per cent. of value of cloth.
From Paho; on Yang-tze below Hwang-chow.	3.5	1.5	cat. oz. 2 4	1,200	8 at Paho. 20 at Wu-sueh. 24 at Erh-t'ao-k'ow 16 at Kiu-kiang.	68	<i>II.</i> 5.67 %
Idem.	3.2	1.1	1 8	700	4 at Paho. 8 at Wu-sueh. 12 at Erh-t'ao-k'ow 8 at Kiu-kiang.	32	4.57 %
Hu-kwang cloth.	1.7	.8	...	200 (minimum.)	3 at — 4 at Erh-t'ao-k'ow 2 at Kiu-kiang.	9	4.50 %
Shwuy-ch'ang hsien cloth.	3.6	1.7	2 4	1,100	10 at Kiu-kiang.	10	0.9 % = 2 fên. [10 fên would be 4.50 %]
Kwang-ch'ee hsien (Hu-peh) cloth.	3.6	1.9	3 0	1,400	2 at Kwang-ch'ee. 4 at Wu-sueh. 6 at Erh-t'ao-k'ow 10 at Kiu-kiang.	22	1.57 %
Hu-kwang cloth.	1.5	.8	0 5	200	1 at Tung-san. 1½ at Wu-sueh. 2 at Erh-t'ao-k'ow 2 at Kiu-kiang.	6.5	3.25 %

27.—Rice going from place to place paid li-kin prior to 1868. In that year, however, this was done away with as one step towards lightening the burden of taxation. But on the first day of the 10th month of last year (Chinese) the tax was resumed by proclamation of the Fan-t'ai. It amounts to 10 per cent. of the value of a cargo; but low valuations are declared, bad rice being put on top of the good in loading the boats.

On Salt there is no li-kin; the price charged by the government in selling it—twice its worth—being considered to include all taxes whatever.

28.—The position of the barriers on the Poyang Lake and on rivers which flow into it will have become pretty well known when the reader has reached thus far in this memorandum. But to attain as nearly as may be to a complete idea of the matter a few words further are necessary. There is a barrier at Ta-ku-t'ang where goods coming down the Lake only from Wu-ch'eng and beyond it, if they have not yet made up the full 10 fên, are charged 2 fên to complete the levy. Boats from the East—Jau-chow—side do not pay at Ta-ku-t'ang. Lau-ye Miao is on the E. side a little beyond Nan-k'ang-fu up the Lake: goods bound for Jau-chow pay here; those coming down will have to pay 10 fên before reaching Lau-ye Miao. In the Lake, besides those barriers already named, there is one at K'ang-shan on the route from Jau-chow to the provincial capital. From Foochow to the capital (distant by land 180 li) are four water barriers; thus, Foochow 3 fên; Hwang-kiang-kow (黃江口) 2 fên; Li-chia-tu (李家渡) 3 fên; Hsie-p'u (謝埠) 2 fên. No land barriers between these two places as above remarked.

From Kan-chow to Keih-ngan-fu there are many barriers, but the different accounts given of them are very contradictory. The boats from Kan-chow which come down to Kiu-kiang for spawn in spring, being eager to make the voyage as quickly as possible, are permitted to pay their full 10 fên on setting out. From Keih-ngan to Ngan-ch'ang there are at least three barriers:—Chang-shu chên, 3 fên; Shih-cha chên (市汊鎮) 3 fên; Shêng-me (生米汛) 2 fên. Above Wu-ch'eng, on the river of Ning-chow, there is a barrier at San-hia-tu (山下渡) 2 fên.

