The Willard Straight Papers at Cornell University

Reel Number 10
The reel begins with a continuation of Straight's personal manuscripts, translations and verse. The greater part of the reel is made up of copies of documents and printed memoranda and agreements relating to his work in Seoul, Mukden, and Peking, beginning with trade and customs in Korea and Manchuria and followed by various railway agreements and loan proposals for Chinese currency reform and reorganization. The reel ends with bound material, printed copies of Straight speeches about the loan negotiations and bound manuscript material relating to his study of the Chinese language.
REEL 10

Segment 1
Personal Manuscripts and trade in Korea and Manchuria

Segment 2
Railway, Currency Reform and Reorganization

Segment 3
Speeches and language notebooks
START

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utilise funds drawn from the amounts which China would be able to retain under the arrangements with the United States for the remission of a portion of the Boxer Indemnity.

In November 1907 Mr. Straight met President Taft, then Secretary of War at Vladivostock, travelling with him to Harbin. Mr. Taft was at that time handed a memorandum on the Manchurian situation, which he later transmitted to the Secretary of State, and which is now on file at the Department. This memorandum mentioned the Chinese proposal to float a Manchurian Loan and Mr. Tang's ideas on this subject were further elaborated in Mr. Straight's conversations with the Secretary of War, who was informed that the matter had been laid before Mr. Harriman.

Prior to his conference with the Secretary of War Mr. Straight had received a telegram from Mr. Harriman stating that owing to disturbed financial conditions in the United States (i.e. the panic of 1907) it would be impossible to take up the proposed Manchurian Loan at that time.

In March 1908 a conference of Manchurian Governors was held at Haiden. Mr. Tang's plan for the flotation of a Manchurian Loan was endorsed by the Viceroy and the Three Governors, and submitted to Peking in a memorial to the Throne. This was reported in a despatch from the Consulate General at Haiden dated about March 16th, 1908. Mr. Tang shortly himself went to the capital and through the influence of Yuan Shih Kai, who was then head of the Foreign Office and a member of the Grand Council, secured the approval of the late Empress Dowager for his scheme.

During the spring of 1908 the Chinese Government pro-
posed to send H. E. Liang Tung Yen to America to return thanks for the remission of a portion of the Boxer Indemnity.

It was subsequently decided, however, to appoint Tang Shao Yi Special Ambassador, in order that he might take up with American financiers the proposed Manchurian Loan. His mission to this country therefore was primarily for this object, although ostensibly of a purely complimentary nature.

On August 12th, 1908, Mr. Straight, under instructions from the Department of State, left Mukden for Washington. Prior to his departure he received from Mr. Tang a memorandum signed by himself, in which the Manchurian Administration, i.e. the Viceroy of Manchuria and the Governor of Fengtian, expressed their desire to borrow $50,000,000 from American capitalists in order to establish a Manchurian Bank. This memorandum was transmitted to Mr. Straight under a personal note from Tang Shao Yi. The terms of the memorandum had been approved by the Viceroy, Hau Shih Chang.

Although this memorandum contained no specific reference to any particular American capitalist it was Mr. Tang's understanding that this matter should be taken up with Mr. Harriman, the original memorandum which had not been signed, having been submitted to him. It was further Mr. Tang's intention that this memorandum should form a basis for negotiation with American capitalists.

On arriving in the United States in September 1908 Mr. Straight was informed by Mr. Phillips, then Chief of the Division of Far Eastern Affairs of the State Department, that he had been ordered to the United States in order to discuss Manchurian investments with certain gentlemen in Wall Street.

Mr. Straight proceeded to Washington but received no orders as to the person or persons with whom he was expected to confer.

A few days after his arrival Mr. Straight saw Mr. Harriman, who discussed the Manchurian situation and the possibilities for railway construction there. Mr. Straight informed Mr. Harriman that he had in his possession the memorandum signed by Tang Shao Yi, but that in view of the Department's intention that he should take this question up with certain gentlemen in Wall Street he was unable to show Mr. Harriman the document mentioned, until he had received instructions from the Department as to the persons to whom this matter was to be submitted.

Mr. Harriman requested Mr. Straight to inform the Secretary of State, Mr. Root, that he, Mr. Harriman, wished to see this document.

After waiting two weeks for a reply from Mr. Root Mr. Straight went again to Washington, there to discuss the matter with Mr. Bacon, the Assistant Secretary of State, to whom he showed the Tang Memorandum. Mr. Bacon informed Mr. Straight that he might submit the document to Mr. Harriman. This was done, and returning again to Washington Mr. Straight took the matter up with the Secretary of State in person, who also read the Tang Memorandum.

During these various interviews with the State Department it developed that Mr. Root, although he was desirous of supporting the "open door" in Manchuria, did not feel that there were American
formed the Secretary of State that China desired to reform her currency system, to abolish likin, and increase her custom tariff in accordance with her treaty engagements with Great Britain, United States and Japan. To accomplish this purpose he proposed the flotation of a loan of between Two and Three Hundred Million Dollars. He desired to conduct his initial negotiations with American Bankers.

Owing to various complications the procedure to be followed in remitting the Boxer Indemnity was not settled until the end of December. Early in January Yuan Shih Kai, upon whose influence Mr. Tang had depended for the consumation of his schemes, was removed from office, and Mr. Tang himself was ordered to return to Peking at once.

Although it is probable that had Mr. Tang been able to settle the questions regarding the remission of the Indemnity he might not in view of his larger scheme have been willing to conclude the Manchurian negotiations, it was never so stated. He did not at any time personally negotiate with Messrs. Kahn, Loeb & Company or with Mr. Harriman, but during December 1908 Mr. Straight served as intermediary between Mr. Tang and the Bankers principally with reference to the Manchurian Loan. This was, of course, the only definite proposition in hand; the proposal regarding the currency reform loan being very general in character. Messrs. Kahn, Loeb & Company and Mr. E. H. Harriman were, however, advised of the Chinese desire in this regard, and had signified their willingness to undertake the business.

Mr. Straight's negotiations were conducted with the entire knowledge and approval of the Department.

investments in this region sufficient to justify the United States Government in adopting a strong attitude. Therefore while he did not wish to be a party to inducing Mr. Harriman, or his friends, to take up Mr. Tang's proposals, he was willing that Mr. Straight should submit Mr. Tang's scheme to them, and authorized Mr. Straight to inform Mr. Harriman that in case he entered upon this venture he would be given the support of the American Government.

At the instance of Mr. Harriman Mr. Straight then laid the Tang Memorandum before Messrs. Kahn, Loeb & Company and on November 2nd, 1908, Mr. Jacob H. Schiff and Mr. Otto H. Kahn informed Mr. Straight that they would be prepared to take up the Manchurian Loan on the basis of the Tang Memorandum, and requested Mr. Straight to advise Mr. Tang to this effect. Mr. Schiff and Mr. Kahn further stated that they felt their acceptance of these proposals committed Mr. Tang to negotiate with them and they were therefore to be solely entitled to take this business provided satisfactory terms could be arranged.

Mr. Straight telegraphed Mr. Tang at Honolulu that his proposals had been accepted.

On Mr. Tang's arrival in Washington Mr. Straight informed him that Messrs. Kahn, Loeb & Company were prepared to undertake the Manchurian Loan and desired at once to open negotiations.

Inasmuch as Mr. Tang desired to utilize a portion of the remitted Boxer Indemnity for the service of the loan, he did not wish to take up negotiations with Messrs. Kahn, Loeb & Company until the details regarding this remission were settled with the Department of State.

Shortly after Mr. Tang's arrival in Washington he in-
to the attention of the Chinese Foreign Office, and a copy of
the Tang Memorandum filed with the Legation at Peking.

From the foregoing it would seem apparent that
(a) Mr. Tang, with the knowledge and approval of the Chinese
Government, considered the memorandum which he had handed Mr.
Straight a basis for negotiations with American Bankers.
(b) That Mr. Straight undertook these negotiations with
Mr. Harrison and Messrs. Kuhn, Loeb & Company with the knowledge
and approval of the American Government.
(c) That the American Government promised support for the
Manchurian Bank scheme, authorized Mr. Straight to lay Mr. Tang's
currency loan proposal before American Bankers, and was cognizant
of Mr. Straight's action in taking this matter up with Messrs.
Kuhn, Loeb & Company and Mr. E. H. Harrison,
(d) That the prospects of floating a Manchurian Loan on the
basis outlined in the Tang Memorandum were responsible for inducing
Mr. E. H. Harrison and Messrs. Kuhn, Loeb & Company, to undertake Chinese business and,
(e) That the fact that these negotiations were in hand was
responsible for the organization of the American Group.

In order to regularize Mr. Straight's position the
Secretary of State, with the approval of the President in an in-
struction dated December 1908, authorized him to introduce Mr.
Tang to American Bankers, and to assist him in developing his
plan for securing a large currency loan.

When Mr. Tang was recalled owing to the political up-
heaval in Peking, already referred to, the negotiations for the
Manchurian Bank Loan and the tentative discussion for the loan
for currency reform were naturally discontinued.

Messrs. Kuhn, Loeb & Company, however, did not wish to
abandon the Chinese field and in May 1908, requested Mr. Straight
to represent them in Peking.

In June 1909 the American Group was organized with the
object of participating in the Hukwang Loan, of endeavoring to
secure a loan for the establishment of a Manchurian Bank, as out-
lined under the Tang Memorandum, with the idea of eventually
undertaking the large currency loan discussed by Mr. Tang with
the Secretary of State, and with the knowledge of both laid it
before Messrs. Kuhn, Loeb & Company.

In October 1909 when Mr. Straight concluded the Pre-
liminary Agreement for the Chinshou-Aigun Railway with the Vice-
roy of Manchuria, he also laid before the Viceroy a proposed
draft agreement for the Manchurian Bank Loan, and at that time
informed the Viceroy of the genesis of this project.

The fact that the Group considered itself entitled to
the flotation of this Manchurian Bank Loan was at several times
during the autumn of 1909, and the early part of 1910, brought
President Taft's Administration.

Since 1900 the year which marked the commencement of what may be termed modern diplomatic relations between the competing Governments and foreign powers, there has been a constant struggle for influence among the various nations. This has been anxious to profit by the growing trade, or to satisfy their land hunger at China's expense. This contest was for many years more or less military in character. From the close of the China-Japan war in 1895 however, while not altogether losing its bellicose poesies the rivalry assumed on the surface at least a financial complexion. The Russo-Chinese Bank was created as the chief instrument in pushing Russia's adventure in Manchuria and with each succeeding year the political value of the Nanking Bank, the Bank of Japan and the Banque de L'Indo Chine to the British, German and French Governments became more and more generally recognized.

Today in addition to the institutions mentioned the United States has the American Group, with the International Banking Corporation, while Belgium and Holland have also their banking representatives, and it will undoubtedly be these institutions which will be utilized by their Governments as the logical and obvious agencies through which to assist the financial and commercial reorganization which is bound to take place in China once a political settlement is effected.

Prior to the war with Japan 1894-5 China had not foreign debt. To meet the expenses incident to this trouble and to pay the indemnity exacted by Japan at its conclusion, China was forced to borrow from England, Germany, and Russia (the latter through the French market) furnished the necessary funds, and having loaned money proceeded in the order named to forcibly to lease small tracts of Chinese territory.

During the so-called "Leasing Years" 1897-9 Russia, Germany occupied Kiaochow, Russia Port Arthur and the Liaotung Peninsula, Great Britain Weihaiwei and France Kwangtoushan. This military occupation was followed by a commercial invasion of Russia, China, and England, France, Germany, Belgium, and the United States all secured from a prostrate China the right to build, and to operate, or share in the profits of operating, her railways.

These occidental pills proved indigestible. Not unnaturally
The Boxer outbreak which resulted was a blind, unreasoning attempt to throw off the galling foreign yoke. If failed, but it brought to the Empress Dowager the realisation that China could only defend herself against western aggression by herself becoming efficient along western lines. The resentment against foreign interference and domination which had flared into the Boxer revolt, simmered still and was soon manifested in another form.

Administrative reforms were inaugurated. The Chinese press hitherto practically non-existent began to assert itself, and young direct the agitation a reorganised men, educated abroad returned to Steampump for arms sufficiency China which has found its final expression in the revolution now in progress.

Yuan Shih Kai (now Premier of China) then Viceroy of Chihli Province at the conclusion of the Russo-Japanese War had gathered about him a number of men, notably Tang Shao Yi and Liang Tun-fen, who had been recalled from America in the early 80’s but who had not, until this time, had much share in the direction of affairs. These men, and the country at large were stirred by the victory of an Asiatic over an occidental power. China, they determined must bestir herself and gain recognition for her sovereign rights.

In 1898-9 the break-up of the Ex-pire had been considered imminent. The “Open Door” doctrine enunciated by John Hay at this time, and reiterated during the negotiations which followed the relief of Peking won the adherence of the great powers chiefly because of their mutual jealousy and their realisation that the partition of China would impose on them responsibilities which they would find it difficult to bear.

Russia, however, despite her diplomatic assurances had not evacuated “Manchuria”, occupied after the Boxer troubles, and had persisted in an attempt to acquire control over northern Korea as well. She had been driven out by Japan avowedly the champion of Chinese integrity and the “open door” for the trade of all nations. British, French, German and “Belgian capitalists were vying with each other to loan money to China. Freed from the Russian menace, not yet fully aware of the new danger threatening from Manchuria, beset by competing bankers it was not surprising that the Manchuria Court should lend a ready ear to the advocates of a rights recovery policy.

1905 signed agreement prior to the Sinking of the old railway loan agreements had pledged the lines themselves as security for the loans. The instruments negotiated after the Russo-Japanese war no longer gave a mortgage of the railways, but specified provincial revenues as security. Bonds secured on the Peking-Hankow line were redeemed and internal revenues hypothecated for a new issue. American interests which held the concession for the construction of the line from Hankow to Canton were bought out by the Chinese Government. American financiers were not interested.
in the new loans Materials to be used for the construction of these new lines were purchased from these countries whose bankers made the loans.

It seemed therefore that unless Americans shared in the financing of Chinese railroad building, American manufacturers would have no share in the profits to be derived therefrom.

The United States moreover had pledged itself in the Treaty of 1905 to consent to the increase of the Maritime Customs tariff when China should abolish the internal tax liken. The Department of State furthermore in response to a request from the Chinese Government had promised to render all possible assistance in obtaining from the other powers their consent to this customs revision.

The fact that these internal taxes upon whose abolition the contemplated increase of the maritime customs depended, were being pledged as security for the new railway loans the directly affected the fulfillment of the engagements which the State Department had made.

Loans to China, moreover, are never without a certain political complexion. For this reason therefore, it was in order that the United States might be entitled merely to a practical, not a theoretical voice, in the anticipated negotiations regarding the increase of the customs tariff, as to well as to insure American manufacturers a share in the profits of Chinese railway construction and the general business arising therefrom, the Department of State deemed it desirable that American capitalists should participate in Chinese loans.

In the spring of 1909 it became known that the British French and German banking groups were negotiating for a to be secured on provincial revenues loan for the constructions of the Hunan railway i.e. the lines from Hankow into Szechwan, and from Hankow to Canton.

The Department of State held in trust for American capital the promise of the Chinese Government that if foreign money were required for the construction of the Hankow-Szechwan line, one-half should be secured from American, and one half from British, capitalists.

This claim entitled the United States to a participation in the loan under negotiation, and furnished the desired opportunity for the organisation of a representative group of American financiers to engage in the Chinese loan business.
After nearly a year of negotiations satisfactory arrangements were made between the British, German, French and American financial groups and the Hukuang Loan Agreement was signed with the Chinese Government on the 20th of May, 1911.

On the 15th of April an Agreement for a loan of £10,000,000, to be utilised in inaugurating a scheme of Currency Reform and for the development of Manchurian industry, had been concluded by the same signatories. This so-called Currency Loan was secured in part by Manchurian revenues, and in part by certain salt taxes.

The Hukuang Loan was issued on the London, Paris, Berlin and New York markets in June. During the latter part of negotiations the gentry of Hunan, Hopei and Szechuan protested against the use of foreign funds for the construction of railways in these Provinces. They objected further to the pledging of Provincial revenues as security for foreign loans and insisted that the Provincial Companies should retain the right to build these lines.

The members of the National Assembly, which had adjourned in January, came to Peking and demanded that an extra session, in order that they might consider the Loan Agreement under discussion.

The Imperial Government, however, well aware that the whole history of the Provincial Companies had been one of waste and mismanagement, decreed that while Provincial Companies might construct branch lines, all trunk lines should be built and controlled by the Central Government. The demand for an extra session was refused and the assemblymen informed that the loan negotiations, then in progress, were based upon an agreement concluded before the organization of the National Assembly, which was not, therefore, competent to discuss the same.

Arrangements were made, however, to reimburse those persons who had subscribed for shares in the original
The Currency Loan was the first and the Hukuang Loan the second Agreement signed jointly by the financial groups of the four nations, and under these Agreements the United States, for the first time, was placed on a footing of equality with the other powers who had, up to that time, been principally interested in Chinese finance.

Whether as the result of the revolution now in progress there be a Constitutional Monarchy or a republic in China the change from the old autocracy will be so radical that the whole administrative structure will have to be rebuilt, and in this problem of reconstruction the financial factor will be the most important.

At the present time the Imperial Maritime Customs Collectorate, which, under foreign management, is the security for the major portion of China’s foreign debt, is the one bond between the loyal and the revolting provinces. Revolutionaries and Imperialists alike desire to meet the charges of the foreign loans, and the common interest of the powers in this debt, secured alike by customs revenues and internal taxes in the most powerful safeguard against the disintegration of the Empire, the joint action by the interested powers which alone can preserve the integrity of China will best be secured through the arrangements which will necessarily be made for the payment of old debts and for securing fresh funds for purposes of development and administration.

Through "Dollar Diplomacy", the position of the American Group acquired with the support of the Department of State, the United States is now associated with Great Britain, Germany and France, and even though American investments are by no means as large as those of the three powers mentioned, the United States can not be excluded, as it might have been had this cooperation not been secured, from steps which these three powers may take to conserve and to extend their interests in China.

The friendly policy of the United States toward China has become traditional and the American Government, because of its present position is well capable of using its good offices more effectively than before to further American trade by assisting the development of this great people.

"Dollar Diplomacy" has been justified by its tangible results. The claim has been staked, and it remains for American manufacturers to take advantage of the opportunities which have been given through the combined activities of the Government and Wall Street.

The work which has been done however,
to be permanently beneficial must be followed by consistent effort and continuous persistence. This is not so much now by diplomacy assisted by finance but by the diplomatic agents of the Government as by the representatives of American industry and commerce. Diplomacy has opened the door. It remains for the merchant and the manufacturer to enter in.

The whole machinery of foreign endeavor must be perfected. The Department of State which has done this pioneer work for the business interests abroad, must be supported by these interests at home. Congress must be persuaded to make larger appropriations enabling the Department to make the foreign service more attractive than at present to able men. Manufacturers who compete in our domestic business must combine for foreign trade and unite in maintaining an effective selling organizations abroad, especially in those countries where as in China. Diplomatic support is essential. If this be not done the Government will not be able to assist one American concern to the exclusion of others, and a competition among American interests will result in commercial victory for their foreign competitors.

Competition at home is perhaps desirable, but there must be cooperation abroad. When this is secured diplomacy and
Address by Mr. W. D. Straight at the Annual Dinner of the American Asiatic Society, Nov. 2nd, 1912.

Mr. President and Gentlemen:—

It is a very great privilege to be permitted to respond to the toast "America's friendship for China". It has been my good fortune to pass the greater part of the last twelve years in the Far East, most of the time in China; in Peking, in Manchuria and again more recently at the Capital. I have followed the stirring events which have taken place with the keenest interest, and have had the pleasure of knowing personally, and in some cases intimately, the men who have played the most important parts. Like Dr. Chen Chin Tao, whom we are here to honor this evening, most of these men have been educated in the United States. They speak our language. By this I do not mean that they have a knowledge of English. They have mastered a far more difficult tongue — "American".

Mr. Davison, who should have responded to this toast this evening, but who unfortunately, for your sake, was prevented from being present, tells a story of a dinner given by the German Banking Group last year in Berlin, at which Dr. Chen was also present. He found himself seated at the table between the Chinese Envoy and a distinguished German banker, whose knowledge of English, though effective, was spasmodic. Mr. Davison, awed by the magnificent silk robes of his right hand neighbor, turned to his German colleague and conducted a broken conversation, dreading the moment when he would be obliged to attempt to address the Minister. There was a lull in the conversation. He toyed with his knife and fork in apprehension, when a voice demanded "Can you tell me who is pitching for Pittsburgh this year". It was the Chinese Minister, Sir. Chen-Tung Liang Chen, who won for Andover Academy one of its most famous victories over Exeter, and who pitched for the Amherst nine.

