### REPORTS

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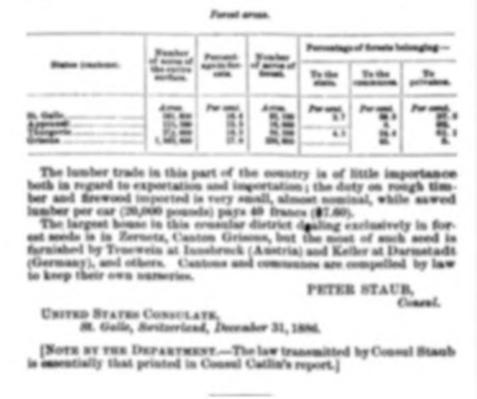
## CONSULS OF THE UNITED STATES.

VOL. XXI.

JANUARY-MARCH, 1887.



WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1887.



# IMPORTANCE OF THE ISLAND OF FORMOSA IN OUR TRADE WITH CHINA.

### REPORT OF MINISTER DENRY.

The steady growth of the foreign trade of Formosa and the great military importance of the island, forming, as it does, to use the words of a recent memorial to the throne, "a portal to the Southern China Sea and a bulwark for seven provinces," authorize me to call your attention to the present condition of the island and its importance in our trade with China.

Although having nominally possession of Formosa since the latter part of the seventeenth century, the Chinese have only been able to establish their rule along the coast, the interior of the island being still inhabited by independent tribes of aborigines who live chiefly by hunting, and who have ever shown unconquerable aversion to the Chinese.

In their fondness for head hunting they resemble the Dayaks of Borneo, and we learn from a recent memorial of the military administrator in Formosa that the murders committed by them number over

a thousand yearly.

Notwithstanding the animosity of the natives and the inability of the authorities to afford adequate protection to persons and property, the natural resources of Formosa and the wonderful icrtility of its soil have for years past caused a stream of emigration to flow thither from the

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provinces on the mainland, and day by day the area of cultivation is spreading and the natural products becoming better known and more

thoroughly worked.

The present military administrator in Formosa, Lin-Ming-Chuan, whose energetic defense against the French, in 1884-'85 called forth the admiration of China, appears to be doing much in the way of establishing order and developing the resources of the island.

Memorializing the throne under date of July 20 last, he states that he has been able this year to bring into subjection over 400 villages, that over 70,000 people have embraced civilization, and that over 20,000 acres of land earlier brought under cultivation, but since abandoned, have

been reclaimed.

The defenses of Formosa have also attracted the serious attention of the military administrator, and the ports on the west and north coasts, the only ones accessible, as well as the Pescadore Islands, are being fortified and armed with the most approved type of Krupp and Armstrong guns. It is also intended to establish telegraph lines and to connect the island with the mainland by a submarine cable. A short railway will in all probability be constructed between Kelung and Tamsui, and the name of an American firm, well known in China, is mentioned in connection with this last undertaking.

Heretofore Formosa has been an integral part of the province of Fuhkien, but on the 16th of January, of this year, there appeared a decree ordering it to be constituted a separate province, but, joined to Fuhkien and the Pescadore Islands, made the headquarters of the gen-

eral of the Haitan division.

#### CAMPHOR.

Of the natural products of Formosa, camphor and coal may be regarded as the most valuable. The production of camphor is, however, so rapidly decreasing, that its extinction may be looked for in the near future, unless the forests of this valuable tree which exist in the interior of the island are made accessible.

In 1880 the exports of camphor through the foreign custom-house in Formosa were 12,335 piculs.\* In 1883 it had fallen to 3,086,24 piculs,

and in 1885 to 461.98.

#### COAL.

Tamsui and Kelung in the north of the island have the only coalbeds now worked, but, according to Chinese statements, "coal-mining in Northern Formosa has never paid, owing to the want of competent men to manage the matter." Other reasons accounting for the want of success in the past, and for the impracticability of working these mines to any great extent in the future, have been given by competent European authorities, but it is useless to our purpose to mention them here. The output of the mines of Tamsui and Kelung may be grossly estimated as something over 100,000 tons annually, and the expenses of working them are officially given at between 4,000 and 5,000 taels per month.

Petroleum oil has been found near Tamsui and Fakow, but, although it is used on a small scale by the Chinese, both medicinally and for lighting purposes, attempts made to work it on a large scale according

to foreign methods have so far failed.

<sup>\*1</sup> picul=1331 pounds avoirdupois.

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Sulphur is abundant in the island, and is found in nearly a pure state near Kelung. It might give rise to an important export trade were the restrictions imposed on working it removed. All these questions have, however, been already reported to the Department in 1869 (see Commercial Relations, 1869, pp. 85, et seq.), since which time nothing new has occurred to necessitate any further remarks.

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The net value of the trade of Tamsui and Fakow, the two chief ports of Formosa, as reported by the Chinese maritime customs, which was 5,587,469 taels, in 1877, grew to 6,977,936 taels in 1885, and even reached

the sum of 8,200,118 taels in 1881.