29.—A few concluding observations alone remain to be made. The administration of the li-kin would probably compare favourably as to corruption and as to the extent of the harmful influence exerted among the people with the law system; it is less partial in operation and less arbitrary than the subscription form of taxation, and the abuses connected with it are, it is likely, of less magnitude than those found, for instance, in the prison system, or the management of the grain tribute. But it wants only the most superficial acquaintance with the principles of fiscal science now recognised in the West to be able to riddle the li-kin system with adverse criticisms. Whether we take the stand point of the economist or of the moralist, its wholesale condemnation is equally certain and equally severe. There is no justification whatever for a *crescit eundo* transit tax: the natural and unavoidable increase in price the further goods go from the place of their origin produced by cost of carriage is quite hardship enough without adding to that price the burden of a cumulative levy. The tax should consist of a single levy assessed once for all on each article at the place of its production or manufacture. It is only under extraordinary circumstances, such as the repair of a road or the special need of a city, that a way-tax can have even the weakest basis of reason. Again, the cost of working this tax, requiring as it does the establishment of a thousand petty offices all over the province, must be very great. It is said that 600,000 taels were collected in Kiang-si as li-kin in 1869, an amount which might be twice as great and yet not justify the expense attending its administration. A revenue equally large might probably be raised from a tax, higher actually than the present one, though it need not be so high nominally, on a dozen important commodities if judiciously imposed, and administered with a fair degree of efficiency. The amount paid as bribes and presents to the deputies, their clerks, and out-door executive must be something enormous in a year's time, so innumerable are the hands engaged in the collecting and preventive service. It is this unmanageable machinery of collection that is one of the very worst phases of the li-kin: indeed, the conviction is forced upon one that it is not simply for the purpose of collecting revenue that it exists, but as a means of livelihood for the legions of official supernumeraries.

The li-kin system puts a serious obstacle in the way of commerce in the delay it must cause in the forwarding of merchandise—duty has to be paid or certificate must be inspected at a host of stations. Even the fact that the offices are open throughout the day does not counterbalance this drawback: the reason why lead is sent into the interior under transit-pass to such an extent as is done is not that the li-kin charges are so very heavy, but that the li-kin system is full of delays. There are other economic defects and errors in the li-kin, but I shall do nothing further than name them. They are the differential rates caused by the difference in the frequency of barriers between the water routes and the land routes, causing some classes of goods which would prefer going by water to make their laborious way by land. It is not that the tax is severe, but it is differential, which a tax collected in full at the time and place of production would not be, and competition drives all dealers in the articles affected to take the land or run the risk of being under-sold by those who do so. The opportunities given for smuggling by evading barriers on the land is another defect. And the last I shall name is the hap-hazard fashion in which the valuation has been fixed upon, very high in some cases and putting a premium on smuggling. Sandalwood is so heavily charged that the successful evasion of one 2 fên barrier by a coolie with a single load of it is equal to a fair day's work, 212 cash.

It would be a trite matter for me to speak from the point of view of the social philosopher, of the far-spreading evil of a system which provokes and gives every possible encouragement to the daily and methodical practice of fraud on a large scale by the general bulk of the population; and this is what the li-kin does. It is absurd if foreigners complain of the tax as a special enemy of foreign trade; it is the enemy of all trade whether it be that in native or in foreign goods. In one respect no doubt foreign trade is at a special disadvantage; the water barrier system helping to compel piece goods to take the expensive land routes raises so much their value that they cannot at any considerable distance in the interior compete with the plentiful locally made cloth. But there is no evidence that the Chinese have yet learned those doctrines of protection so harmfully efficacious in fostering home and in barring out the products of foreign industry in some countries of the western world. The ones who have the right to complain the loudest are—not the foreigner but—those who to our perplexed alien ken seem quite as indifferent as any one could be, the Emperor and those who govern—their revenues the prey of subordinates whose conduct in plundering the people and cheating their superiors is but the active manifestation of a general public sentiment of indifference to dishonesty and speculation.

30.—One or two statements of fact of secondary importance may be found in the Kiu-kiang portion of the publication of December last "Returns of the Native charges, etc." contradictory to those of this memorandum, but in these cases the error rests with the earlier report.

EDWD. B. DREW,

Commissioner of Customs.

KIUKIANG, 20th June, 1870.