The incident, it seems to me, was significant. An immediate bond of sympathy had been established between these two men, and while it may be too much to say that a similar bond exists between our two great nations, with their countless millions, who never have, and never will, come in contact with each other, I believe that it may be honestly said that where Chinese and Americans have met in business, in finance or in diplomacy, their relations have been characterized by friendliness and mutual confidence.

That China believes in American friendship, would seem apparent from the fact that she has sent so many of her sons to this country to be educated, that she has turned to the American Government so frequently for advice, and that she has now, largely inspired by our example, adopted a republican form of government.

The subject upon which Mr. Davison was requested to speak, and with regard to which I am attempting to address you, however, "America's Friendship for China", is one perhaps which might more appropriately be enlarged upon by Dr. Chen by myself. He will I trust pardon me, if, undeterred by any innate American modesty, I endeavor to make a case.
America's Far Eastern policy has been based upon consistent friendship to China from the time when diplomatic relations were first opened with the Peking Government. An interest in, and a friendship for, China has been inherited by many of the leading men of this country, whose forefathers, like those of your distinguished President, The Honorable Seth Low, for years were engaged in what was then known as the China trade, when American clipper ships made records around the Horn and bore their rich cargoes back and forth through Eastern Seas.

As a result of the mutual trust and confidence established in those early days, the Hon. Anson Burlingame, one time American Minister to Peking, was commissioned by China to visit the United States and the countries of Europe on her behalf. The Hon. John W. Foster, was invited by the late Li Hung Chang to assist him in the negotiations with Japan at the conclusion of the Chinese-Japanese War. In 1904 also Dr. Jenks was invited by the Chinese Government to visit Peking to discuss Chinese currency reform. These were proofs of China's friendship for us, founded, you will agree, upon our friendship for China.

American policy was in the autumn of 1907 enunciated by President Taft, then Secretary of War, in his Shanghai speech, which you will all remember. The American Government desired, he declared, to see a strong self-sufficient prosperous China, with an administration developing the resources of this wonderful country in the interests of her splendid people. During the four years of his administration the President has conscientiously endeavored to give practical expression to the policy voiced in his Shanghai speech.

It has been the object of the American Group to carry out the wishes of the administration in this respect. When Tang Shao Yi came to the United States in the autumn of 1908, as Special Ambassador to render thanks for the remission of the Boxer Indemnity and to arrange for the education of Chinese students in this country which the remitted funds were to finance, he laid before Mr. Root, then Secretary of State, a proposal for a loan of $300,000,000, which was to be utilized for a programme of industrial development, for currency reform, and to finance the Chinese Administration during the period which it was thought might elapse following the abolition of likin and prior to the completion of arrangements for an increase in the customs tariff. Mr. Tang desired an international loan in which he wished the United States to take the lead. This matter was brought to the attention of American bankers, with the authority of Mr. Root and the sanction of President Roosevelt, but it was necessary temporarily to abandon the project owing to the dismissal of His Excellency Yuan Shih Kai from the high office which he then held in Peking.

Following the inauguration of President Taft, however, Mr. Knox became keenly interested in this matter and the Department of State desired as soon as an opportune moment should arise to reopen the question of customs revision and likin abolition, as well as
currency reform, in accordance with the stipulations of our Commercial Treaty of 1903. With a view to taking up the proposed loan at the proper time, the American bankers who had been interested closely followed the situation.

In May 1909 it became known that the British, French and German financial groups were about to conclude an agreement, to be secured on provincial revenues, for the construction of the Hukuang Railways, i.e. the lines from Hankow into Szechuan and from Hankow to Canton.

The Department of State held in trust for American capital the promise of the Chinese Government that if any foreign money were required for the construction of the Hankow-Szechuan Line one-half should be secured from American and one-half from British capitalists. The fact that internal taxes, upon whose abolition the contemplated increase of the Maritime Customs tariff depended, were being pledged as security for the new railway loan, directly affected the fulfillment of the engagement which the Department of State had made to assist China in obtaining from the other Powers their consent to customs revision.

In order, therefore, that the United States might be entitled to a practical, and not a merely theoretical, voice in the anticipated negotiations regarding the increase of the customs tariff, as well as to assure to American manufacturers a share in the profits of Chinese railway construction and the business arising therefrom, it was essential that American capitalists should participate in the Hukuang Loan. The Department of State laid the matter before the bankers already interested in the loan proposed by Mr. Tang Shao Yi and the American Group was organized, creating an instrument which it was hoped might enable the Administration not only to further the interests of American trade but effectively to assist China in obtaining the consent of the Powers to the customs revision she so greatly desired.

You are all familiar with the story of the loan negotiations carried on during the past three years. You are aware that the American Group secured a contract for a loan to construct a railway from Chinchou, on the Gulf of Chihli, to Aign, on the Amur River, and you are familiar with the history of the neutralization proposals advanced by Secretary Knox as the most practical method of removing Manchuria from the sphere of international jealousy and of assuring to China the development of this rich territory in accordance with the terms of the Portsmouth Treaty. You are aware also that an agreement was concluded in November 1910, whereby the American Group was to co-operate with the British, French and German Groups, and that this combination contracted with China for the Hukuang and Currency Loans. In the latter transaction the American Group was in the lead. After lengthy discussion in London last summer, in which China was ably represented by Dr. Chen Chin Tao, and the American Group by Dr. Jenks, both of whom address you this evening, the Chinese programme of currency reform, the credit for the preparation of which is due almost entirely to Dr. Chen, was examined and approved by a committee of experts.
It was hoped that this great work might have been initiated last autumn but China embarked upon a reform of far greater significance than that of reorganizing her currency. During a few brief months the oldest empire became the youngest republic in the world and to-day many of the men who, as subordinate officials, were responsible for the progress which had taken place in China during the ten preceding years, are placed at the head of affairs.

The principal problem confronting the young republic to-day is that of "finance". In its solution the American Group, acting in accord with the Department of State, has endeavored to assist but the conditions upon which we were willing to advance funds to the Chinese Government have not, up to the present time, been found acceptable. These terms were decided upon by the financial groups, and approved by their respective governments, only after long and careful deliberation. They were prepared with full and sympathetic consideration for the difficulties of the Chinese Administration and while at the present time no arrangement has been concluded, we cannot believe it will be impossible to come to an understanding which will be mutually satisfactory.

It will be admitted, I think, that John Hay did a great service to China when he induced the Powers to accept his "open door" doctrine. The arrangement was a political one, brought about by what it was feared might be the territorial designs of some of the Powers on China and adherence to the "open door" necessitated a new definition of rival interests in China in financial and commercial, no longer in territorial, terms, and the mutual forbearance of the Powers thus secured was very largely responsible for the preservation of the integrity of the Chinese Empire at a time when it was unfortunately not able to protect itself.

The present arrangement under which the Six Governments are acting in harmony, though based on an agreement between banking groups, is nevertheless of inestimable value to China. If this understanding between the Six Governments and the Six Groups can be maintained, and if China is willing to invite the co-operation of these associated interests, John Hay's diplomacy will have borne fruit, and through this financial combination China may find protection from the selfishness of those who might threaten her integrity were they not restrained by the necessities of joint action.

It is possible nevertheless to understand that many patriotic Chinese see in this combination, and in the loan terms which it has asked, a menace to the sovereign rights of the new republic.

We believe, however, that this fear is based either on a misconception of the objects of the combination or upon a lack of appreciation, not only of the real dangers by which the Republic is confronted, but of the means by which these perils may best be averted.

We believe that in the United States there exists a real friendship for China and a sympathy with the aspirations and
ideals of the young republic. We believe there is a sincere desire on the part of the Administration, and on the part of those of us who are here to-night, to assist China to a realization of those aspirations. And if I may be pardoned for saying so, I believe that the American Group has in these loan negotiations been the instrument of the Administration in endeavoring to induce China to follow the course best calculated to secure the end which we all desire. We have felt in this matter a heavy responsibility which we have not believed it possible to discharge by encouraging financial transactions which, while expedient, did not seem calculated to assure the construction of that broad and sound foundation which we believe essential to the successful upbuilding of Chinese credit.

The Progressive Party was founded to accomplish certain definite purposes which we believe vital to the conservation and development of democratic government in this country. We have constituted ourselves a party but we regard our organization as a means essential to the realization of our aspirations. We protest against that unreasoning adherence to party ties which has led many public spirited but misguided citizens to regard party as an end in itself. This mistaken loyalty has so blinded them to their duty, both to themselves and to the community, that they have submitted to the domination of men who, to retain or to acquire political power, have prostituted their leadership and betrayed the trust reposed in them by the people.

In the Presidential campaign which was brought to a close on November 5th last, we were in agreement with the Democratic candidate in recognizing certain evils in our national life. We differed with him as to the remedies calculated to be most efficacious in dealing therewith. We still believe that our programme was best suited to accomplish the end in view. For the present, however, we desire loyally to co-operate with the President-Elect in so far as we are able conscientiously to do so, and we shall gladly applaud the success of what we are certain will be his honest and patriotic efforts to meet the responsibilities which he will shortly be called upon to bear.
In the meantime we shall endeavor to perfect and strengthen our local, state and national organizations. Through the agency of legislative committees, we shall prepare in concrete and definite form measures which we believe calculated to assure the legislation contemplated by our platform and by the declarations of our candidate for the Presidency. These measures we shall submit for the consideration of the public and of the legislative bodies competent under the Federal and State constitutions to deal therewith. We shall support the nomination and strive for the election to legislative and executive offices of the men, irrespective of their party affiliations, who are pledged to secure the enactment of these measures and to their efficient administration when they become law. Our aim is not to upbuild our party for the purpose of obtaining for ourselves political power. Our hope is that we may maintain an efficient organization under disinterested leadership to guide and to co-operate with all those who are honestly working for the best interest of their respective communities and the nation as a whole.

Once stable conditions are restored in China after the present upheaval it may safely be assumed that there will be a period of development such as has not hitherto been known in that Country, for though all the elements now struggling for leadership leave much to be desired, the Government which will eventually be established will be, either of itself or under foreign direction, more progressive than its predecessors.

Business attractive to foreign enterprise will fall under the following heads -

A. Government Loans
B. Governmental Industrial Work to be undertaken with the proceeds thereof.
C. General import and export trade.
D. Municipal undertakings, such as Street Railways, Water-works, Lighting Plants, etc.

At the present time American interests, financial and commercial, are not sufficiently well organized to profit by this development to the extent to which they are entitled by the geographical position of the United States, their political and financial interests in China, and the quality of their manufactures.

It is proposed therefore to effect an organization which will secure for Americans their share in the benefits to be derived/
is open to objection that it would deprive firms doing business in China of what they now hold, firms whose friendship might be valuable and whose contacts might be advantageously exploited.

A former suggestion that a selling organization, acting for a large number of American manufacturers should be established is given up to objection that it would only arouse what antagonism is possible, but should command the largest measure of support from the American Groups in China and the British, French, and German Groups by the agreement of November 10th, 1900, and also that the organization to operate successfully in China must receive as far as possible the individual American Interests to enable the State Department to extend diplomatic assistance where needed without exposing itself unnecessarily to the charge that it has become the tool of all

It is essential therefore that the proposed organization on the following general lines:

1. Form the Bank of the American Group, thus avoiding the International Bank as the British, French, and German Groups that their commitments are to the British, French, and German Groups that their

2. The International Banking Corporation, which also through its rights and powers of the American Group on the regulation of the organization as set forth above, it is therefore proposed that the American Group should effect a

With the consideration as set forth above, it is possible to co-operate in which the American Interests are as follows:

The American Group is in a position to be the most

It is desirable therefore to utilize as far as possible the already existing machinery in effecting the organization proposed.
of the International Banking Corporation, so that it shall perform the functions of the present representatives of the American Group in dealing with Chinese Government Loans, and also be in a position to conduct ordinary banking operations on a much more comprehensive and wider scale, by extending accommodation to merchants, financing small industrial undertakings, and doing such small Loan business as it could undertake without conflicting with the commitment of the American Group to the other Groups.

2. In addition to consider the advisability of establishing or inducing others to establish a construction firm which would contract for work to be undertaken with the proceeds of Government loans, and for Municipal Engineering Works such as Bridges, Waterworks, Lighting Plants etc.

3. Insure the co-operation of the commercial organizations named in b., c., d., e., above.

A. For the Bank.

By making the Tobacco Company, the Standard Oil Company and the Steel Company stockholders in the Bank, with representatives on the Board of Directors, and by extending to the trading firms accommodation which they have heretofore been unable to secure from the I. B. C.

B. For the Construction Company.

By an understanding that this Company would be prepared to pay a commission on all business secured for it by the trading through their various agencies throughout China, and further would not itself compete with them in endeavouring to secure agencies for American manufacturers, but would be prepared to purchase such supplies as might be required through them on a small commission.

Organization of the Bank

The American Group to reorganize the I.B.C., to retain control, but to allot certain shares to the Tobacco Co., the Standard Oil Co. and the United States Steel Co., giving each of these concerns representation on the Board of Directors, thus acquiring their political support at home, and obtaining for the Bank their business abroad, in itself a very considerable item.

The Bank to act as depository for Loan proceeds in the United States and generally to handle the American share of loans undertaken by the International Groups, to do an ordinary banking and exchange business, with possibly a Trust Company department, and first rate facilities for extending accommodation to reliable merchants.

Chinese Bond Issues, however, to be made by the Group as/
as before, the Bank, however, to issue jointly as a member of
the Group.

THE NEW YORK OFFICE to exercise general supervision over all
operations of the Bank subject to the Board of Directors.

The President of the Bank, or a Vice-President especially
designated for this purpose, himself to handle all details
regarding Loans to China involving a Public Issue, and to
represent the Group in dealing with the Department of State.

Important commitments as to loan business, however, to be referred
to the Group and not to the Board of Directors, for decision.

THE LONDON OFFICE to conduct its regular Banking business. The
London Manager to be associated with Mr. Grenfell or Mr. Whigham,
who should be the permanent European representative of the
American Group, and represent them at all Group Conferences.

THE SHANGHAI OFFICE to be the Head Banking and Commercial office
for China, and to act in a consultative capacity with

THE PEKING OFFICE (or wherever the Capital may be) where the
Bank Manager shall conduct all loan negotiations. If it be
desirable to have a Manager who is less of a Banker than a Diplomat,
he could be given an assistant who would conduct the ordinary
business of the Bank, relieving the Manager when away from the
Capital.

Organization of the Construction Co.

It might perhaps be most desirable to induce a concern
such as J. C. White & Co. of international reputation and
acustomed to work abroad, to establish an office in Shanghai, and
to there maintain a staff of engineers sufficiently large to
enable them to undertake work in any part of China or of the Far
East.

Their possible activities would be:

a. Contracting for work to be undertaken with the proceeds of
   Government loans in which the Bank had participated.

b. Utilising the trading firms already established and
   enumerated above, which have now their agencies throughout China,
   to secure contracts for municipal work, the Construction firm to
   pay either a commission on the contract price or to purchase the
   materials required through the trading firm securing the business
   or both.

Work of this character for which the Chinese municipal-
ities could not pay at once in cash could be done for payment in
bonds, secured by a mortgage on the property, to be taken by the
Construction firm at a discount, and by the Construction firm
turned over to the Bank, which could either itself dispose of the
same, or if necessitated by the provisions of the Intergroup

Agreement.
Agreement, offer a portion thereof to the other members of the
International Group.

As an alternative scheme securing control of a
banking instrument, it is, after a conversation with His Excellency
W. Cameron Forbes, Governor General of the Philippine Islands,
suggested that if it is now impossible to obtain control of the
International Banking Corporation, a charter might be obtained
from the Philippine Government entitling the Group Bank to do
business in China and elsewhere, and to maintain a Branch in
New York.

Governor Forbes suggested that this might be done in
one of two ways, either -

(1) By acquiring control of the so-called Bank of the
Philippines, now very largely owned by the Priests, and therefore
dominated by the Catholic Church, or

(2) To obtain a fresh charter from the Philippine Government.

The Governor stated that the Charter now held by the
Bank of the Philippines was the best in the Islands. He was not
certain that it would entitle the Bank to establish Branches
abroad, but thought that this difficulty might be remedied, if
it were desired to do so.

As to obtaining the fresh Charter, he stated that if

the Group would inform him as to the conditions they considered
essential, he thought he might be able to secure the approval of
the Philippine Legislature.

The proper development of the Philippine Islands would
be immensely profitable, and if the American Group proposes to
create a satisfactory Banking Organization in the Far East, it
would be highly desirable, either by acquiring control of the
Bank of the Philippines by obtaining a new Charter, or by
extending the activities of the Branches of the International
Banking Corporation already established in the Philippines to
secure a foothold in this business.
Mr. Secretary, Mr. Ambassador, Mr. Minister and Gentlemen; on behalf of the American- Asiatic Association, I bid you welcome.

To you - Mr. Ambassador - and to your fellow countrymen, on behalf of this Association, I wish to extend the heartfelt sympathy which we feel for you all in the face of the great disaster which has befallen your country and to assure you that we share your grief at the terrible losses you have sustained. We are particularly gratified that you - Mr. Secretary - should have found it possible to honor us by your presence this evening, and Mr. Minister and M. le Chargé d'Affaires, without your evening would have been incomplete.

We are gathered here to-night, gentlemen, to do you honor as businessmen interested in trade with the Far East. We hope that you will honor us with your confidence and frankly discuss some, at least, of those questions which are of mutual interest, as well as the problems whose successful solution must depend very largely upon our common understanding and our continued co-operation.

No dinner of this Association has ever been held, I imagine, without some reference to William Seward's prophetic words regarding our future on the Pacific. The Pacific Era which he foresaw is no longer a dream. This day has dawned. It extends its promise and imposes its responsibilities, and this Annual Dinner of the American- Asiatic Association is, therefore, more significant perhaps than any that has preceded it.

Within a few months the Panama Canal will be opened, a great highway for the trade of the world. Has it occurred to you that we in the United States, while we are conscious certainly of the magnitude of the task now nearing completion, have failed to grasp the full import of its influence on the development of international commerce and have neglected perhaps the very necessary preparations for realizing
opportunities which we have created and which our foreign friends have for some years eagerly anticipated?

The past year, moreover, has witnessed one of the most remarkable achievements in our political history. President Wilson - unabashed by criticism - undeterred by opposition - between March and December, has secured the passage, first, of the Tariff, and, second, of the Currency Bill. Whether or not we be entirely in sympathy with the measures now enacted, makes little difference.

We cannot, no matter what our political creed, withhold an admiration bordering almost upon wonder for the force and singleness of purpose of our Chief Executive who, with the loyal and active assistance of the Premier of his Cabinet, has wrought a legislative miracle by so nearly squaring promise and performance.

The opening of the Panama Canal, by removing geographical barriers, must stimulate foreign commerce. The Currency Bill just passed permits the establishment of branches of American banking institutions abroad and should free vast sums for use in an international discount market and for the purchase of desirable foreign securities. Thus, with added transportation facilities and with opportunity for the extension of both banking and investment, we are in a better position than at any time in our history aggressively to undertake the development of our export trade.

Not only this, but the Tariff Bill, facilitating as it does the importation of foreign goods, imposes upon our manufacturers the necessity of carrying the war into the enemies camp and competing abroad with those who will now invade our own market.

The Era of Discovery, the Era of Conquest, are passed. The disputes world's boundaries are rapidly being settled. Opportunities for national, as well as for individual exploitation, are everywhere curtailed, and nations, like individuals, must earn their living.
The Era upon which we are entering is not only that of the Pacific Ocean, it must be one of Pacific development as well. The barriers of industrial exclusiveness are fast disappearing. World Peace, of which our honoured guest is such an active and sincere advocate, is becoming a practical, as well as a highly desirable, possibility. It is essential to the development of international trade as internal tranquility is to national progress. It is doubtless true that we may not for many years to come be able to substitute the ramping hook for the saber and the sewing machine for the gatling gun but, some recent events to the contrary notwithstanding, it is impossible to deny that the armies of to-day are becoming factors for peace — great police forces — imposing perhaps a heavy financial burden upon the peoples which support them but at the same time guaranteeing them against aggression and bringing to them, through compulsory military service, a conception of discipline and a feeling of nationalism which would otherwise be unobtainable.