The chief articles of export to foreign countries from Formosa are tea and sugar. The increase in the production of tea is wonderful. Whereas in 1865 the total export of black tea (Oolong) from Formosa was but 1,359.57 picals, it had reached in 1885 the enormons figure of 122,760.31 piculs. Assuming that all the Oolong tea re-exported from Amoy to the United States is from Formosa, and it is believed that this assumption is only subject to a very slight correction, we find that 50,922.403 piculs were shipped there in 1877; 80,053.89 in 1883, and 99,649.89 in 1885, the total re-export to all foreign countries of this quality of tea from the port of Amoy during the same year being 120,722.38 piculs.

The exportation of Formosan sugar, although very important, does not show as marked and rapid an increase as that of tea. Thus we find that in 1878 413,684 piculs of brown and white sugar were exported through the foreign customs; in 1880 the exports reached 1,064,146

piculs; in 1884, 967,028 piculs; and in 1885, 558,980 piculs.

These figures do not account for what is exported by junks.

The greater part of the sugar from Formosa is consumed by Japan and Australia. The United States took 28,953 piculs of brown sugar in 1872, 130,431 in 1880, 55,166 in 1883, and 37,000 in 1884. It is highly probable that the United States will never become a large consumer of Formosan sugar, as it cannot compete with that supplied by the Hawaiian Islands. The sugar industry of Formosa may also receive a severe blow if the Japanese are able to carry out their plan of cultivating sugar-cane in the Loo-Choo Islands, a scheme which is being

agitated at present in Japan.

The import trade of Formosa is of much less intrinsical value than the export trade, and the United States do not take a prominent place in it. The articles of import from foreign countries, consisting principally in opium, cotton, and woolen goods, represented in 1875 a value of 1,149,797 tacks; in 1880, 1,962,564 tacks; and in 1885, 1,869,209 tacks, at the ports of Tamsui and Kelung. With greater security given the people, and consequently a larger area under cultivation and with other general improvements which may be confidently looked for in the administration of Formosa in the near future, the Chinese population of Formosa must rapidly increase and the consumption of foreign goods become much greater than at present. The ordinary staple American goods used in China generally are also those which are taken by Formosa, but it is not possible to give the value of our trade in these articles with the island.

Petroleum is largely imported into Formosa in junks which, not passing through the foreign customs, furnish us with no returns; nevertheless we find that, whereas in 1881 only 3,490 gallons of kerosene were imported to Tamsui in foreign bottoms, 34,900 gallons were imported in 1884, and that at Fakow 81,120 gallons were imported in 1881, 104,600 in 1882, and 144,650 in 1885.

Great Britain is the only treaty power which has consulates in Formosa, our trade with the island being nearly entirely carried on through Amoy. Should our trade with Formosa continue to increase, as there is every prospect that it will, it will perhaps be found advantageous to ship directly to the United States, instead of reshipping from Amoy as at present. But I am not at present sufficiently informed of the character and condition of the harbors to be able to state definitely what sized ships can enter them.

CAMPHOR IN JAPAN.

REPORT OF CONSTRUCTANT ARRESTS OF KARAGAWA.

compelled to rely wholly upon the statements of others.

have a known age of over two hundred years.

debted to him for most of the facts and statistics begoin given.

No camphor is produced in the vicinity of Kanagawa, and as I have never been, since at this part, more than 18 miles from it, I have been

Mr. O. Keil, secretary of chamber of commerce, visited the campbor regions, and at my request made impairies upon the subject. I am in-

Campbor is exclusively produced in the southern part of Japan, absect all of it being from the idands which are embraced within the nine southern provinces known as Kinshin. A campbor tree attains a large size and great age. It is frequently found over 12 feet in diameter and over 66 feet in height, and there are said to be some frees which

The extraction of camphor accessitates the destruction of the tree, which is out down, and all of it that can be used for plank or ship timber is set saids for that purpose, complor wood being highly prized for farniture and cheets, the aroma of the wood being destructive to insects and a preventive against moths, which are very prevalent in this conntry. So much of the tree and roots as cannot be made available for these purposes is cut up into fine chips or shavings, and the campbor extracted. Several kinds of apparatus are used for this purpose, but the most improved and generally corployed is shown by the drawing hereto annexed. There A represents a large iron kettle, covered with a wooden cover, B, which is luted down to the top of the kettle, and has an orifice, C, in the center. Over this is placed a wooden tab or barrel, D, and at the top of this tob there is an iron vessel, E, coneshaped, the cone being inverted. The campbor chips are placed in water in the iron kettle, and the top C and the tob B, with inverted come E, are put over the kettle and made, as nearly as possible, steamtight. Fire is then kindled in the furnace under the kettle, and the water in the kettle boiled briskly. The steam, charged with campbor forces, passes up through the orifice C into the tob, and is condensed on the iron cone at the top, which is kept full of cold water, water running in and out of it all the time through the pipes G and H. The campber, campber-oil, and steam are condensed on the cone, and run down the sides to the point, under which is placed a cup with a con-

CHARLES DENBY.

UNITED STATES LEGATION, Peking, November 17, 1886.