The true armies of world peace to-day, however, are the merchants engaged in international trade. In this army the Secretary of State is a Chief of Staff and the Ambassador a Corps Commander. We of this association are the rank and file. We are always in active service in the world-wide struggle for daily bread. We are constantly fighting our business war and we are the points of contact with the real living organisms of foreign peoples. Religion has inspired great world movements. Education has brought mutual understanding to different peoples. I do not wish to appear even to minimise their value or to belittle their influence, both past and present. But international harmony, like communal bliss, depends not only upon reciprocal appreciation of high principles and recognition of common ideals, but upon the satisfactory solution and adjustment of the problems of every day life. In the family, it is the little things that count, and between nations, mutually confidence and esteem is founded most permanently and
truly upon fair and mutually profitable diplomatic and business dealings. The greater our foreign commerce the better will be our relations with foreign peoples and the less chance there will be for trouble.

At a time when China's negotiations with foreign financiers were much in the public eye, I noticed reference to a newspaper headline entitled “Ship pursues through Indian Ocean by Chinese ghost.” The editorial comment was that “The ghost probably wanted a loan.” I have no desire to call forth spirits of any kind. Least of all, the ghost of a Chinese loan. The withdrawal of the American banking group from China is a closed incident, but the question of our diminishing China trade is to the members of this association a very pressing one and of the most vital importance. This is the ghost that bothers us. It is, if I may say so, the skeleton not in the closet but in our counting house.

I cannot refrain, therefore, from stating that many merchants, members of the American Asiatic Association, while not directly affected by the withdrawal of the American banking group, have interpreted the announcement made by President Wilson in March last to mean that the American Government would not extend to our bankers the support which those familiar with trade conditions in China consider necessary. They are to-day frankly discouraged at our prospects for future business. In China—more than in almost any other country perhaps—trade follows the loan.

I personally feel assured that this impression referred to is not justified, for President Wilson even in the announcement mentioned specifically expresses his determination to aid the extension of our American trade abroad. He said—

"The present administration will urge and support the legislative measures necessary to give American merchants, manufacturers, contractors, and engineers the banking and other financial facilities which they now lack, and without which they are at a serious disadvantage as compared with
their industrial and commercial rivals. This is its duty. This is the main material interest of its citizens in the development of China. Our interests are those of the open door - a door of friendship and mutual advantage. This is the only door we care to enter."

China's growing foreign trade promises great returns to those engaged therein. To secure our share we must depend primarily upon the energy and farsightedness of American merchants and manufacturers, but if they are to take full advantage of these opportunities, they must, as President Wilson has said, be assured adequate banking and other financial facilities. Our merchants now secure the necessary accommodation chiefly through British, Japanese and German banks, as well as the one American bank in the East. The service rendered by these institutions is adequate perhaps for present needs. We cannot rely, however, upon these very good foreign friends of ours to push American interests as they do their own. This certainly is not as it should be. Moreover, while our ordinary merchandising may be financed to a greater or less extent by foreign bankers, there is absolutely no chance for American manufacturers to sell their goods to railway or other government or industrial undertakings, which are constructed or operated with foreign money. This after all is but natural. China herself is not in a position to build railroads or herself to finance public improvements. She must secure money from abroad. We cannot, therefore, to share in railway construction in China, we cannot hope that our manufacturers may install government arsenals, electric light works, water works and other public utilities, or that our engineers can contract for harbor works and conservancy schemes, until American bankers can be found willing to purchase the bonds which China must issue to secure funds to finance these operations. Reputable American bankers cannot afford to purchase Chinese bonds unless their ability to sell them is reasonably certain, and the American investor is not willing to buy Chinese bonds unless he believes the American Government will protect him by all possible diplomatic means
in case the Chinese government, through difficulties of its own, should fail for a time to meet its obligations — obligations not to the bankers who underwrite a bond issue but to the investors who depend for their income upon a regular return from these securities. Investors do not want bonds if there is any chance that the interest thereon may be collected by war. Such bonds are not good investments — money can be placed much more safely at home. Investors in foreign securities do however desire some assurance of the support of their own government. In China it has never been necessary to collect interest by gunboats and there is little likelihood that it will be necessary in the future because China for years to come must finance her necessary development by foreign loans. No matter what party may be in power it must borrow from abroad. It is therefore essential that the present government of China, or any that may succeed it, should pay interest when due in order that it may have continued and ready access to the money markets of the world.

Americans cannot expect, nor can they legitimately desire, exclusive support for certain individuals but, if the principle of support for our merchants, contractors and engineers almost be enunciated, assistance must be accorded those who already have had the courage and enterprise to engage in foreign trade. If we are to build up our interest abroad, moreover, firms which have not as yet established foreign connections must be encouraged to do so. They must be regarded as national assets not as special interests — and whatever our differences may be at home we must all, diplomats and consuls, missionaries and teachers, merchants and bankers, stand together, as Americans. We must assist each other in the work which we have undertaken, be it diplomacy or education or trade, for once we have seen the dock lights die we become representatives for its trade and of its reputation. For this reason governmental support, if given, must be accorded only to those who by their performance will justify the confidence of foreigners in the representations of our government and the
confidence of our own government in them. We must apply eugenics to
international trade.

I have ventured to speak at some length of certain phases of our
trade with China because the unsettled conditions which still prevail
in that country, despite the masterly administration of President Yuan
Shih Kai, give to commercial problems a political importance and necess-
itate a degree of diplomatic attention, which fortunately would be
superfluous elsewhere. I have been bold to do so, moreover, because
all of our guests this evening are, I do not doubt, thoroughly familiar
with Chinese conditions and are to-day dealing with the very problems
which are holding our own attention.

Our guests will, I am confident, agree that current diplomatic
problems, while perhaps political in character, nevertheless usually
have their origin in some matter either directly or indirectly affect-
ing trade. The Ambassador, or the Minister, of to-day no longer
represents his sovereign or his government alone. He acts for his
fellow countrymen. He must be truly representative of his own people
and he must be familiar also with the aspirations and ideals, the
character and commercial standards of the people to whom he is accred-
ited. He must know the leading men of his own land and be familiar with
its best thought, and he must be fitted by training, knowledge and
culture, to be on intimate terms with officials and leaders of the
country to which he is accredited.

As a graduate of an American university, familiar with our people,
and sympathetic with our ideals, Viscount Chinda not only truly repre-
sents His Imperial Majesty the Emperor of Japan and the Japanese
people, but he is to-day, as the Japanese Ambassador, performing a
great service to the people of the United States.
It is a great pleasure to add a word to the welcome extended by Mr. Taft and Mr. Breed. I feel this particularly because of the intimacy of past associations with China, my great admiration for the Chinese people, my belief in their future, and the personal friendships in China which it has been my privilege to enjoy.

If this visit of the members of the Associated Chambers of Commerce of China results in the establishment of closer trade relations between the United States and the great Republic across the Pacific, their journey will indeed not have been in vain. The international problems of the future will be increasingly concerned with business relations, and though political disputes may arise, they will, it is safe to say, generally be fundamentally commercial in their origin. We are some of us familiar with—we have all heard of—the ability and integrity of the Chinese merchant. Like our own businessmen they have in the past been inclined to let politics alone, provided their officials permitted them to conduct their own affairs without undue interference. In the United States we are gradually realizing that the inselation of business and politics works to the detriment of both; that instead of being two distinct and unconnected forms of activity, they are in reality but different expressions of interests which are fundamentally the same, the welfare and progress of the nation as a whole. For this reason many businessmen in this country, as is shown by the organization of such bodies as the Merchants Association, are taking an interest in public affairs. They do this not to gain some specific advantage for their own business but to secure the much broader and more general benefits which they will derive through the betterment of the community as a whole. They do not enter politics selfishly as businessmen, but believe that by effectively performing their duties as citizens the business interests of the nation, from which it derives its very life-blood, will profit.

If I may be permitted to say so, this attitude on the part of merchants and bankers would seem to me to be the spirit which...
China, as well as the United States, must needs to cultivate

to-day.

As a general thing discreet utterance is the better part of
after-dinner speaking, but there are times when candid recognition
of facts, rather than an ostrichlike blindness thereto, is an evidence
of sincere friendship. It is impossible for our guests to travel
through this country without wondering what assistance we, as a
nation, might render to them in what they sincerely believe to be
their present difficulties; nor is it possible for us to meet them
here to-day without inward speculation as to the effect on China
of the events which have recently taken place in the Far East. It
would be blinking at facts not to recognize that for some years
past the Peking Government has endeavoured to secure immunity from
foreign aggression by trying to effect a nice balance between the
commercial interests and conflicting political ambitions of the
powers in China. That situation has been radically altered.

Without expressing any opinion as to the means which have been
utilized to effect them, I deeply sympathize with the humiliation
and apprehension which these changes may have caused in the breasts
of many of our Chinese friends and to many of the friends of China.

It would be presumptuous for me to outline what I believe to be
the present diplomatic policy of our government. I have no author-
ity, even if I had the information, to warrant an expression in
this regard, but I cannot refrain from expressing it as my person-
al opinion that the United States is not only a friend of China's,
but a friend of Japan's, as well. We have received categorical
assurances that none of the steps which have recently been taken
will violate the treaties between China and any of the powers,
and that the equality of commercial opportunity will be assured.

This statement, if made in good faith, is sufficiently comprehen-
sive not only to protect our own present position but to assure
the development of our future trade.

There are those who in their ardour have urged that the United
States should take some action, presumably against Japan, in what
they sincerely believe to be in the interests of China. I am afraid they do not very clearly apprehend either China's interests, or our own. I fear that their pronouncements, and those of a similar character, may mislead both Chinese and Japanese opinion; that it may tend to aggravate possible aggressive tendencies and stimulate a resistance by holding out false hopes that such resistance may receive American support.

A declaration of good intentions is not always the most effective form of friendship, and declarations of the character mentioned are not in the interests of China or of the United States.

Nearly four hundred millions of intelligent, industrious people, if they will but find themselves, can never be dominated by any alien control. The hope for China's future rests not in stirring up international strife at the present time but in the development of her vast resources. If peace in the Far East be guaranteed, as we are assured it will be, this development should proceed with great rapidity. In this development we trust that we may be permitted to have an increasing share. China's true interests, like our own, lie in the domestic progress and the extension of her commercial relations. In this extension we sincerely trust that we may play a mutually satisfactory part.
business arrangements. The only practical way to realize the open door and to enable China to work out her own salvation is to internationalize Chinese finance. Our Government in 1913 did not, I believe, realize this situation as clearly as it might have done had the problem been presented after the Administration had been longer in power.

"Our Government having reached its decision— that it would not approve international financial combinations in China—there were three courses for American bankers to follow. First, to keep out of China entirely; second, to act alone in competition with other powers; third, to avoid transactions clothed with any political character and adhere strictly to business lines.

"To have adopted the second alternative might have involved the United States in serious diplomatic and financial rivalry. Our bankers could co-operate, but they could not compete with others unless the Government was prepared to back them with force if necessary. This the bankers did not desire, nor would the Government have been prepared to embark upon such a policy.

"There is a good deal of misunderstanding about the nature of the support which banking interests desire their Government to give them in foreign fields. It seems to be the popular idea that American bankers expect the American Government to act as a sort of collecting agency to send gunboats or armies, if needed, to collect their debts.

"It is frequently asserted that American financial interests have been responsible for American intervention in Nicaragua, Haiti, and San Domingo. It is true that American interests in those particular countries have been threatened by the continued disorders which prevailed there until our Government assumed control. But our Government, so far as I have been informed, did not go in as a collecting agency on behalf of its nationals, but did intervene to restore order in the interest of the people of those countries themselves and to protect them from exploitation by their unscrupulous leaders. And this action was made necessary by the fact that under our interpretation of the Monroe Doctrine we have caused to be understood that we would resist armed or political intervention by any other nation for the protection of their subjects or citizens on this side of the Atlantic.

"Having assumed this position, we have made ourselves to a certain extent responsible for the preservation of order in the Eastern Hemisphere. This assumption of our part has been resisted by many of our Latin-American friends, who have, with justice, felt that they were themselves capable of maintaining order within their own boundaries.

"If the United States intervenes in Mexico it will not be because American armies are sent across the border at the behest of Wall Street, but because conditions in Mexico have become so bad that, unless we recognize our responsibility under the Monroe Doctrine, other powers for the protection of their nationals will take steps to assure the maintenance of order.

"American intervention in Mexico, Central America, Haiti, or San Domingo, therefore, while it may incidentally benefit American investors, has been and will be inspired by the desire of our Government to insure stable conditions in these countries. Given stability, they will be free under American protection to find their own salvation. They might otherwise be subject to the interference of powers that would have no responsibility for or particular interest in the welfare of the native population, but would act solely to protect the interests of their own nationals.

"In Mexico, Central America, Haiti, and San Domingo our Government may have to act as a policeman. This, to my mind, is not the case in any other part of the world. In China it seems to me that all American bankers can expect is that the State Department is prepared to act as their advocate and endeavor with ordinary diplomatic means to secure for them adequate protection. This the State Department has shown itself
There is no similarity between our Government's general responsibilities in this hemisphere and the support which it might be called upon to extend to American interests in China. I doubt if any American banking group which contemplated investment in China ever considered the possibility of asking the American Government to assume jurisdiction over any part of Chinese territory in case China defaulted in her debt.

"Had the bankers contemplated that such necessity would arise, they probably would not have made an investment. Reputable bankers do not stand sponsor for foreign investments unless they feel reasonably sure of the stability of the country in which their clients' money is to be placed. As far as I know, it has never been necessary for any foreign power to assert force to collect from China a debt owing to its nationals. That is one of the reasons why China affords such a desirable field for American investment."

You ask whether the recent Russian protest against construction by the American International Corporation of the Fengchow-Lanchow Railway and the Japanese Government's protest against the dredging of the Grand Canal do not constitute to our minds a threat to the open door. In both of instances the Chinese Government has, it is claimed, given certain pledges to the Russian and Japanese Governments, which, in the opinion of the latter, preclude China from carrying out with other interests the contracts which it is proposed the American International Corporation should undertake.

The fundamental questions involved are primarily political and must be settled between China and Japan and China and Russia. If Russian and Japanese action is considered a violation of the open door, the matter no doubt will receive the attention of the State Department. The American International Corporation, however, does not desire to become involved in political controversies in China. This corporation was established to do business and not to mix in politics.

The other day, at a luncheon of the Japan Society, Doctor Iyengar, the representative in Japan of the East and West News Bureau, stated that Japan would welcome American investment in China. He added, however, that some people in Japan feared such American investment because they felt it might be used as an instrument to extend American political influence as opposed to Japanese interest in China.

"We asked that Americans apparently feared the extension of Japanese political domination, because, they considered that such extension might interfere with the possibilities for American investment. He declared that Japan would support the open door. He felt that the policies of the two countries should be made clear."

"American interests, as far as I know, have no political ambitions in China. It seems that the assurance of Japanese statements must be taken at their face value. On this basis there should be no ground for misunderstanding.

"There are many people in this country who urge the investment of American capital in China on the ground that such investment would serve as a check on what they consider to be Japan's aggressive designs. Investments made in such grounds would certainly be political in character."

"As a general thing, the people who voice these sentiments are the very ones who criticise the American bankers for what they suppose to be American bankers' desire to secure the armed support of the American Government in case their investments were threatened.

"They cannot have their cake and eat it. The American Government might embark upon a program of financial imperialism. With promise of active and armed support it might persuade bankers to undertake investments which it was believed might assure the future of American trade, even though such action might involve this country in difficulties with other nations."

Our Government is not likely to initiate nor are our bankers likely to urge such a program. Our bankers and merchants will probably proceed, as they have in the past, on the theory that the American Government will see through peaceable means that American investments abroad receive fair and equitable treatment. On such a basis bankers and merchants will judge enterprises on a business basis, assuming the ordinary risk of possible complications.

"In China there is, I believe, much sound business which may be done, and ample opportunity for American enterprise free from the danger of political complications. For this reason I believe that we may safely proceed with the program which we at present have in mind."

The American International Corporation is attempting, under its railway contract recently concluded, to work out an experiment which has heretofore never been tried in China. Nine China desired a railway in the past, a loan has generally been arranged, chief engineers appointed, surveys completed, and, if the amount of money originationally provided was not sufficient, an additional loan was secured. The chief engineers have generally been recommended by the lenders and the roads have been built as part of the Government's transportation system. In some of the earlier contracts the lenders secured a certain percentage of operating profits.

In recent contracts no participation in profits was given and bankers were obliged to rely entirely on the sale of securities for their profit. Inasmuch as the bonds issued for railway constructions in order that earnings might meet the interest charge.

We propose to proceed on a different basis. American engineers appointed by the Chinese Government will first locate certain roads which the Government desires to build. Plans will be prepared and the cost will be carefully estimated. On the basis of such estimates Chinese Government bonds will be issued. An attempt will be made to show that the railways constructed under our contract will, from the outset, pay their way.

"Although the Chinese have made rapid progress of late years, they have not as yet a sufficient number of engineers and technical railway men to construct and operate their lines. For this reason arrangements will be made whereby the Chinese Government will secure the services of American experts to assist them in the management of the new roads."

"They are anxious to introduce modern American administrative methods in the management of their railways and to place all lines constructed under our contracts on a paying basis. For our services in financing and in directing operation we shall receive a certain percentage of the profits in operation. We believe this arrangement will be to the advantage of both the Chinese Government and our Corporation."

"As to the service the American International Corporation desires to perform and whether or not we have found that the friendship which China is supposed to feel for the United States has facilitated our negotiations, I will reply to the first part of your question by saying that we desire to perform of this Chinese Government the same service that any reputable banker or engineering firm will perform for its client."

"China desires railways and we desire to build them. We expect to build good railways, and we believe that in assisting the Chinese to manage them we will perform a certain service for China. We do not wish to give the impression that we are undertaking this work from altruistic motives. We regard this as sound business."

"It has been my experience that when people state they are undertaking business from altruistic motives it is generally a pretty expensive proceeding for those who are alleged to be benefitted. Altruism in business consists in a square deal and work well done for a reasonable profit, not in attempting to secure exorbitant profits in the guise of uplift."

"As to your other question, I believe that the Chinese are extremely friendly to the
United States. I think they are inclined to trust Americans. Many Chinese have been educated in this country and they have, fortunately, retained a pleasant impression of the treatment they received here.

"The fact that the United States refunded some twenty-five million dollars of the indemnity exacted as a result of the Boxer rebellion, expending this money in the education of Chinese students in the United States, is generally known throughout China and has created a most friendly feeling toward this country.

"The Chinese know that we are actuated by no political motives and desire no Chinese territory. This gives them confidence in our intentions. Mutual confidence is the basis of any satisfactory business. For that reason we should be in an extent an excellent position to undertake developments in China.

"At the same time, I must say that in my own experience, when it has come to an actual trade as to the basis upon which a piece of work should be financed, I have found that some of my Chinese friends apparently felt that it was unwise to mix friendship with business and have been quite prepared to close the transactions with some one else, provided the Americans were not willing to give equal terms or better.

"The Chinese are by nature business men. They will drive a hard bargain and when the bargain is made they will stand by it, even though they may lose in consequence. They consider that when any transaction is undertaken, both parties thereto desire to proceed. They do not, therefore, appreciate the technical legal methods developed by European and American practice to anticipate in written contracts possibilities for dispute or violation of agreements.

"They prefer to base their transactions on a simple arrangement and to proceed on the theory that when both sides desire to proceed with a piece of business, there will be no difficulty, in case of controversy, in reaching a satisfactory arrangement on an equitable basis. For this reason, the Chinese are an extraordinarily satisfactory people to deal with, and because of their industry, integrity, and to the great resources of their country, I believe that China will be an excellent field for American investment."
The Willard Straight Papers at Cornell University
The Willard Straight Papers at Cornell University
In the "Chuan Ching", or
" commentaries, where they have
just keying baha, the
print. "Train of Meditations"
where the writer can
not advance to say any
but now it shows, where a
man finishes. He finds his
way not one but it's in the
take, and meditates until the
attitude, was severe to highly
him answer, where he is not
his keep a letter. He puts his
head in the center of his hand,
if he want a quarter. He had
a quarter of the letter out he
from him. Then the situation
knowledge must be to give him.

Matthews
The man who spurs the wind
out of his head, because all
his anxiety and there is no feeling
for. Flowing, got it in mind.

"I'll do it, man."

"See again, made his
healing blind eyes, "Ta-Tsao", and
"Chuan", meditates, all day, he
take this in mind. Now they will
doing the to a dulling heart.

"Long from 1 Skid" 朝餐—宿

"From the business.

Saying in an "The man
used to see might be getting in
the "Chuan Ching", a companionship
(this) so they can not alway
see the feeling and seeing sand
sitting at daylight. Behind, they
saw often in lines. One kind next
to stay in California for some time. They
are given some sort of employment"
The man who reads Buddha's
Tao or Ching, or whatever,
and the life-long or actice
along with the whole affair.
Read the taoism and perhaps no one
after this social a foretheing
key. Point me the taoism. This
is surrounded by maid reading
are by the whipend and doubtless
to the later living or gaining
of enlightenment. There is also a
certain hypocrisy of this living
for the men's. Buddha do not worship him.

and cleared to remain in the
temple. But once he lives
becoming to get a sign, writing
places other than, for instance
here can eliminate for mistake
that must be gone through with.
The "Cold Tao" or "Jade",
spun by the "Frozen", under
his neck, a cut of a difference
showing his being in считыв
"Kane". Here is the time
he was examined in chanting
"Chen, kum py is my prayer"
they can then when so continued
to chanting polluting what they
will...and when earth, will
there they are able to stay
there why so they ride.

Taoist
reveres giving above a ring
money and they write his name
all the books with the amount
of his give. This is a sound
"Taoa yean". There was also
riddle where is "human
"Chen a faith", and second
to leisure and rest not alone
write word.

6. Young. There was to stall
fingering. He had known - 8-10-1.
with an invisible balls which the
river times are strike with them
being very good and cross the 8000
distance. He taoist says that everyone as
"Kamu", and then it is to figure
possible to have this game.

Priests
and their habits
- the. taoist the
- the
- the

friends. Henry Hsi Temple Paper
Mr. Johnson
- the. have beard
- the. have beard
- the. have beard
- the. have beard

afflicted by embower.
In the whole. "Any this is the"
also distinctive year unt.
The Willard Straight Papers at Cornell University
The Willard Straight Papers at Cornell University
Funeral
in street
in Hangchow
Peking House
Kwan Tang
Kwan Fong
the great
shop. When the
American
knights: 9-8-16
in 1870.
They
were in the
street when
the funer.
amicable
chairs when
the coffin is
borne.

Funerals
in street
in Hangchow
in Peking House
Kwan Tang
Kwan Fong
the great
shop. When the
American
knights: 9-8-16
in 1870.
They
were in the
street when
the coffin is
borne.

Fung Hoelling
Bama Away

Buco. Sin 'gourn' 8. H.
Fung Chun,
Fung Cheung,
Fung Nyung,
Fung Hoelling.

Endometry
Ho-Heu
Fokkes.

To the citymagistrate
and the country
marched to the village. 3. He
all, and the
country had to
see him and see him.

To his in a little with
five great Buddhas.

The city magistrate
and the
country marched
and the
country had
to see him and see him.

To his in a little with
five great Buddhas.

To his in a little with
five great Buddhas.

To his in a little with
five great Buddhas.
The Willard Straight Papers at Cornell University
The Willard Straight Papers at Cornell University
Peking
July 19, 1902

Rusty is at Shanghai.

Kindly send me the Chinese script of the Peking Opera Club.

We are the age of the Inquisition and the East in the West. There's written cards, as well, that good as great, and accordingly, when they give him money -

underneath "Peking." He has a short, gray beard, because his different dimensions both with a character of it. Then imagine a monopole his whole soul. The Chinese has a whole soul, too.

The sun on the face with the rain Conference, with the character and the line which the Chinese have. We can not bear the Chinese. They have a whole soul, too. The sun on the face with the rain Conference, with the character and the line which the Chinese have. We can not bear the Chinese.
The Autumn Festival
Chung Yung Festive

The rabbit gave medicine to the little girl. The medicine gave immortality. The rabbit would not eat the chicken or fruit. The rabbit would eat fruit and live forever.

The rabbit gave the little girl to her brother and went to the mountains.

All families gathered in the court and sat and drank. There were fourteen families, with their banquet.
The Willard Straight Papers at Cornell University
It seems that the text is a bit unclear due to the handwriting style and possible smudging. However, it appears to discuss a historical event or a personal account. The text refers to a ship, a pine tree, and some other obscure details. The handwriting is difficult to decipher, and there are some drawings accompanying the text.
I am not pursuing a full course

Some of the winter series at

Cornell, but the term is almost

over. In the meantime, I have

been working on some papers

on the history of the

Cornell Union. I have been

writing a history of the

union for the past year,

which I believe is an

important

work.

The history documents

cover a vast period of time,

from the founding of the

union to the present day.

I am currently working on

the early years of the

union, which is a challenging

task.

I hope to have completed

the history of the union by

the end of the term.

The Willard Straight Papers at Cornell University
I.

Health, Peace and Abundance. These three are as little matters much as the constant current of the stream which flows through the land. They are the result of the continuous effort of the Willard Straight Papers at Cornell University. The stream, in its natural state, is a thing of beauty and grace, a thing of which we can be proud.

II.

The first answer was handed down from father to son. The second, in this, majestic - forms of man's desires. The Third, inborn, with first and last. The Second may be won, with Power and Virtue. The First is bound to follow, with Trust and to command. The Third, shall be not of Third. The first is the sound of the first sound of the last; the second is the divine glance. III.

And therefore, as it was antedated, if we must judge by standards, if standards, if we must judge by standards, if we must judge by standards, if we must judge by standards. If we cannot rise and stand in the former. To success little more is the possession of Riches or the Necessity. Can this thing be hidden away? We must climb, and rise, and climb again.

IV.

Strange things had occurred - its in their Balance. The Struggling among the Paths. The Paths of the Rich, the Time-girt birthright, that between our midst - in Realm of Faith. The Realm we live in, laughed, jeered, and cursed and love.

23 Envoi: In the world to hang - or shoot or scratch. To battle may only, in a costly way. But, shall we, shall we - shall we? through the plain, cross corners of the every day. Yes?

To the Lady of this Triangle.
Imperial Hotel, Limited, Tokio.

E. Auerswald, Manager.

The Willard Straight Papers at Cornell University
The Willard Straight Papers at Cornell University
The Willard Straight Papers at Cornell University
Straight: Isn't this dancing business funny? I've often wished I might try it.

Ohl: Yes, don't you wish you could? I would try if only that awfully nice young man Captain Holcombe were here.

Straight: But where is Captain Holcombe? I don't see him anywhere.

Ohl: Oh he's such a hard student these days I suppose he is PEEGUM away at his lessons somewhere.

Straight: But what's all this on the Kang I wonder?

Ohl: I expect Miss Reeves could tell us. She always does tell us such interesting things. What does it mean, "Li Gu-Yiang"?

A Voice: Why this is Christmas.

Straight: Oh yes, I remember now. That's when a queer old man comes and gives everybody cumshaw!

Ohl: Looks to me like a member of the Chucheng Yuan who had been to interview the Grand Council! But hush---

SANTA CLAUS begins:-(Read Proclamation.)

In days of old when knights were bold,
And barons held their sway
One night each year, to bring all cheer,
I joined them in their play.

In stately halls they gave great balls,
Joy reigned all supreme,
'Till the midnight bell, with its story to tell,
Sent them to sleep and dream.

In those brave days of knights and lays,
I had a dear old pal---
A Prince was he, Ah many a spree
I've had with rare King Hal.

Tonight I come to another court,
Of a different sort, it is true,
But the same spirit is here, the spirit of cheer,
At the court of good King Cal.

In days of old when knights were bold,
And barons held their sway
One night each year, to bring all cheer,
I joined them in their play.

In stately halls they gave great balls,
Joy reigned all supreme,
'Till the midnight bell, with its story to tell,
Sent them to sleep and dream.

In those brave days of knights and lays,
I had a dear old pal---
A Prince was he, Ah many a spree
I've had with rare King Hal.

Tonight I come to another court,
Of a different sort, it is true,
But the same spirit is here, the spirit of cheer,
At the court of good King Cal.
For he is the King of the Maigo-Pu,
Who takes our plaint to the Walang-Pu,
The Chou-chi-chun or the Yu-chu-chun-Pu,
And even some times to the Yuch-i-Pu. 
He's ever at our call.
All hail to the King of the Maigo-Pu,
The pride of Americans all.

SANTA CLAUS, continuing: "I'm you see the only man who comes
to China to give and not to get. My gifts are real—there's no
loan-string tied to 'em. To begin with, here's a modest little
memento marked "To the King of the Maigo-Pu". My secretary some
times breaks into poetry, and I see they've been indulging themselves
here. I'll ask these ladies, who seem to understand English, to
help me out."

(Hands to Ohl who reads:

Down in Manila a famous generalissimo
Once mused o'er his fate most perplexing.
Was he the Boss, or was Aguinaldo—
That was the problem ultra-vexing.

Right now in Peking a son of old Chicago
Off feels a like-wise doubt—gripping at his soul.
Is he financier—diplomat—drummer or just altruist
Must he stand for Wall Street and tout for Standard Oil?

In his place with the Y. M. C. A., the Mei-i-Mei-Huei and
the spiritual way,
Or is he COMMERCIAL evangelist, looking for quicker pay?
Must his thoughts be of earthly dross, of cent percent,
and rails of steel,
Of cotton flags, bad cigarettes, of the B. A. T.? To
make a deal
For iron bars or Pullman cars; for battleships of many
tons,
For army tens or Springfield guns; for dope-smokers and
other lures
To get the Chinese cash?

A many-sided man must an American Minister be,
And he whom we honor is all of that.
But once in a while he must feel very much at sea
A wondering just where he really is A?

Straight: What's this I hear about a lot of strife here in the
American Legation?
Ohl: I can't believe it!

Straight: It started this way: The other day Dobby declared
that Seymour was the finest baby on earth. Fair-haired Julian
overheard him and there was something doing right there.

Ohl: How can this momentous question of superiority of
off-spring to be settled?

SANTA CLAUS: "The only way I can see is --- this!"
(Solds up pair of boxing gloves, one marked OWENS the
other marked WILCOX)

Straight: I'm afraid some of these American girls are very
imprudent.
Ohl: How's that?

Straight: Why only the other day I was told of two who seem
to make no effort to keep the Wolf from the door.

Ohl: Oh yes, I hear one of them has started a school of
languages in the Russian Bank Building and another
Sings a song of Home Sweet Home,
The song that touches the heart.

SANTA CLAUS: For Miss Ohl German Without a Teacher. For
Miss Tenney (Something that refers to her
singing.

Straight: Isn't Mr. Calhoun a handsome man!

Ohl: I think so; but I understand the Japanese taste runs
along the swale-like lines of Mr. Einstein.

SANTA CLAUS: Here is something that seems to be for Mr.
Einstein.

(Hands package to Straight who reads:

A man whose love of beauty, music, and allied arts,
Absorbs him, but whose duty, calls him off to foreign
parts,
Who can write of Bach and Shakespeare, of Napoleon and
List,
What wonder Nippon blazes and regards him with a wist-
ful glance and claims him, her very beau ideal.
This poet ever gracious, this diplomat of steel.

(Hold up Japanes Doll.)

Ohl: These Americans are hustlers, I must say. Only this
morning I saw a handsome young gentleman hurrying along the street
and the Princess said to me, said she, -- there's the busiest man
in all Peking!

Straight: Who was he?
SANTA CLAUS: I expect this is for him.

(Hands to Ohl who reads)

Busy Izzy! Is he busy?
I should say he was -- cross my heart.
The busiest man in all Peking,
What is he doing? Just nothing.
The busiest man there is on that job
Is Harley Hobart.
in its officers, does't it.

Straight: I must say they give us a lot of trouble some times.
You know we had to postpone that second Boxer uprising just to enable Major Russell to get here first."

SANTA CLAUS: Russell did you say? I have him on my list.
Oh here it is.

(Hands to Straight who reads:
A man of war with plates of steel,
An armour belt which you can feel,
If perchance you don't believe me,
With pockets full of six inch guns,
And ballast room for many tons,
If you know the brand to please me,
I guard the Min the Secs and all,
My men obey my haughty bawl,
No danger friends can err befall,
That's why I hustle,
Russell.

Straight: I don't see Captain Reeves riding in the early mornings as I used to.
Ohl: She has gone.

Straight: You don't mean to say ---
Ohl: Sure! There's always a lady in the case when a cavalryman gets up before breakfast to go riding. And there's always a lady --- one, two, three or more --- where Captain Reeves is concerned. Several of my friends are quite mad about him. I've heard some rumors about a Cosy Corner --- but that's gossip!

Straight: I wonder what Santa Claus has for Captain Reeves.
(Santa Claus holds up the Manchu or Chinese girl doll.)

Straight: Aren't you having a perfectly lovely time?
Ohl: I sure am. And I hear there's a charming young lady in this compound who is having a PERFECTLY LOVELY time too.

Santa Claus hands package to Ohl who reads:
Mary had a little lamb,
With cheeks as soft as cream,
And everywhere that Mary went ---
He followed in a dream.
(The present should be a Dutch doll)
Ohl: I think it very considerate the way these Americans adapt themselves to the customs of our country. No wonder they are popular.

(4.)

Straight: That's funny. I wonder what it means.
Ohl: I'm sure I don't know. I only know that's mighty bad poetry. When Confucius said 'Beware of Poets' he must have had old Lao-tou-se here in mind. He pretends his his secretaries wrote that stuff, but I've a hunch he did it himself.

Straight: Speaking of hunches --- I've one too. Not two, but one too. Mine is that when the International Bank people selected their manager for Peking they did it on the theory that the ladies are still running the Chinese Government.
Ohl: I see! He IS handsome, isn't he. I think I'll go up there and negotiate a loan myself. Perhaps I might get a little squeezee."

SANTA CLAUS: I expect she means it, for she's asked me to hand over this as bargain money.

Ohl: Speaking of Lao-tou-Se --- there's Doctor Tenney.

Straight: I don't exactly see the application.

SANTA CLAUS: Perhaps this will explain it:

(Package opened --- Lao-Tao-Sze)

There was an old woman who lived in a shoe,
So we heard from our childhood, perhaps it was true,
But no Regel, Servais, or Douglass she viewed,
Would suffice for the needs of her turbulent brood.
She half-soled and added a pair of fine wings,
But she never could house all the giddy young things.
They fluttered about and some lived in messes,
And some lived with her and at different addresses.
But though the Doyenne of the shoe might have found,
Some hardship in keeping her pets on the ground,
The brood that I speak of have got to go slow,
For a very good reason that all of you know,
A butterfly life may be led by them many,
But not if they get within reach of Aunt Tenney.

(Package opened --- Lao-Tao-Sze)

Straight: I wonder whose clothes Commander Gillis is wearing tonight. All Peking has heard about his hard luck with his trunks.

Ohl: Santa Claus tells me it's all right now. Commander Gillis's trunks have come.

SANTA CLAUS: And here they are:

(Holding up bathing trunks so all can see.)

Ohl: This AmericanLegation Guard always seems fortunate...
Straight: That remark being apropos of whom?
Ohl: Why, Captain Williams. Don't you notice how nicely he has arranged his hair according to Chinese fashion? I can't see the queue from here, but the front's all right.
Straight: And it isn't a false front, either!
SANTA CLAUS: You ladies may think that fashion pretty, but I don't. So I've brought him the Latest Hint from Paris.
(Holds up bottle marked Hair Tonic.)
Straight: I've just thought out a beautiful piece of poetry.
Ohl: Better keep it to yourself. You've got no poetic license.
Straight: Yes I have. I saw Mr. Kuchinski today and he said I might. And you know what ES says is law in this Legion Quarter. So here goes——
Helmie is a diplomat
With a dimple in his jaw.
Helmie has a bunch of views
And none of them are new.
Helmie has a lot of loves
Finding safety in the maze.
THIS Helmie's BJ varieties
Aren't bottled in by glass.
(Santa Claus holds up the big pickle labeled Heintzeleman.)
Ohl: Well, I must say I think that was pretty rotten!
Straight: What -- the pickle?
Ohl: No -- the poetry. Speaking of things that are rotten, did you ever see Cloud play billiards?
Straight: I can't say that I have.
Ohl: Well you've missed something. I saw him the other day, and the sight inspired my poetic soul to a lay which, by way of retaliation, I will now proceed to unload on you:
Freddy Cloud was mighty proud
Of the way he toyed with the ivories.
He met one day a big fat jay
In a room where the air was close to freeze.
When the game was done -- the fat jay won --
The temperature been raised, you know how, until the room was warm enough for a lien-tzu.
Cloud was cowed, and he cried out loud
The only one that for me will do is the queue they call a lien-tzu.

(Clouds package shows a queue and a big ball)
Straight: Young love is a beautiful thing, isn't it?
Ohl: I don't know about that!
Straight: Oh you're an old maid, anyhow. Now my soul always goes out to young lovers -- especially to them in their honeymoon days.
Santa Claus: Speaking of honeymoons——
(Hold package to Straight, who reads)
You have heard of the romances, commenced at foolish dances,
You have heard the tales of love on steamers decks,
You have all of you heard verses, sometimes —like me—
With curls,
Of the violet and the primrose, but they vex.
But the north-wind down from Gobi, and the trades just fresh from Kobe,
Bring a new and quite a different tale,
Of the strongest wedding ever, how the hurricane and zephyr,
Were spilled one day and call themselves the Gales.

Straight: My word! Young Tenney is a chip off the old block, isn't he!
Ohl: A chip? He strikes me more like a splinter!
Straight: Chip, did you say? You mean one of those of the national colors — red, white and blue?
Ohl: No, your mixing him up with some other young men of our acquaintance. Now there's Remillard——
Straight: By the way. Remmy is going to have a lot of his relatives visit him.
Ohl: Is that so?
Straight: Yes — only that other day I heard him talking to Hanson, Perkins, Bishop, Jouysely, Eristow, Watson and Budd about his Auntie and his cousin Jack Fatts! And Budd said something about a new acquaintance of his, a girl he called Kitty!
Ohl: I suspect those young men have been visiting the Spanish Legation.
(Santa Claus: Present for these.)
Ohl: That reminds me. Have you heard all this scandal in the Palace?
Straight: I'm afraid not... Tell me quick!
(Pause of the bated variety)
Oh! Why Captain Hugh has sold a navy to China.

Straight: Is that so?

Oh! Yes, you see it was all fixed this way. Down at the Wagons-Hotel, where the foreigners spend all their money, Captain Hugh was discovered playing games of billiards with young Toore.

Straight: Ah --- I see!

Oh! Toore, you know, is the son of Yuan Wai who USED to be a Viceroy. When Yuan Wai was Viceroy, he was close friends with Yuan Shih Kai, who also USED to be a Viceroy. Now Yuan's son is deputy vice-president of the Board of Commerce, and it is said prince Yen Ch'en Mow some day may be president of that Board, being just now very much in favor. If Yen DOES get that job he will be in a position to talk some times with Prince Yen and who is in the head of the Navy board. So the thing is all fixed, and Captain Hugh has cabled his people the gladsome tidings that he has established the closest possible relations with the highest authorities and his expense allowance has been doubled.

Straight: That's good for the ma-nai men. And perhaps China MAY have a navy some day!

SHOWA CLAUSE: Here's a goat for somebody. It's marked Captain Hugh.

(At the end)

SHOWA CLAUSE: There's something not on the bill of fare.

(Chants to Straight who reads)

There's a lady whom we've found of,
There's a lady who is dear.
To the hearts of all so stray once,
Who are far from friends and cheer.
She has gone out miles of distance,
She has driven care away;
Till we've forgotten that New England
And the white lights of Broadway,
Are far across the ocean;
In the land from which we've strayed,
To her we owe our gratitude,
And to her we'll drink a toast,
A health and all good fortune,
To our hostess and our host.
GRAND HOLIDAY PERFORMANCE! SPECIAL ATTRACTIONS
BILLED BY AN EXPENSIVE ARRANGEMENT WITH
THE GREAT MAESTRO Mr. HAMMER OSCARSTFIN,
OF LONDON & NEW YORK.

THEY HAVE TRAVELLED THOUSANDS OF MILES
TO PLEASE YOU!
VARIETY SHOWS ARE THE SPICE OF LIFE.

1. By special arrangement with Chéries Minstrels
   Mr. Britton and Chorus in
   A COON IN PEKING.

2. The World renowned Contralto, Soprano d: Munical, in a
   sympathetic interpretation of
   BERGERETTES OF THE XVIII CENTURY.
   "Je connus un Berger Lionne.
   "Chantons la mesure d: Jean.
   "Amours (Tainbourse).
   "Berger, Legre.

3. ROOT AND REIM
   in their famous act
   by DER ZUIVERZEE.

4. The Russian Dancers!
   Mlle. Joanna and M. Mord de Luca
   in
   AU BAIN DE L'OPERA.

   AND
MRS. W. J. CALHOUN BEGS TO PRESENT
A COMPANY OF NOTED ARTISTS
AND
ONE ARTISTE
IN
A FIVE-ACT DRAMA
ENTITLED
THE MYSTERY OF MURPHY MANOR
or
THEY HID IT IN THE WELL
A DRAMA OF AMERICAN POLITICAL LIFE

Translated from the French after
U. Al. Fonts.

Under the Management of David Fisco.

THE PERPETRATORS.
ERMINE MONTMORENCY, A Southern Beauty.
Too proud to log, too lazy to work. Holder of the weightiest gun chewing tobacco of the United States of America. Daughter of old Michael Murphy, of the well known Murphy family of Virginia

MARTIN BRADFORD, Alias Red Mike, alias Pete Skinner.
A crook by birth. A man with a past. (Confidential! Seven years in the Shanghai Jail. Escaped) ——— ENRIQUE CARUSO.

EPHRIAM B. GOUJEM, Cruel, corrupt, corrupter.
U. S. Senator from Virginia. Never forgets an enemy, always cheats a friend. He seeks the hidden wealth of Murphy Manor.

HARRY LAUDER.

STANLEY FAIRFAX CARTER, Tried and true. He loves the fair Ermine. He, also, seeks the hidden wealth of Murphy Manor

JOHN DREW.

ARSENIC DESKAN. Always on the trail. A sphere of the finest water which he always uses as a chaser. A chaser chaser.

WILLIAM GILLETTE.

Many Villages, Spars Carries, Number One Boys, Coolies

Exit, Entrance, Alarms from Without, Etc.

Costumes by Purpul,
Shoes by Geo. 3 P. Douglas.

Mortgage by CALHOUN, LYTHER and STEPHAN.

(4)

Hats by Knox (Not Philander C.)
Piano by the door.

Approaching patrol wagon, neigh of horses, whoops, and other
disturbances of the peace act under the supervision of the Stage Manager,
SIR RUMBER TREE.

WHERE AND WHEN.

ACT I. The office of Skinner and Chatham, Stock
Brokers, in The Wicked City. Morning.

ACT II. The same. At dusk.

ACT III. Mid the Green Fields of Virginia.

ACT IV. Office of Senator Gouem.

ACT V. Same as Act II.

Time.

From the beginning of the play until the departure of the
audience.

Moral.

"Why work for a living when you can get it for nothing."

The Willard Straight Papers at Cornell University
ACT I, acted by Collins, Allen, and Kirby

The first act takes place in the office of
Skinner and Cheatham, stockbrokers. Ermintrude at typewriter
Martin Bradford, alias Pete Skinner, at desk. Skinner is
looking over the mail.

Skinner: Ermintrude, write this letter, please.
Ermintrude takes all the time in the world, fusses
around and after a full minute or two is ready to write. Rather
piqued at having to work.

Skinner: Sardine, Hatthacon & Co., Shanghai

(Ermintrude writes in desultory manner)

Gents (Ermintrude smashes off at least three or four full lines)
Skinner being oblivious of this.) I desire to call your
attention to the fact that the last consignment of Chinese
bonds which you secured for us are a little bit thick.

The public has become somewhat wary and this year prefers a
subtler shade of green. Period. We will, however, try to
unload them all. (Ermintrude hits the machine twice)

Please be good enough to keep us informed as to any new gold,
silver, coal or other mines you may have in stock.

(Ermintrude finishes neatly.)

Skinner: That's all Ermintrude.

Ermintrude: Are you interested in gold mines
Mr. Skinner.

Ermintrude: Yes, Ermintrude, why.

Ermintrude: Because, back on my father's country
seat buried away in some old nook or cranny, there is a pile
of gold hidden.

Skinner: (Avariciously) What's that? Let me hear more.

Ermintrude: Why yes. You know, even though I don't
look it now (primp) I once lived in the country. But it was too
dull in the country for a girl like me, what hankered after the
white lights of Broadway, and had heaps of talent. So I came
to the City to be an actress. I got to the City all right, but
didn't do the rest. I posed as a cake of ice one night in a show
called "With Dr. Cook at the North Pole," but Delancey didn't know
a actress when he seen one. So I decided to adopt a business
career. Don't you think it's just grand to live in the City
Mr. Skinner.

Skinner, Yes, yes, Ermintrude, it is quite nice. But
tell me, girl, of the hidden gold on the old plantation in
Virginia. (Music without "Mid the green fields, etc.)

Ermintrude: (Soft music. Hearts and flowers) Back in
the days of old, 'way back in 1770, Sir Rupert Cassassa was
Tartar General of Virginiia and he lived on what is now known as
the Murph-Montgomery farm. The winter of '70 was a cold one,
as cold as my third floor back or the Wagon Lite hotel, and the
Indians (a few whoops without) were starving, poor devils. These Indians it seems had gathered together an immense store of Palace gold but they never let any one know where it was kept. This winter, though, they were starving. So hungry was they. That grim Spectre-Famine was abroad throughout the land. Conditions was awful! Sir Rupert, a crafty person had maize, great storehouses of maize, carefully guarded by what was then known as the new army. He saw his chance and he forced the naked, starving aborigines to trade their gold for maize, ounce for ounce, that they might keep body and soul together. Thus Sir Rupert Caszaza acquired his treasurous fortune.

Skinner: Yes, yes, girl, go on, you interest me strangely. Aside (I must know more of this)

Ermistruder: And no sooner had Sir Rupert made his pile than G. Washington at the head of his brave warriors bold (On then to glory with courage unflinching (Soldiers chorus from Faust) advanced on the headquarters of Sir Rupert. His nibs was up against it then for fair. So what did he do, what, I ask you, Pete Skinner, did he do?

Skinner: I damno! WHAT did he do?

Ermistruder: He hid his money. - He and a few faithful servants, including his number one boy and this prince among house coolies. He had them then, for Sir Rupert was not the man to stint his lakegats. He hid the money, all this great pile of wealth and no one never found out where it was. (Music without - "Oh where oh where is my little Dog Gone?)

Skinner: But what became of Sir Rupert and his faithful number one boy and this prince among house coolies.

Ermistruder: They died.

Skinner: Died?

Ermistruder: Yes, died.

Skinner: Dead - all dead

Ermistruder: Yes, all dead!

Skinner: But how did they die?

Ermistruder: Ah, Mr. Skinner t'was a hard death!

Skinner: (Standing and looking upward a hard death, Now?)

Ermistruder: (Turning to hide her emotion) They froze.

Skinner: They froze?

Ermistruder: Yes, trust!

Skinner: (Emotion breaking voice) But Ermistrude was there never a trace? Did they leave no message of any sort.

Ermistruder: There was once an old piece of parchment with cryptic figures upon it. No one know what it meant although 'twas supposed that it gave a clue to the hidden wealth. But after some years, so tradition has it, it was torn in twain and lost.

Skinner: Lost?
Ermirude: Yes, lost.

Skinner: And never found?

Ermirude: Not all of it. I found one torn piece --

Skinner: Ah, you did, and where is it now? Where did you find it?

Ermirude: In grandfather's clock which stood in the spare room. It was a lovely clock Mr. Skinner, you should have seen it.

Skinner: Yes! but where is the parchment?

Ermirude: Gone?

Skinner: Gone?

Ermirude: Yes, gone.

Skinner: But where, girl, tell me where?

Ermirude: (Emotionally) Nancy.

Skinner: Nancy? Nancy who?

Ermirude: Just Nancy, my goat --

Skinner: But what did he do, this Nancy, your goat?

Ermirude: It

Skinner: Ate what?

Ermirude: Everything -- my parchment.

Skinner: Curses. (Then to himself.) But the parchment may have been about some entirely different matter. The gold was put there by Sir Rupert, I have never been found, it must still be there. If Sir Rupert Cassasa was not a smarter man than I, Martin Bradford, alias Red Mike alias Pete Skinner, and I will have that gold, if gold there is, before many you noon shall wax and wane once more (To Ermirude.) Was nought ever heard of the other bit of parchment, the piece from which the piece which Nancy ate was torn?

Ermirude: (Sadly) nothing.

Skinner: (It must be somewhere, I must try to find it.) Does anyone else know this story Ermirude.

Ermirude: Oh, yes, all the people around the farm.

Skinner: Is anyone at the farm now, Ermirude?

Ermirude: Father is there,

(Everybody works but father.)

Skinner: How old is your father, Ermirude.

Ermirude: He's seventy-nine.

Skinner: That's quite old isn't it. Hasn't anyone to help him work the farm.


Skinner: GRANDFATHER. Is your grandfather living, too, and what is he busy about?

Ermirude: (Innocently) Why, someone has to look after great grandfather.

Skinner: GREAT-GRANDFATHER (Collapses in chair)
Ermindrude: Yes, Mr. Skinner — you see we are an old Virginia family.

Skinner: But tell me, Ermindrude, is anyone else there. Has anyone recently shown interest in this old tradition.

Ermindrude: Yes, there's a young mining engineer there now. He's a poor, but honest lad, broken in health from the siege of the Peking Club, and he's looking around for the gold. But he won't find it. Nobody ever does.

Skinner: Anyone else looking for it Ermindrude.

Ermindrude: Senator Googem, the old rascal, has asked me about it and seems curious to know if I have the parchment. I hate him. I never even told him about Nancy. Nancy was a beautiful goat Mr. Skinner. Don't you just love goats?

Skinner: Googem! That graftor, I must watch that man. He may know something!

Enter Googem.

Googem: Good morning Mr. Skinner, good morning Ermindrude, my dear.

Skinner: Good morning, Senator. Do you wish to see me?

Googem: No, Mr. Skinner, I came in to see Ermindrude, about a little matter concerning her father. He is a constituent of mine, one of my oldest and best friends.

Skinner: One moment, Senator, until Miss Hort monocle finishes the letter I have just dictated. I am then going out and you may have an uninterrupted conversation.

(Reads over letter. Ermindrude toys with hair. Puts pieces of paper in envelope. Googem advances and says.)

Googem: Can I but get this from a girl to surrender that piece of parchment, the hidden wealth of the Murphy farm shall be mine and them, then who can say to what heights I may not rise. Who can say that the presidency of the Standard Oil Company or even the Philadelphia baseball Club shall not be mine? Ay, who can say? She has the one piece of parchment. I, ah, he, have the other, but no one knows. Here it is. (Looks around to see that no one observes.) Here it is. Were only the other piece in my hands now I'd make cresus look like 30 cents Ben. (He glances over Chinese laundry bill) Skinner looks into a mirror which reflects Googem's hands and the parchment. He starts.)

Looks at Ermindrude, back at the parchment. Nervous to Ermindrude)

Skinner: (In whisper) Ermindrude, Ermindrude, my girl.

Of what manner of parchment was that parchment which Nancy ate? Was it of different colors?

Ermindrude: Yes, Mr. Skinner, it was. It was red and it was black. It ruined Nancy's complexion.

Skinner: Ah. (Aloud) That will be all Ermindrude. I will be back in a few moments. Good morning Senator.

(Starts out and passes through the exit but returns and hides.
behind the screen.)

Gougem: (Unusually) Well, Ermindrude, how go things at home. Are all well there?

Ermindrude: (Coldly) Yes, Senator, everything's all right.

Gougem: Ermindrude, do you ever think of the old, that very old and silly tradition about the hidden wealth on the Murphy-Montmorency farm?

Ermindrude: (Startled somewhat by the inquiry) Yes, Senator I remember. (Goes up puts her envelope of false hair in the safe and lock the combination.)

Gougem: (Aside) Ah, I have startled her. That must be the parchment in that envelope. It must be mine. I will have it though I go through blood and fire to get it.

(Aloud) It would be fine, Ermindrude, for you and your family were that hidden wealth discovered.

Ermindrude: Sure

Gougem: Yes, Ermindrude, and do you know that it may be within your power to aid in its discovery, and were you to do so you would be rich, my dear, rich.

Ermindrude: In my power, senator, in my power?

Gougem: Yes, in your power Ermindrude, in your power.

Ermindrude: But why, and how?

Gougem: You possess a secret, Ermindrude, that may be the clue to the hidden fortune.

Ermindrude: I possess a secret, but where?

Gougem: Ah, Ermindrude, Montmorency, you are a clever girl. You would have said! You hold the secret, and that secret shall be mine! (Suddenly) IN THAT SAFE, do you hear, IN THAT SAFE.

(Ermindrude startled immensely) Ah, my fair beauty, you have betrayed yourself. The secret is there.

Ermindrude: (Aside) I wonder that this old fool is talking about. He makes me tired. (Aloud) There is nothing in that safe which interest you, Senator Gougem.

Gougem (Forcibly) Don't play with me, you vixen, it's a dangerous game. Others have tried -- and they have lost. Some are dead, some are in prison -- others have to work for a living. Don't toy with me, you spitfire or else you and yours will suffer, suffer as the Murphys never suffered before. I'll teach you manners. Now, Ermindrude, the secret. Tell me! You must!

Ermindrude: (Frightened) I don't know what you mean.

Gougem: Don't know what I mean, I'll tell you, I mean to have the Cassaza fortune hidden on the Murphy farm. To get it I must have your assistance. I must have the parchment found in grandfather's clock in the spare room, and I must have it NOW.

Ermindrude: (Giggles) But I haven't it.
Gouges (Aside) Stubborn woman! ah I must try another way. (Aloud) Ermintrude, did anyone ever tell you that you were pretty?

Ermintrude: Ah, thank it, Senator Gouges, I don't like you well enough.

Gouges: Ah, Ermintrude! And proud too. But you are a pretty girl, and yet here you are, enjoying nothing of life, working from morn till night, when it lies within your power to have all the pleasure of the world. Hats from Kierulffe, clothes from Trientin, Trientin, I say yes and you would enjoy all the ease and affluence which goes with such luxuries as these. You could live in marble halls and have horses, carriages, automobiles, a dozen each, servants without number at your beck and call. You could have everything, everything, Ermintrude that heart of women could desire.

A box at the Arcade, a moving picture show in your own home.

Ice for cocktails, Ermintrude, real ice think of that, and weep tears of gratitude for me, your benefactor who, if you will but help me, will make all these things possible.

Ermintrude: Senator, You're kidding me.

Gouges: Not at all, Ermintrude, my dear, not at all. I offer you calmer happiness if you will but obey my will.

Ermintrude: Senator Gouges, stand back. You may tempt the upper classes with your bribes and slyly lure, but

Ermintrude: No, I do not, who does.

Gouges: (Triumphant) I do. And tomorrow it falls due!

Ermintrude: N do!

Gouges: Ermintrude, feel the window. See how cold it is. In the hills of Virginia it is even colder. And tomorrow the mortgage falls due. Your father, Ermintrude, your father, what of him? Have you no thought for him. And your grandfather, Ermintrude, your grandfather. And his father, Ermintrude, and his father. Have you no thought of them.

Ermintrude: Yes, I think of them; why?

Gouges: Why, woman, You ask why. Because on the morrow, when the sun is at its zenith, they will go from the old homestead. Out they go, never to return. For the mortgage will be foreclosed and the portals of Murphy Manor will swing on the backs of three old, bent broken men, your father and his father and his father's father. Slowly down the lane they will mend their way, going no one knows whither. No one to guide them, no one to lend
Ermistrude: Now, no, no, no, you could not, you would not. You can not.

Gougem: I can, I shall, and I will. Come now, miss, open the safe, give me your secret.

Ermistrude: I cannot.

Gougem: You can and will. I, Gougem, say it.

Ermistrude: It is impossible. You shall never know.

Gougem: You don't know me. The combination, out with it, I say, out with it.

Ermistrude: I can not.

Gougem advances threateningly.

Gougem: You must or I'll make you suffer the torture of the damned. I stop at nothing, woman.

Enter Skinner.

Gougem: Curses. Foiled with victory in my grasp.

Skinner appears to have noticed nothing.

Skinner: Well, have you two discussed all that has happened back home.

means Gougem with interest and curiosity. Trying to place him.

Gougem: Indeed, yes. We have had a most interesting and friendly conversation, have we not, Ermistrude.

Ermistrude: (faintly) Yes. We have not.

Gougem looks at safe with care, nods with satisfaction.

Gougem: I must go now. Good-afternoon, Ermistrude, good afternoon Mr. Skinner. (Aside) I go; but I return. That parchment shall be mine.

ACT II.

Same office, low lights, soft music.

Enter Ermistrude.

Ermistrude: My gum, oh where is my gum. I didn't enjoy that moving picture show at all. Ah, here it is.

Noise without. She hides behind screen or elsewhere.

Enter Gougem. Stealth, violin or guitar notes. Dark lantern.

Gougem: Victory in my grasp. The parchment is mine.

Once that piece is in my possession I have the secret of the Murphy farm. Gold by the ton, gold, gold, gold. (This like a dog worrying a bone)

Ermistrude, slides out saying "Gougem".

Gougem: (Hammering a piece of iron.) An easy crib to crack, this. I laugh. Who would ever guess the I Ephraim B. Gougem U.S. Senator for Virginia am Spike the Mite, the Bear of Butte and the foremost safecracker of his time. Ah, ha, The fuse, now. No one in the world could do this better than I, except, perhaps, red Mike, whose equal was never known. I wonder where that man is now. No
one has seen or heard of him for years. I would like to meet him.

Now for the soup.

(Ture nitro-glycerine this. The blankets.

Ah, now for a match. It's off. See, there she goes.

Sputter, sputter, sputter, sputter, sput, sput, sputty-sput-sput,
'tis magic, sput, sput, sput, ah NOW (Pep from without, (The safe
falls outward, chairs overturn, crashes outside.) Gougem rushes
into the debris. Seeks the packet.

Gougem: Ahh, the packet. Fortune is mine, ha, ha, ha,

(Opens envelope.)

Ten thousand smackers, Stung. The girl must die.

Curtain.

Act III.

Here Stanley McAllister Carter, son of Va. enters upon

the scene. Poses for a series of pictures. Prospecting. Walking

home after a hard day's work. Approaches the old well. Arrives at

the old well. Huses by the side

Gougem office.

Enter Skinner.

Skinner: Gougem's office, eh. (Surveys the situation,
looking things over, advances toward desk.) Gougem, oh.

That crook. He thinks to complete with me, ha, ha. (Sneer)
With me. Red Mike. Little does he know my mental. And
he plays with the fair Ermintrude, oh. He'll have enough
of that. Ermintrude must be mine. Ermintrude and the Murphy
farm with all its wealth. Mine, I say mine, and who shall
tell me. Pete Skinner. Muh, muh, Red Mike, who stop at
naught, who would slit a gut as quickly as he would with a train.
(Walks toward desk.) Gougem's desk. We must look into this. (Goes
through desk. Discovers revolvers. Empties same. Finds paper with
red seal.) Ahh, what might this be. A MORTGAGE ON THE MURPHY FARM.

And due today. This must be mine. It is mine, for I have it
in my possession. I put it in my pocket, thus. (Shoves it in

pocket.) And what is this? (Pulls out packet of Ermintrude's
hair) False! This seems strangely familiar to me. From whence,
I wonder, from whence did it come. Ah the label. (Reads) Made
in China. La Viallette Coiffeur. And this, let me see. Eureka.
The parchment. A step in advance, Red Mike, a step in advance. The
trail grows hot, the Murphies buried on the old farm may be
mine. Ah, someone comes. (Closes desk, moves to other side
of room.)

ENTER GOUDEM

Gougem: How do you do, Mr. Skinner, is there anything I
can do you for today.

Skinner: Yes, Senator Gougem (Sneering accent on GOUDEM)
there is.

Gougem: And what might that be may I ask.

Skinner: Well you may ask, Senator Gougem and you
shall know.

Gougem: I ask to know.
Skinner: You shall know, then, and quickly, for I am not the man to bandy words with such as you.

Gougem (Quickly) What do you mean, Skinner.

Skinner: What do I mean, you crook, well may you ask what mean.

Gougem: Crook, me a crook, explain yourself

Mr. Skinner, else I will call the police and have you thrown from my office.

Skinner (Sneering and haughty.) Thrown from your office? Thrown from your office? I laugh. Ha. You Gougem, throw me, Pete Skinner from your office. NEVER! I have you in my power and you shall never escape.

Gougem: Have a care, Skinner, have a care. You may not talk to me thus. Once forced to the wall and you will find me a desperate man.

Skinner: I know how desperate a man you are Gougem (sneer) I know well and I fear you not. (Advances. Reaches and grasps his ear.) LET ME SEE THE HOLE OF YOUR LEFT EAR. NOW I know you, now I know you, curse your soul and I'll have your life's blood yet, Senator Gougem. (Sneer.)

Gougem: What do you know and who am I?

Skinner: You know well. You are SPIKE THE BITE THE BEAR OF HYTEE, and I have run you to earth at last!

Gougem: (Pulls open drawer revolver therein) You know me do you. Where and when, may I ask, did you ever meet me and what makes you think that I am this extraordinary person to whom you have just referred.

Skinner: I met you in the U. S. Consular Jail at Shanghai.

Gougem: But who, who are you. (Cringing now.)

Skinner: Red Mike, though you know me not then.

Gougem: (Whisper, gasping) Ugh, Red mike

Skinner: Yes, Red Mike.
we could get. But that, that is not all. I have proof that you - that you - are the man who stole Lady Nestle's orange.

Gougem: (Broken voice, pitifully undone) Great Gawd, undone. All is lost.

Noises of horses without. A gang, as on a patrol wagon, sounds two or three times. Heavy footsteps outside.

Skinner: You hear, Gougem, you hear. The hounds of the law have been loosed. They come. Gougem, they come, and you go with them. With them to the tombs, may be back to the Shanghai jail, who knows. There is no escape, ah, they come, nearer, nearer, nearer. Almost here now Gougem. Ha, Ha, Ha.

Gougem: There is no hope but never will they take me alive.

Enter Chinese policeman. Rubber shoes, no noise at all.

Skinner: Officer, do your duty, arrest that man.

Officer: Shush.

Gougem suicides.

Skinner looks him over, sneering.

Gougem lies on floor Skinner advances to center of stage:

Dr. Woods will you be good enough to take a look at this man.

Woods: (Looking him over.) Dead.

Skinner (removing hat) Dead.

Officer (Removing queue) Finish!

Curtain.

ACT V

Skinner and Chesterham's office.

Skinner at desk.

Enter Ermistrude.

Ermistrude: Mr. Skinner, Mr. Skinner, what is this that I see in this morning's Daily News about the suicide of old Gougem?

Skinner: It is true, less, may heaven rest his soul,

Pity t'is 'Tis true. The world, however, is better without that man.

Ermistrude: I think likewise, Mr. Skinner. I hated that man.

Skinner: Hated?

Ermistrude: Yes, hated, with all the hate of a tempestuous southern nature I hated him.

Skinner: Is there anyone in this world for whom you particularly care, Ermistrude. I mean, of course, except your father and his father and his father - and Nancy, of course.

Ermistrude: No, Mr. Skinner, there is not, although, way down deep in my heart there is a ticklish feeling whenever father writes me of young Stanley Fairfax Carter, that young engineer on the farm. I think that maybe that is love. What do you think?


Ermistrude: He is a good man, Mr. Skinner, I know it.

Skinner: Ay, may be, but what does goodness count in these days when the world is money-mad, NOTHING, nothing.

Ermistrude: You should not talk that way Mr. Skinner, to a girl like me.

Skinner: Ermistrude what a fool you are. Dreaming and mooning over this worthless young sub on the farm.

Ermistrude: You shall not speak of him in that manner, Mr. Skinner, you shall not. He is good, and noble, and true. I could learn to love him.

Skinner: Girl, you do not know what love is. (Softly) But you could learn, fair creature, you could learn and I could teach you.

Ermistrude: NO, Mr. Skinner, you know not what you are saying.

Skinner: I do know, and you shall listen.

Ermistrude: I shalln't.

Skinner: You will, I say.

Ermistrude: I willn't.

Skinner: Come now, my pretty girl, and listen to reason.
(A pause and then in dulcet tones.) Erminstrude, my dear, hearken unto me. I have something to say to you, Erminstrude.

Erminstrude: Say on.

Skinner: I love you Erminstrude, I love you. Such passion as mine for you my dear, has never been seen before. I know that I have concealed it, Erminstrude, perhaps to an extent that even your womanly intuition failed to tell you this things which is so wonderful to me.

Erminstrude: (Whisperingly) I'm never guessed.

Skinner: (Aside) Ah, the beauty, she weakens. She shall be mine. And my wife shall never know.

Erminstrude: (Listens to this aside remark, then says) Beast, beast, beast, I know you and your kind, I hate you.

Skinner: What do you mean, Erminstrude, what do you mean.

Erminstrude: What you said just now.

Skinner: When?

Erminstrude: Quietly, over there at one side.

Skinner: (Expecting) But Erminstrude, you were not supposed to here that. It was an aside.

Erminstrude: But I did hear, and now I know you for what you are. Villian!

Skinner: Villian, yes, and I'll teach you, you little husky, what villains do. Do you think for a single, solitary moment that you are beyond my power. Mistake not, my pretty lady, you ain't.

Erminstrude: (Shrinking) what do you mean?

Skinner: (Draws mortgage from pocket.) You see this little paper Erminstrude. 'Tis a simple bit of paper, my girl, but one of great value. And may have it means happiness for you and your family Erminstrude. Never more will you have to work for a living, never again will your family be in want were you to have possession of this paper.

Erminstrude: What is it?

Skinner: The mortgage -- the mortgage on the Murphy farm.

Erminstrude: The mortgage?

Skinner: Yes, the mortgage. And it is overdue now. Once it is foreclosed, Erminstrude your father and his father and his father will be turned out of house and home, Erminstrude, do you hear, out of house and home.

Erminstrude: Yes, yes, I know, but even you, Pete Skinner, could not be so cruel.

Skinner: I could and would. You do not know me or my kind. But, Erminstrude, should you consent to marry me I will destroy this mortgage. Come, now, and answer.

Erminstrude: Mr. Skinner, I am but a poor working girl, but I am proud, too, and never, no matter what might happen would I marry you, you cur.

Skinner: Our, a cur?

Erminstrude: Yes, you.

Skinner: Have a care, girl, have a care. You cannot thrust me thus, my fair Hel-uty. (Advances toward her)

Erminstrude: Back, stand back.

Skinner: Come now. Erminstrude, tell me that you love me.

Erminstrude: Never.

Skinner: Ah, but you must. And I will have my reward, beauteous one, my reward (Grasps her wrists.) A keen.

Erminstrude: Step, step.

(music indicates the approaching arrival of Stanley.

Erminstrude and Skinner struggle. Chairs overturn, etc.)

Enter Stanley.

Stanley: What devil's work is going on here?

(Rushes to Erminstrude's rescue. She falls back to one side.

Stanley engages with Skinner.)

Skinner: Who are you?

Stanley: Stanley Fairfax Carter, of Virginia, sah.

Skinner: And you would interfere with my private affairs.

Stanley: When a Carter sees a woman insulted it ceases to become a private affair, sah.
Stanley: (Springing on him) It does, eh? Then take that, and that and that.

Stanley: And you may take that and that and that.

(Scudder gets a paper knife. The struggle and Stanley turns the knife on Scudder pressing it home. Scudder dropslifeless. Stanley lifts him over.

Stanley: Dead.

(In the meantime Traintreda crept behind the desk.
She looks up over it. Stanley sees her.)

Scudder: Traintreda. What do you here?

Traintreda: I used to work here. But who are you?

Stanley: Stanley Fairfax Master of Virginia, Miss., at your service.

Traintreda: Stanley?

Stanley: Ah, how sweet it is to hear you utter that name Traintreda.

Traintreda: By what right do you call me by my first name?

Stanley: By the heaven sent right of love, Traintreda, that sweetest, most intangible of all divine feelings, Traintreda.

For I love you!

Traintreda: You do.

Stanley: Ay.

Traintreda: I am glad, Stanley.

Stanley: Truly glad.

Traintreda: Yes.

Stanley: Then we will be married Traintreda.

Traintreda: But, Stanley, we haven't the price. The cost of living has gone up so high.

Stanley: Cost of living, Traintreda? We laugh at it, we scorn it. For Traintreda, I have solved the mystery of Murphy's Manor. He hid it in the well!

Traintreda: He did?

Stanley: He did!

Curtain.

\---

LITTLE JOURNEYS OF JOYOUS JOURNEYS.

No. II. E.F.D. to Cliveden.

Pushed by Mr. Robert Bacon and pulled by Mr. E.G. Grenfell
of Morgan, Grenfell & Co., London, Robinson Grenfell (for such
has been the title given E.F.D. by the heavy artillery of the
British Government with whom he has been associating, since
his discovery of Claridges, the Isle of Wight (spelled wait)
reluctantly allowed his man Friday to pack the pigskin, and
ventured forth upon his travels. They fared by railway for
such is the custom of the country where motors may not run by
day for the fog nor by night for the fear of Zeppelins. And
this is what happened;-

He was charmed by his hostess and delighted by her
husband, Waldorf Astor, a member of Parliament, quiet, serious
and most considerate and thoughtful. He is now serving with
the New Army inspecting camps, etc. and expects to turn his
wonderful country place, Cliveden, on the crest of a hill
overlooking a long stretch of the Thames, into a hospital within
another week.

Lord Curzon, former Viceroy of India, Lt. the Hon.
Julian Grenfell, "the stalker", a Miss Hosier, just back from
Red Cross nursing in Belgium, and Geoffry Robinson, Editor of
the "Times" were fellow guests.

At dinner that night E.F.D. sat next Miss Hosier and
with some difficulty managed to extract from her some account
of
her adventures. It seemed that she had gone to Belgium on the outbreak of the War and had established herself in Maastricht. As the British retreat swept back from the plains of Flanders she was left with her six associates in charge of a number of wounded, British, Belgian, and German. All had gone well for a time for the German Doctor in whose charge they had been placed with their hospital was a kind and considerate man. She had managed to get one or two letters through to tell her friends at home her whereabouts and condition. Later another physician had supplanted her friendly man, and things became more difficult. Finally she was left without patients. A representative from the American Legation in Brussels had come to see them, and suggested that if they wished to return with him it would be well to have passage even though the distance was only thirty miles. Together they went to the Hotel de Ville where they were promptly placed under arrest. The representative of the Legation on stating who he was was released but his four companions were placed in cells. The food which was brought them was unpalatable and they threw it out the window whereupon their gaoler came to say that if they didn’t treat him right and do things of that sort he’d make it disagreeable for them. They asked only for bread and water. Finally after five days Whitlock the American Minister came down himself and demanded their release threatening to publish the whole story broadcast unless they were immediately freed.

H.P.D. walked back from church with Miss Hosier on Sunday. She then told him further stories of her adventures and in response to his inquiries said that by "atrocities" he meant hand-lobbing and ear-cutting she didn’t think there had been many but she said that whole villages had been burned out, the buildings fired on as the Germans entered the towns and the people, men, women, and children inside butchered. She told the most pitiful tales of mothers, and daughters, husbands, wives, babies, who had lost all those near and dear to them.

A fine looking clean cut young fellow, Lord Tichfield, son of the Duke of Portland turned up for lunch. Mrs. Astor hailed him with delight, "Sit right down, Sonny" she said "Have a good time, You may be dead in a week". "So I may" said he and did. He returns to the front on Thursday. He told many stories, one extraordinary of which was that while 600 cavalrymen he had been holding trenches when they were attacked by fourteen thousand Germans, who attacked in a great mass. The British killed over five hundred of them but they came piling on regardless of the withering fire, rushed the trenches and simply threw the Englishmen out. They did not shoot or use the bayonet, for some reason which the British could not understand. The British retook the trenches, were driven out again and again captured and held them. During the fighting a shell burst near Tichfield and buried him all but his head. He was held powerless to move, for ten minutes, with bullets whizzing all about him, and sometimes just grazing him. All he could do was to wince, he said, which was jolly little satisfaction under the circumstances. His comrades finally dug him out unharmed. He had the greatest admiration
for what his comrades had done and told of their bravery but he himself, he said was always in a blue funk. His friends had a different story.

Tichfield told of one incident which had never been understood. One day two Germans jumped over the crest of their entrenchments and walked across toward the British lines. About fifteen feet distant they threw down their guns and started to dig. They were promptly shot. The hardest thing of all to bear said Tichfield was the sight of wounded men lying between the lines, perishing for want of aid. Yet orders were to leave them for so many men had sacrificed themselves in trying to save their disabled comrades. He told of one case where apparently a man was deliberately kept alive by the Germans who gave him things to eat and drink at night in order to tempt his comrades to come out to his assistance in order that they might "get them". Numerous instances were related where both officers and men had been shot in attempting to save the wounded. On one occasion two stretcher bearers volunteered to bring in a wounded man who had been lying between the lines for some time. Both were shot. One was killed. The other crawled back to the British trenches, had his wounds bandaged and later went out again with another fellow, brought in the wounded man who died shortly afterwards.

Lt. the Hon. Julian Grenfell won his name "the stalker" by a dare devil escapade in which he crawled to the edge of the German trenches toward nightfall to catch if possible two snipers who had been picking people off inside the British lines.

These worthies apparently satisfied with their day's bag were resting or chatting or telling each other stories, and Grenfell peeped in at them through the hole through which they had been shooting. He got them both. He then went back to his own lines and later crawled out again, getting into a German trench which was empty of men. He slid along in the twilight until he came quite close to a large body of men assembling. His German was imperfect but he understood enough to gather that they were making ready for a night attack. He crawled back again and gave the news. When the Germans arrived they were given a warm reception and driven back with very heavy losses.

Another incident was related of an officer who was wounded and left behind by his comrades on the retreat from Home. He was given shelter by a poor farmer's wife, and finally regaining his strength, obtained some peasant's clothes and wandered about as a peddler. He next obtained a bicycle and used it in his daily round. He was challenged one day by a party of Uhlans, and started to run for it. He was hit in the shoulder but managed to reach a clump of wood. The Uhlans followed two going one way and two another. He shot the first two, and was starting off again when the others came upon him. He was shot in the ankle and fell, but managed to get the man who had wounded him, the other running away. He then with great difficulty mounted his wheel and pedalled along till he dropped. He remembers nothing more beyond this until he woke up in bed. It seems that he had fainted from loss of blood and fallen against a farmhouse door. The inmates had taken him in, found his British officers uniform under his
peasants' clothes. They nursed him from that time until he was well enough to go on when he finally made his way back to the Allied lines near Lille.

Once on a time there lived a man, he's living yet they say,
Who organised a band of scoots, and led them to the fray,
They assailed the Wall Street Fortress, and captured it by storm,
And now they're in the Citadelle, all comfortable and warm.
They mobilised in Anglewood, and put it on the map,
And there they plotted night and day how to win the enemy's grasp.
They rendezvoused in Astor Place, and held insurance fast,
They mapped their way as journalists, or in the law-courts gassed.
The captain of the Pirate crew, became a candied Kidd,
And as the captain ordered, each pirate went and did.
They gathered round from far and wide about one hallowed spot,
And then they travelled far to see the land that Davie'd bought.
Through Banks of more or less renown he forged his way ahead,
And ever faithful they came on, unshaken, where he led.
For them no task too arduous, by terrors undeterred
They jumped from Banks to Bankers Trust in response to Davie's word.
And now they're all on easy street, they're moving very fast,
And Angelwood's sunk back again to revel in her past.
The band no longer plotting, commutes to Jersey's shores,
But guide the helpless Jerseyman in social service chores.

For though the captain's moved away and lives in regal state,
His men still uplift Jersey, and through them she is great.
But the days of struggle are no more, and now those lucky gents,
Are bosses in ward politics, or whirlwinds on the links.
For Tom, who's at the Corner, the Captain's counter holds,
And he with Dwight, in conference, the fate of nations woulds.
Ben upholds the Government. George gets all the law,
The Liberty is Tom's preserve, the Wall Street Lion's paw.
Seward runs the smokeshow with Danny at his aide,
And Howard's holding Astor's Trust, and acts as Davis "guide".
There's Charley at the Guaranty, and Albert at the Chase,
And others who shall not be named because there isn't space.

L'ENVOI,

The moral of this story, is plain, as you'll agree.
If you'll look in Davis's locker, or at the Guano, you'll see
The goods have been delivered, and all have travelled far,
But the Pirate Crew has scooted too, by hitching to a Star.
The Willard Straight Papers at Cornell University
The Willard Straight Papers at Cornell University
Koesten Gant.

As of 1894: Wandt's D7. Certain evidence of the Pugney as having taken some years in the early 1890s. Some records exist of his activities there. 100,000 coins from.

As of 1897: Information from an unknown source.

As of 1898: Clappey No 8. The activities of the and his associates at this location.

As of 1899: Information from an unknown source.

Johan in 1896:

1897:

1898:

1899:
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Japan.
It must be entirely to blame.

His idea, then, was backed by real justice.

The judge, as by custom, rose at 8. After breakfast, he

Is that way the Japanese into villege the setting

ion treatment of their own enemies, as cordially

We which is become (rubber) slip to be taken against

Tories generally.

How so what outside the one through in question

squawk and so salt mostly heroic. Those it

or (they regarded) a few commercial bridges, which

the Japanese in Kino and some of the Philippine

in (they) went to stone a then believe quadrille

This he must not made any attempt on the

that of the Japanese to undertake a Philippine

in (they) which they will many and by which

they, unfortunately, will conduct.

The Willard Straight Papers at Cornell University
1883. Argum in English. In page inserted.


No. Reform

Harper's Réforme generally been fixed only

in many ways than any other means held. The

idea not of them, only the still continue higher

of me.

in Japan reform undertaken. to make them so great harm,

in China only the few reform business needs.

ends it be possible to accomplish whole on these things.

in Pure

was not done with the kind understanding.

Great mass of people les

their understandable.

in Japan. In Japan. me and others.

as in China. Here had neither.
The Willard Straight Papers at Cornell University

[Handwritten text]

Host X C.

Paper XXX is thought to be forged by Regent Mr. X. Wind.

We ask that they are true, naturally.
1893

1. John's attempt to help his family was met with death. Having made a violent/bloody attack on the family, he was eventually arrested and charged with murder.

2. Systems were in place to ensure freedom for those who were found guilty of such crimes.

3. The system for dealing with such cases was largely dependent on personal connections and resources.

4. Despite the efforts made by various parties, justice was not always served.
Aug. 1. 1893

1. Guest is sent down by hospital.

2. Johan is two years in rate with Chinese in China. After what date two years have been served. After two years in India for being my angry and refused to discuss. Doctor's advice, after some comments.

Johan sent 14 days in India. Petition and French law, he send with what. Petition has been written, that he has served 14 days. Mr. Van is a friend to literary, but he join his lawyer. Read the most rector's notes from commitments and non-commitments.

July 29. 1893

3. Guest is in rate, 8 months, 2 years. Did the Chinese act in which case, obtain by a friend, a manager, six six. From the first, 1893, six six. Have the right to act in Chinese case, after being a manager, six six. Have the right to act in Chinese case, after being a manager, six six.
Page 1286

1851

Report that four taken abductees as substitutes in the
Polish army. This was due to theturmoil in 1848. Peter was rejoined
after being captured in Warsaw. He was taken to Warsaw where he
was freed. However, he was not able to return home.

July 13, 1851

1851

I met Chang Pao Yung, who had been a Chinese
Minister in China. He had many scars from battle.

Aug. 19

1851

I met with Chinese students at the school.

Nov. 4

1851

The Chinese student was captured in battle. The
consequences were severe. He was severely
punished.

Dec. 29

1851

I received a letter from the young man, see.

Page 1287

1851

We 1951. Chinese Students. I went to the Chinese
Ministry of Education against anything modern. The
Ministry was not interested in modern ideas.

Oct. 30

1851

The Chinese students met with Chinese
leaders at the Ministry of Education.

Nov. 18

1851

I received a letter from the young man, see.
Feb. 15, 1899 - Turkey about Amy route.

Feb. 16, 1899 - Turkey brought along. Refused to land, would not go abroad. Sent to the ship. Will return to the ship.
As regards the attack made by insurgents upon the Japanese Legation on the 33rd of the seventh month of the Japanese Calendar (Sixth month, 9th day) when a large number of Japanese officials lost their lives as well as some of the Japanese military instructors employed by the Korean Government, the Japanese Government with a view to resume friendly relations has come to the agreement with the Korean Government, which is set forth in the following six articles and two supplementary articles, to be carried out in good faith. To make amends for the past and to ensure future good relations the plenipotentiaries of the two Powers concerned have hereto set their hands and seals as proof.

1st. The Korean government shall within twenty days from this date arrest the offenders and shall strictly trace the ringleaders for severe punishment. The Japanese Government shall depute officials to be present at the trial and at the infliction of the punishment. Should Korea be unable to arrest the offenders within the specified time, Japan will undertake the affair.

2nd. The Korean government shall provide decent and suitable burial for the Japanese belonging to the Legation who lost their lives, to show respect for their remains.

3rd. Korea shall pay $50,000 to be handed over to the bereaved relations of those who were killed as a compensation to those who were wounded.

4th. Korea shall pay the sum of $500,000 to make good the losses and injuries sustained by Japan from the outbreak of insurrection and to defray the expenses to be incurred for the maintenance of a guard, naval and military to protect the mission.

Each year $100,000 is to be paid until the whole amount is paid off. (Five years.)

5th. A sufficient number of soldiers shall be stationed as a guard at the Japanese Legation to be ready in case of emergency.

Korea shall undertake to construct barracks and keep them
in repair.

If, after the lapse of one year from the date of the signing of this convention, it is found that the attitude of the Korean soldiers and people shall continue to be law abiding, the Japanese Minister, seeing no longer any need for a guard to provide against danger, shall withdraw the troops.

6th. Korea shall depose a high official with a royal letter to thank Japan.

The 17th day of the 8th Month of the 491st year of the Chosen Dynasty = Kung Hau 8th year, 7th month, 17th day. The 30th day of the 8th Month of the 15th year of Meiji = 30th of August, 1892.

(Signed) Li Yu Yuan.
Korean Plenipotentiary.

(Signed) Yin Hung Chi.
Assistant Korean Plenipotentiary.

(Signed) Hanabaus Yoshimoto.
Minister Resident of Japan.

CONVENTION OF TIENSIN, APRIL 13th, 1898.

Signed by Viscount Ito and Viceroy Li Hung Chang.

The said respective Powers mutually agree to invite the King of Korea to instruct and drill a sufficient armed force that Korea may herself assume the duty of preserving public order and also to invite him to engage in his service an officer or officers from amongst those of a third power who shall be entrusted with the instruction of said force.

The respective Powers also bind themselves each to the other, henceforth not to send any of their own officers to Korea for the purpose of giving such instruction.

In case of disturbances of a grave nature occurring in Korea which necessitate the respective countries at either of them sending troops to Korea it is hereby understood that they shall give each to the other Power notice in writing of their intention to do so, and that after the matter is settled they shall withdraw their troops and not station them there further.

It is hereby agreed that China shall withdraw her troops now stationed in Korea and that Japan shall withdraw her troops stationed there for the protection of her Legation. The specified time for effecting the same shall be four months commencing from the date of the signing and sealing of this convention. Within this time the high contracting Parties shall respectively accomplish the withdrawal of the whole number of each of their troops in order to avoid effectively any complications between the respective countries. The Chinese troops shall be withdrawn from Massampo and the Japanese from the port of Jinsen. (Chosulpo).
In view of the fact that on the 25th of July 1894, the Korean Government entrusted His Imperial Majesty's Envoy Extraordinary and Minister Plenipotentiary at Seoul, Korea, with the expulsion on their behalf of Chinese soldiers from Korean territory, the Governments of Japan and Korea have been placed in a situation to give mutual assistance both offensive and defensive. Consequently the undersigned plenipotentiaries, duly authorized by their respective Governments, have, with a view of defining the fact and of securing in the premises concerted action on the part of the two countries, agreed to the following articles:

Article 1. The object of the Alliance is to maintain the Independence of Korea on a firm footing and to promote the respective interests of both Japan and Korea by expelling Chinese soldiers from Korean territory.

Article 2. Japan will undertake all warlike operations against China, both offensive and defensive, while Korea will undertake to give every possible facility to Japanese soldiers regarding their movements and supply of provisions.

Article 3. This treaty shall cease and determine at the conclusion of a treaty of peace with China.

In witness whereof, the plenipotentiaries of the two countries, have signed the treaty and heretofore affixed their seals.

Done at Seoul this 25th day of August, 1894.

(Signed) Ketsuke Otani.
H.I.M.'s Envoy Extraordinary and Minister Plenipotentiary.

(Signed) Kim In Shikyu.
H.K.K.'s Minister for Foreign Affairs.

Mr. Allen to Mr. Sherman.

Sir:—

Referring to my No. 27, October 25th, regarding the matter of the dismissal of Mr. Brown from his position as Adviser to the Financial Department and Chief Commissioner of Customs I have the honor to inform you that the matter is closed in favor of Russia, and to give you the details of the conclusion, which I am sure you will find to be of interest.

On October 26th, Mr. Jordan, H.B.M. Consul General here, received a dispatch from the Korean Foreign Minister announcing the appointment of Mr. Alexieff in the place of Mr. Brown, and stating that, "in regard to the dismissal of the present Adviser to the Finance Department and Chief Commissioner of Customs, I will be glad to see you and discuss the terms." Mr. Jordan promptly returned this dispatch with the statement that he had nothing to discuss with him in this matter.

The Foreign Minister then telegraphed to Sir Claude McDonald, H.B.M. Minister at Peking, who has credentials for Korea as well, stating that he had addressed Mr. Jordan upon the matter of the dismissal of Mr. Brown, but that Mr. Jordan had returned the dispatch without explanation.

The next day he received a reply from Sir Claude to the effect that Mr. Jordan was acting with his entire approval and that the dismissal of Mr. Brown was altogether unwarrantable. (See enclosure.)
In my No. 27 October 25th, I pointed out that while the Minister for Foreign Affairs owed his appointment to the influence of the Russian Legation, he was not as energetic as they seemed to desire him to be, and Pak Chung Yang, the Minister of the Treasury, was showing very unexpected strength in firmly refusing to dismiss Brown while his contract and the Royal Decree placing him in charge of the Finances were still in force. There seemed to be a lull in the agitation and on November 3rd, Mr. Jordan informed me that the British Charge d'Affaires at St. Petersburg, Mr. Goshen, had had an interview with the Russian Foreign Office official in charge of Asiatic matters on the subject of the removal of Mr. Brown, in which this official had stated that Mr. de Speyer was acting entirely upon his own initiative: that the Korean Government had asked the Russian Government for financial experts and one such had been sent, "but we have absolutely given no instructions to our agent in Korea regarding the removal of Mr. Brown."

Mr. Goshen then suggested the sending of a telegram to Mr. de Speyer asking him to delay further action pending the receipt of instructions, and the official agreed to consult the Minister for Foreign Affairs on the subject.

On this same day, November 3rd, every one here was much surprised by the removal of Min Chung Heuk, who had been appointed Minister for Foreign Affairs at the instigation of Mr. Waebt, late Russian Representative here, in place of Ye Wan Yong who had refused to sign the Russian Military Contract (see Mr. Sill's No. 286 Dept. 9) Min was known to be altogether Pro-Russian, but he is a timid man and disinclined to assume responsibility; he was replaced by Chy Pyung Sik, who is also Minister of Justice and President of the Council of State. I wrote of him fully in my No. 10, October 2nd. page 2.

The general impression was that as matters were progressing slowly, a more rigorous Minister was desired who would assume all responsibility and not call upon his colleague at the Treasury to do what might as well be done at the Foreign Office. Results seem to have born out this inference, for on the 4th, it was known that the contract for the Russian Financial Agent was prepared, and on the 5th, November it was signed by the Russian Charge d'Affaires and the Korean Minister for Foreign Affairs, Chy, it being rather a treaty of agreement between the two Governments than a private contract. I am able to hand you a more careful and exact translation of this document, and you will see that it places Russia in entire control of Korean finances: no new financial scheme such as the raising of a loan, or even the paying of a debt, can be attended to without Russian consent. No foreigner of another nationality can hold the position thus given to a Russian, and no time limit is given to the agreement, which is to be perpetual.

In order to make this arrangement effectual, Russian agents will have to be stationed all through the interior for the proper collection of the revenues, and with the Korean Army in Russian hands as it now is, these agents will be furnished with a very efficient police force. The condition of the people can not be worse than it is now, and they will doubtless welcome such a system of control. The King professes to be in utter dismay over the situation but he receives little sympathy, as it is due entirely to his weakness and desire for his personal safety that the present state of affairs was brought about.

I enclose a clipping from the Seoul Independent of October 30th., giving an account of the proceedings connected with the dismissal of Mr. Brown, as well as an item as to the intentions of Mr. de Speyer toward the Missionaries.
It is not unlikely that he may attempt to interfere with our Missionaries, but he will be hampered by the fact that the French Catholics, whom he will hardly care to molest, enjoy so many more privileges than do our people, that in claiming equal rights for Americans our people will have all they can desire.

I also enclose a clipping from the same paper showing something of the remarkable work Mr. Brown has been able to do in conserving the revenues of this country which, until he took charge of the Treasury, a year and a half ago, was without funds, without credit, and the foreign merchants would not take the smallest Government order without being paid in advance. During this time Mr. Brown has enabled Korea to pay off 2,000,000 yen of the debt to Japan of 3,000,000 yen; he has paid such sums as 100,000 yen for a cemetery, 100,000 yen for the Imperial Coronation; he has made beautiful broad, clean avenues of the dirty lanes of Seoul; he has made possible the most unprecedented building of temples, palaces, etc., and he has a reserve fund of 1,200,000 yen to hand over to his successor.

Mr. Brown tells me that his relations with Mr. Alexeiff are quite amicable and that the latter has requested him to remain, but that he cannot do so. In conclusion I wish briefly to sum up the situation and enumerate the steps by which Korea has found her way to a virtual Russian Protection.

Ten years ago, while the service of the Korean Government, I had occasion to make a public statement that Korean independence was practically assured for the time by her Geographical position: that then China claimed Suzeain rights, but that she could not absorb the country without a conflict with Japan which she did not seem to court; that Japan cast longing eyes upon the peninsula but that she could not take it without a conflict with China which, as the latter was backed in her claims on Korea by England, she would hardly dare to precipitate; that Korea must eventually fall more or less under the influence of Russia with the completion of the Siberian Railroad, since Vladivostock the Eastern terminus of that road is actually blocked by ice in the winter, and a port to the south of the Korean coast would be an absolute necessity.

This statement was much resented at the time by the Russian Representative, Mr. Waether, who assured me that with new and improved ice-breaking machinery, Vladivostock could be kept open. He voluntarily admitted to me last summer that this was impossible because the weather is so severe that even with a more or less open way, the ships could not with safety brave the storms of sleet and the dangerous navigation in winter necessary to reach that port.

In 1893 the Russian Representative here said to me that the Siberian Railroad would be completed in six years, and later on, in a burst of confidence, he said that Russia wanted nothing in Korea at present, "but after six years then you will see." The Japan-China War undoubtedly precipitated matters, and compelled Russian action before the contemplated time. China, not receiving the assistance from England she had been led to expect, fell an easy prey to Japan, and in 1894 the latter at last gained control over Korea. She very wisely sought only to assure the independence of Korea with Japanese influence paramount, but the Japanese blundered most astonishingly in arranging and carrying out the details, and instead of improving their opportunities here they lost their influence entirely upon the murder of the Queen, which made Korea ripe for falling into the hands of the Russians.
While a prisoner in the hands of the Pre-Japanese cabinet formed after the removal of the Queen, the King, through the Russian interpreter, was induced to ask the protection of the Czar, which request was more formally stated by the Korean Ambassador to the Coronation, and resulted in the private agreement between the two powers, granting Russia control over Korean financial and military matters in return for the protection of the King and the palace.

All this was done in a most gentle and persuasive manner by the recent Russian Representative here, Mr. Weaber, and had he remained, the execution of these well laid plans would doubtless gone on in the same quite and unalarming way. The recent sudden and precipitous changes do not seem to be in the usual style of Russian diplomacy. I do not think that Russia desires to make Korea an integral part of the Czar's dominions. It would be too much trouble and expense to protect it, while Korea independent will serve as a useful buffer between the real Russian domain and the rising and war-like Empire of Japan.

It was the carefully pursued policy of the late Russian Representative, Mr. Weaber, to abstain from all appearance of meddling in Korean affairs, after going to the extreme of allowing certain abuses to continue rather than to speak, when a word of rebuke from him would have had much, if not a conclusive effect. In this way he was able to control Korean affairs so far as he desired without seeming to work against, or weaken, the pet idea of independence, so dear to the better Koreans. His successor has taken a directly opposite course, and his first two months service have been very stormy, but successful in a way.

I have the honor to be, etc.

Mr. Allen to Mr. Sherman.

Sir:

I have the honor to inform you that on the 21st. and 22nd. instants, the long-talked-of funeral took place of the late Queen of Korea who was murdered on October 8th, 1895. It was rather a funeral in her honor than of her remains, as I understand that only one of the small boxes of the finger was rescued from the fire in which the murderers attempted to hide their guilt. Having been given the posthumous title of Empress, she was buried with Imperial honors.

As the Korean Government had sent a special Envoy to be present at the funeral of the Dowager Empress of Japan last year, the Japanese Government appointed their Minister to Korea to represent them officially at this funeral as special Envoy.

It was decided at a meeting of the Foreign Representatives, that we accept the invitation of the Household Department and be present with His Majesty through these funeral ceremonies.

We began by repairing to the Palace before dawn on the 21st., where, after a long and tedious wait in the cold we saw the bier leave the Palace, and then paid our respects to His Majesty. The procession then found its way to the Cemetery, six miles east of the city. It showed a lavish display of money, but to foreigners the features would seem to be chiefly grotesqueness and lack of order. I enclose an extract from the Seoul "Independent" of the 25th. instant descriptive of the event.
At 2 P.M. of the same day we went to the Foreign Office to join the procession of His Majesty to the grave, but the latter feeling chagrined at the long delay he had caused us in the morning, started off an hour earlier so as to be on time. Not knowing of the change, we were spared the necessity of making a part of the procession.

Arriving at the Cemetery we were quartered in neat little 8 by 8 foot paper rooms, each containing a narrow cot, and each room having to do duty for four persons. We were served with dinner, on which occasion, owing to the lack of arrangement, the Japanese Envoy was placed in such an undignified position that he had to complain of it.

At 5 A.M. on the 22nd. we attended the King and bid adieu to the bier. At 7 A.M. the interment took place, and at ten A.M. we had a formal audience with His Majesty after which I made my excuses and returned home, as I was quite ill from exposure and was confined to my bed for several days. The other Representatives waited and returned to the city in the evening of the 22nd. with His Majesty.

His Majesty implored me to get up a guard to accompany him, as was done by my predecessor in 1890 at the time of the funeral of the Dowager Queen. When I had kindly, but firmly, shown him that this was impossible, he urged me at least to get up a guard for the Legation, which I also politely declined to do on the ground that there was no adequate cause for so doing. My reasons were, briefly, that an American Guard could only be summoned for the protection of American lives and property; that it could not be used off American property, nor could it be brought here when there was no sign of any danger to American lives and property.

At his most urgent request, I extended an invitation to such of the officers of our ship at Chemulpo as should care to see the ceremonies, to come and be my guests and Captain Wildes of the "Boston" sent six officers who accompanied me through all the ceremonies, in full uniform. Many American citizens were also present, a house having been prepared for non-official guests, and Americans had been specially invited by the Household Department.

One notable feature of the occasion was that four Russian Non-Commissioned officers constantly remained by His Majesty's chair, and no one was allowed to approach without permission.

The obsequiousness of the officials in charge toward the Russians and French Representatives was very conspicuous. Much of what might have seemed neglect to others, however, may be charged to the general lack of order and system on the part of the natives, and to the keen desire of time-serving officials to make themselves secure with the party in power.

A short time ago we saw the matter reversed, and the Russian Representative was neglected by the same officials, who then devoted themselves to the Japanese Minister quite as enthusiastically as they waited upon the Russian Charge d'Affaires at this funeral.

I have the honor to be,

etc. etc.
Port Hamilton is a group of islands off the southern coast of Korea in about latitude 34 by longitude 127 - 3. It was offered to us through Admiral Shufeldt, so I was told by the latter. England occupied it in 1885 to prevent its occupation by the Russians. She gave it up soon after at the solicitation of China, and upon the latter's promise not to let it pass into the hands of any other power. Russia agreed at the same time that she would not occupy Korean harbours or territory. It is to that agreement on the part of Russia that Mr. Curzon refers in his remarks made in Parliament. See my No. 31/3, November 10th.

U. S. Legation, Seoul, Korea.
March 22, 1896.

Mr. Allen to Secretary of State.

Sir:

Referring to my No. 89, March 19th., I have the honor to inform you that on yesterday Mr. Jordan, H. S. M. Charge d'Affairs, volunteered to me the confidential information that he was in receipt of a telegram from Lord Salisbury to the effect that the British Government had made objections to the Russian government, based upon the financial contract M. de Speyer made with the Korean Government (see my No. 36 Nov. 19, enclosure 1.) especially to the clause prohibiting the future employment of any but Russian subjects by the Korean Finance Department.
About this time we were greatly surprised here by a sudden change in policy by the Russian Government in direct opposition to that pursued by the Russian Representative here.

On March 7th, Mr. de Speyer forwarded to the Korean Government a communication from the Emperor of Russia to the Emperor of Korea, being a direct request for a plain expression of the desire of the latter in regard to Russian assistance, and offering, if such assistance were not desired, to remove the Russian Financial Adviser and Military officer at once. In Encl. 2 from the Seoul "Independent" of March 12th.

While this latter was under consideration by the Council of State, a Mass Meeting of citizens was held, at which, after speeches were listened to, a Memorial was drawn up, praying for the acceptance of the offer of the Emperor of Russia. I enclose an article from the " Independent " of March 12th., giving an account of the meeting and a copy of the Memorial.

After due deliberation by the Council of State, a polite reply was handed to Mr. de Speyer accepting the offer to remove the Russian officials.

I am informed on good authority, that Mr. de Speyer did all in his power, even using threats, to secure a rejection of this offer by the Korean Government, and later to have the letter of acceptance withdrawn personally by His Majesty. Failing in this, he telegraphed the Korean reply to St. Petersburg, and on yesterday he handed to the Korean Foreign Office the final reply of his Government, and the announcement that he had made arrangements to withdraw his people.

I enclose copy of this letter from the " Independent " of today.

In telling me of this matter, Mr. de Speyer informed me that the military officers would be retained with his Legation guard, which has just been re-inforced. It now numbers about 150 men.

M. de Speyer does not conceal his bitterness over this ending to his strenuous efforts here. As I informed you in my No. 67, Jan. 21st. p.2, he assured me that he had not only acted all through his course without instructions, but in the face of recent telegrams from his Government to be cautious and avoid creating difficulties. He said that he was conscious that he would be made to suffer if he failed, but that he could not fail. His failure has apparently caused him to suspect everyone; he has spoken to me so bitterly of every Representative here except our French Colleague that I have had to decline to listen to his remarks. He again brought up the subject of American Advisers and American Missionaries yesterday, in telling me of the above matter, and claimed that American Missionaries were present at the mass meeting above referred to, and were advising the speakers what to say. I assured him that he was entirely mistaken, as I had sent my Interpreter to report on the meeting, and from him as well as from others, I was certain that no American could be charged with any such thing. He then claimed that Students of the American and English Schools were among the speakers. This I had to admit, but I had learned that they were there without the knowledge of the American Teachers, who could not have restrained them had they known of their intentions.

He made other vague charges against Americans for expressions used in their sermons, which I declined to admit unless he would frankly state the facts in each case.
I mention all this to assure you that our people have not had the slightest connection with this Anti-Russian agitation, which is due entirely to the harsh measures of M. de Speyer.

M. de Speyer complained much of certain American Advisers, and these complaints I had to admit. I claimed, however, that as these men were employed by the Korean Government without any recommendation of, or connection with our Government, it was not for me to dictate to them what advice they were to give; that if the Korean Government did not approve of their acts or advice, it could give them instructions to the contrary, which I felt sure they would obey.

His chief complaint is about Dr. Jaisohn, the editor of the "Independent." Dr. Jaisohn agreed to surrender his contract on his being paid what was still due him, and to leave the country. This proposition was accepted, but so many Koreans desire his presence that the money has never been paid him.

I understand that some, or all of the American Advisers will be asked to surrender their contracts on the same terms.

I have the honor to be,

et al. etc. etc.
Copy of a telegram received by the Korean Government from its Legation at Peking, China.

Telegram from Peking, China.

The Russian soldiers are stationed on the other side along the river. Yesterday the Russian officers of the border near here, wrote a despatch to the Governor of the North and South Hami Province, as follows:

Despatch to the Governor of North Hami Province.

On the 20th of January, 1904, the Russian Government sent its Powers to know the conditions and the Good Powers know that it was wrong. The Japanese Government sent an announcement of fighting with Russia. Yet the Powers all know that Japan is doing wrong things in Korea.

As Korea is an independent country, Japan and Russia had made contracts in 1875 and in 1902, and the Korean Emperor declared that Korea would do nothing in the matter in case Russia and Japan may fall into a war, and the Governments of Russia and Japan said it was right.

However, the Japanese Government ordered its Minister in Seoul, three days before the trouble was broken out, and the latter told His Majesty, the Emperor of Korea, that Korea would then have to be in under its
and

Japanese protection that his Majesty may refuse it, he would station the Japanese army in the Palace.

At this time the Japanese army came into the city of Seoul without fighting with the Korean army 1870 for a second and the Minister of the Czar of Russia had to leave the city of Seoul.

His Majesty the Emperor of Korea and the Korean Government is praised by the Japanese influence and Japan, therefore, takes away the export of Korean independence, and they recognize and treat the pro-Korean people as their slaves.

Therefore the Russian Government orders in all places that she does not recognize at all that Korea is notified and the Russian Government is notified and that Korea is to be notified with the above facts.

Your Excellency must, therefore, notify this to all the Local officers under you, the officers of all militia and even the people.

If the Korean officials, military officers and the people assist the Japanese with all their power and dispatch soldiers to the North with the Japanese soldiers and receive orders from the Japanese

when they are fight with Russia in Manchuria, the Koreans will be seized and treated as enemies at Japan and they will be avenged with force of severity. Vengeance will be wreaked out to them without mercy.
Copy of a telegram received by the Korean Government,
March 12th. From its Magistrate at Kyung Song.

The Russian soldiers are stationed on the other side along
the river Tiumen. Yesterday the Russian Officer of the border
Korea and China wrote despatches to the Governor of the North and
South Han Kyung Province, as follows:

On the 30th, of January 1904, the Russian Government
sent to the Powers to inform them of the conditions and the
Good Powers know that it was wrong. The Japanese Government
sent an announcement of fighting with Russia. Yet the powers
all know that Japan is doing wrong things in Korea.

As Korea is an independent country, Japan and Russia had
made contracts in 1895 and in 1902, and the Korean Emperor
declared that Korea would do nothing in the matter
in case Russia and Japan may fall into a war, and the Government
of Russia and Japan said it was right.

However, the Japanese Government ordered its Minister in
Seoul, three days before the trouble was broken out, and the
latter told His Majesty, the Emperor of Korea that Korea would
thereafter be under the Japanese protection and that if His
Majesty may refuse it, he would station the Japanese army in
the Palace.

At this time the Japanese Army came into the city of Seoul
without fighting with the Korean Army even for a second and the
Minister of the Czar of Russia had to leave the city of Seoul.

His Majesty the Emperor of Korea and the Korean Government
is pressed by the Japanese influence, and Japan, therefore,
takes away the right of Korean independence, and they recogni-
and treat the Korean people as their slaves.

Therefore the Russian Government proclaims in all places
that she does not recognise at all that Korea has agreed to the
demands of Japan, and that Korea is to be notified as to the
above facts.

Your Excellency must therefore, notify this to all the
local officers under you, the officers of all the Militias and
even the people.
very easily white wine will be made and used some dilution and the unept. The land left for future reclaim would be probably cover about 10,000 acres altogether.

The Agriculture of Korea

The leading agricultural products are rice, barley, beans, tobacco, and anything kinds of vegetables. The farming, cultivation of fruits, plants are also prosperous. Most the method are not good, there are many things to be improved.

Now in the locality where it no Japanese, the Japanese rice is planted. Should many Japanese farmers will emigrate to Korea and show them how to cultivate the land and shown them examples, the Koreans farmers will be enabled to develop their agriculture.

Lately, many Japanese individuals and corporations are establishing themselves at Korea. The Nakae Company (the Japanese association in Mokpo). The Nakae Kominwai, Sano, Kominwai, Sannai Kominwai, Nakae Kominwai, Nakae Kominwai, Nakae Nakae and Nakae Kobu Nakae.
Part

The cotton of Corea.

General view of the Corean agriculture.

The principal product of the Corean agriculture is the rice. The people in doing this are much more the cultivation of the rice, no matter the watering and the climate. It is cultivated at every part of the country and the valley. There are a great many rice fields on the banks of the Tae-long-gang and the valley of the Ch'ang-ch'ong-gang. The rice is next of the rice. The beans and millet are also produced.

The farmers are in every where throughout the country. Where the rice field is scarce, there the farmers are cultivated in a great place.

The most noble point of the Corean agriculture is that the farmer does not aim to supply the demand of the locally, but he farmers themselves. They are cultivating for their own demand.

The farmers are plenty in Corea; 90% of the whole nation belong to farmers. Every farmer are cultivating what he need daily. Bananas, oranges, tangerines, melons, vegetables, etc. (The material of the oil used for the hairs of the head). Tobacco and cotton are very necessary things for Coreans and every Corean are cultivating them for their own use.

The cultivating of the cotton.

The cotton is produced in every where throughout the country, with only addition of 2 provinces, it is to say, Ch'ang-ch'ong-do and Nang-yon-do. The most of Corean use the cotton clothes, for which they are cultivating. They wear cotton clothes from the cotton which is cultivated in their own farms and, if any surplus they will sell it in the market. The leading places where the cotton are produced are the South Ch'ang and, Nang-yon-do, the North Ch'ang and, and Ch'ong-ch'ong-do. The cotton is also well known by the production of the cotton.

The whole parts of Ch'ang and, Nang-yon-do, the south part of Ch'ang and, the vicinities of Mosaic, P'youn-gi, are a great habitants of the cotton.

The agricultural quality of the locally, where the cotton is cultivated is sandy mixed with the loam or estivate for cotton. The nature of the ground is slope, so that the watering is convenient and it suffer sometimes from too dry season. The relation of the cotton with
the rain in Coroa, is better than that in Japan.

In Japan, the rainy season comes in the season when the flowers of the cotton plant opens, and damage the quality of cotton. In China, however, there is just weather in the season when the cotton plant is growing and very little rain in the season when the flower of the cotton opens, so that both the quality of the cotton are not damaged by the rain. The storm is very severe in Coroa. In August, 1904, there was a great storm, by which cotton crops is said to have been reduced about 20%, but with a storm is very severe; it comes once every 50-60 years. The bore-pot gives little damage to the cotton plants.

In the north part, it is very often damaged by the bore-pot, but in the southern part, it is never damaged by the bore-pot. There is also damages produced by the insects, but it is very little. In short, the cultivation of the cotton plant in Coroa is more favorable than that in Japan, although it is somewhat inferior to the cotton in the Torrid zone.

The joint crop of the cotton is about 400-500 lbs per acre. The total quantity of the cotton crop of the country is about 250,000,000, the 25% of which about 31,000,000 lbs is produced in the South Okyot-la-do. The cotton which was exported from 1901-1902 only is about 24,000,000 lbs in 1901, 10,000 in 1902 and about 18,000 lbs in 1903.

The method of cultivation of the cotton plant in Coroa is very simple; they never sow seeds, and plants it on the field after the early crops has finished. The cotton, on danger stems are used as the measures. There is no watering. They do not know how to cut the fruit and a flower of buds, yet the cultivation of the cotton plant is much more profitable than that of Japan.

The Japanese cotton is divided into many kinds, but there is little difference between their qualities. Coroa is very much like to the Japanese ordinary cotton. Its quality is comparatively long fiber and glossy. It is able to be used for the material for cotton spinning mills.

According to the experience at Beijing, the
Korean cotton is suitable for the cotton gauzes which are demanded in Korea. It is only
vegetable that the Korean cotton has comparatively little fabric; for instance, it has only
25% of fabric of the whole, while the Japanese
cotton contains 83% of the fabric.

The success of the cotton cultivation of the
plants in Korea depends to be improved:
First, the seeds of the cotton must be selected
and the careful attention would be paid to
the manner of getting and sowing the seeds;
secondly the manner for the cotton plants must
be skilled carefully; the annual season, the
power of the animal bones are recommendable
for it. Of all, the selection of the seeds is
most important. The Japanese consul at
Mokpo cultivate for the trial 13 kinds of
the cotton plants last year, and has found
its proceeds very good. Now the cotton plants
in Korea is drawing much attention of Japanese.

The Nippon cotton spinning observation and
the cotton cultivating company which has been
established under the special subsidy of the
Japanese government are going to cultivate the
cotton plants in Korea.

The process in Korea is going to sell the cotton
which was produced at their own farms and to
carry it into Japan. The cotton and the silk clothes
which looks much better than the clothes woven
by Koreans with their own cotton yarn. Should our
merchants arrange with the Korean
traders to buy the cotton produced in Korea
and to supply the clothes to Koreans in return;
it would be mutatis advantage for the both
countries. Then the production of the cotton
in Korea will be increased and developed,
and become sufficient to supply for the demand of
Japan, while the cotton spinning factories in
Japan can get their material from nearest
country, instead of India and would be en-
cabled to supply to Koreans the cotton gauzes and
the clothes in the lower price than that at
present. The development of the cotton plants
cultivation in Korea will give much advantage
to the cotton spinning business in Japan.
The education in Korea.

The common education in Korea aims to cultivate the general knowledge which is necessary for the living and for communication to the nation.

1. The preliminary schools are divided into 3 kinds, namely:
   a. the governmental preliminary schools,
   b. the public preliminary schools,
   c. the private preliminary schools.

2. The governmental schools are those established by the local authorities and the government, the public preliminary schools are those established by the local authorities, and the private schools are those established by the individuals.

3. The expenses of the governmental schools are payable by the government; the expenses of the public schools are payable by the local authorities, and the private schools are payable by the individuals under the directions and the control of the minister for the affairs of the education.

4. The preliminary schools are divided into 2 classes, namely, ordinary preliminary school and higher preliminary school, terms being 3 years each.

In the ordinary preliminary school, the science, reading, composition, academic and athletic are taught. The home geography and home history are allowed to be taught if desired. In the higher preliminary schools, the science, reading, composition, geography, domestic geography, domestic history, foreign geography, foreign history, physics, chemistry, drawing, and athletic are taught. The science is taught to the girls at the higher preliminary school. The foreign language is also taught in the same school, if desired.

5. The local governs are to control the affairs relating to the education in the same locality.

6. The office hours and the holidays of the school will be fixed by the minister for the affairs of the education.

7. Every locality ought to have preliminary schools for the boys and girls in the locality. They are to be under the control of the local governs. The number of the schools in locality is to be fixed by the educational minister.

8. The teachers in the preliminary school are confined to the those who have passed the examination, in accordance with.
the regulation of the departments for the affairs on the education. The teachers are to be appointed by the local governor.

The above are the results of the regulation for the education in Korea. It is quite contrary to the regulation for the education in Japan. But its principle is not realized at all. The regulation exist for nominal only. It has passed just 10 years since the regulation of the education has been promulgated, but there has not been the results at all.

The Department for the affairs on the education in Korea.

is controlling general affairs on the educational administration and Air Shichara, is the advisor for it. The department is divided into 2 branches, namely, the general affairs and compilations. 2-3 chamber commissioners and 10 secretaries are managing the affairs. The compiling bureau is to publish the text books for both the preliminary schools and the normal schools or translating the Japanese text books into the Korean language. The text books for the following science has been compiled and published:

- History, arithmetic, Korean geography, world geography, world history, the history of Japan, and China, the history of Russia, Physics, agricultural chemistry, political economy.

The normal school in Korea.

The normal school has been established at last, in the view of educating the good teachers for the preliminary schools. It has some 30 students at present. They are educated by the good text books compiled by the educational department. These students are to improve the present conditions of the affairs on the education in Korea. It will take long time and be some hard work.

The colleges

In Korea, there are many of the colleges which are independent and free from the administration of the Educational Department.

The preliminary military school and the military college belong to the war department and are educating military officers. The college for jurisprudence belong to the jurisprudence department and is educating the judge and the official. Besides there are several private colleges teaching the law, economy, industry and
agriculture, there is also the post and telegraph school and educating the officers for the communication.

Thus the organs for the education look very good and in good order, but the result of the education is very questionable.

The Japanese Language School.

Before the break-out of the Japan and Russia war, there were 23 Japanese language schools. It now increased to 30 schools, containing about 1,000 students each. There are also the school established by the foreign missionary men, its students being about 2,500 men altogether. The Japanese and the foreign missions are contributing of the education in Korea.

The education in the Japanese settlements.

Every Japanese settlement in Korea have the preliminary schools. The Japanese settlement in Tuson, Cheonpho, Gansan, Seol, Mo-cho, Hwin-sun, Chinampe, Massan-cho, Phyong-yong and Hae-yong all have new schools.

The settlements in Taikun, Gung-deung-cho and Kong-yong are going to establish the schools. There is private library in Tuson, the night
Part I

The Seoul-Susan Railway

The Seoul-Susan Railway runs from Seoul to Susan, through 3 provinces, Chirin, Choyong-do, Cholla-do and Kyong-sang-do, its length being 274 miles. Its completion connected Tokyo and Seoul closer than ever. Opened the buried wealth at Korea to the world, gave to our country not only the political and economical advantage, but the strategical advantage. Since we secured the privilege for construction of the Seoul-Susan railway it has passed about 10 years before the company decided to complete the construction quickly. At the end of 1903 when the domestic relation between Japan and Russia was in crisis, the government, having found it very necessary, decided to complete the railway as soon as possible under special protection of the government.

Since that time, the construction carried on successfully and it was completed in about one year. The opening ceremony of the railway has been held on the 25th May.

In accordance with the Japan-Corea treaty signed on the August 1894, the promoters of the Seoul-Susan Railway Co and the Korean government signed on the
written contract on the September 1896. In 1899, at June, the last Tsuan Railway company has est-

established itself, under the special promotions of the 
government, in accordance with the law and the 

Imperial Ordinance which were promulgated September 

1898.

The special grace granted to the company by the 
government is:

(1) Guarantee of the interest of 6% annum, it 
is to say, for 15 years in the case when the 
traffic is not yet opened, the interest 6% annual 
will be granted against the capital paid; in the case when the traffic was opened but 
the dividend of the profit does not reach 6% annual, the balance will be granted by the 
government to the company.

(2) The interest 6% annual or downward will be 
granted by the government to the shareholders 
of the company for period of 15 years.

Besides, the Korean government has granted to the 
company the following grace:

(1) The ground for railroad stations, warehouses 
and factories will be supplied by the Korean 
government, at free of charges.

(2) The customs duties on the imported railway 
materials and machines will be free. The 
grounds used for railway purpose will be 
free of any taxes.

(3) The establishment of the branch lines at various 
locations will not be allowed to any other nations 
than the Korean government itself or the Korean government nations.

In the August 1902, the company commenced the 
engineering works. In the December 1903, when 
the problem of the accomplishment-granted accomplishing 
quickly was decided, the government granted to the 
company another grace as following:

(1) Against the debenture sum of 10,000,000, 
the payment of both the principal and interest 
will be guaranteed by the government.

(2) Special subsidy, sum of 5,000,000 
will be granted.

After full investigation, the company, having found 
the money is short for the construction and com-
pletely edition of the railway, applied to the go-

government for the further subsidy.

In the August 1905, the government has lent sum 
of 15,000,000, being to be returned by installments.
and free from interest. At the same time when the
accomplishing quickly of the railway has been improved.
Mr. Koi Tanizaki, the superintendent of the Imperial
railway Bureau has been appointed the president of
the Imperial railway Bureau, has been appointed the
chief expert. Several experienced experts have been
sent from the Imperial railway Bureau. By these
officers and engineers the railway was accomplished
so quickly as it was opened for traffic on the 14th of
January 1908.

The names of the members of the committee in
establishment of the company are as follows:—
Mess. Gyos-Ei Shibasawa, Motio Masejima, Saburo
Ozaki, Tsuna Takeuchi, Taku Oye, Chobei Ono, Asa
Nakane, Saburo Oshio, Murose, Ikeda, Kishicho Ono, and Asahi
Hirata.

When the company was established the following
men were created as official of the company.

The directors Mess. Baron Iisakii Shibasawa,
Saburo Ozaki, Tsuna Takeuchi, Gyos-Ei Hirata,
Motio Masejima, Kishicho Ono, Chobei Ono, Asa
Nakane, Saburo Oshio, Murose, Ikeda, Kishicho
Hirata, and Asahi Hirata (1) (a council).

The Auditors of the company were Mess. Taku Oye,
Saburo Oshio, Saburo Nakazato, and Asahi Hirata.

Kiroku Co. No. 2
In the December 1903, when the system of the Co.
was altered the following men have been appointed
the official of the company:—

The president: Koi Tanizaki.
The managing directors: Mess. Kuki Kawasaki,
Takao Takahashi, Takei, and Takei Kusakaba.
The directors: Baron Iisakii Shibasawa, Motio
Masejima, and Asa Oshio (3 council).
The auditors: Mess. Taku Oye, Saburo Oshio,
Kiroku Co. No. 3, Saburo Nakazato.
The directors: Kiroku Co. No. 4, Saburo Nakazato.
The railroad runs from Taeung, Kyong-bang, to
the northern part of Korea, via Sam-yang-je, (Kyong-
Bang-do), Taehan, Kyong-ji, (Kyong-
De phan), Kyong-ban, its length being 246
miles. It is a main railroad in Korea,
being connected with the military railroad
between Jex and Wijpec. It connects with the
military road Masan's railway, the Kyong-Wijpe-
railway and the Seok-Okmupe-railway, at
Sam-yang-je, Kyong-ban and Kyong-de
respectively.

In Korean region, the mountains range near from
the southward to the northward, the river Nak-Tong-Jang

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running between these mountains. The railroad runs across these mountains and rivers, and in consequence, its construction was very difficult. The railroad between Tusan and Olhyong-do is 20 inclinations, the smallest radius of its curve being 20 chains. In the northward of Olhyong-do, there is mountains range of Olah-cho-yong, ground is somewhat mountainous; there is S阳区-Byun-gang tunnel which is 3943 feet length in 17% inclination. From Tusan, it having crossed the rivers Stream-do-gang (1122 ft. width) and Ne- Tong-gang (1334 ft. width) and the Fuso-tunnel (1122 ft. length) reached to Olhyong-Byun-gang-station, where is the boundary line of Olhyong-Byun-gang-do and is 912 feet high above level which is the highest point throughout the whole line. From Olhyong-Byun-gang to Tusan (11), it is very mountainous and the railway runs at 20 inclination and there are 2 bridges, the 1st bridge (824 ft. length) across the River Byun-gang, as well as the Byun-gang (1) Tunnel which is 1823 feet length. From Tusan (1) to Tusk, it is comparative good road and railway run at 20 inclination. The construction was commenced from the both extremity, the southern and the northern.

The construction was decided to be accomplished quickly, so officers were increased and established at Tuyo-oli-Byung and Taisku, and it became upon the work which has been commenced and either completed or is to be completed as the followings:

A. Tusan region, between Olhyong-Byung and Nuri-Byung, distance 18 miles and 33 chains, commenced on the September 1901 and completed on the July 1902.

B. Sulk region, between Yong-do-Byung and Myojung-Heun-dong, distance 11 miles 48 chains, commenced on the August 1901 and completed the June 1902, the traffic opened on the December 1902.
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distance 28 miles 50 chains. Construction commenced September 1902, completed October 1903.
A. Tusan region, from mil.-Yong to Lyong-hyon, distance 25 miles 100 chains, commenced April 1904.
B. Lool region, from Chin-wi to Rong-pong, distance 48 miles 9 chains, commenced May 1903, completed in May 1904. July 1904, with exception of a tunnel and two bridges.
A. Tusan region, from Lyong-hyon, to Yong-dong, distance 77 miles 82 chains, in accordance with the Imperial Ordinance of 1903, the line was again surveyed, commenced March 1904 and completed October 1904.
B. Lool region, from Rong-pong to Yong-dong, distance 46 miles 19 chains, commenced April 1904, completed November 1904.
A. Tusan region, from Tusan to Oho-Ryang, distance 8 miles 20 chains, commenced in April 1905 and expected to be completed in December 1905.
B. Lool region, from Yong-dong-pi to the south part gate of Lool, distance 5 miles 20 chains, commenced in April 1905 and expected to be completed in the December 1905.

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completed on the December 1905.
Through the whole line, there are 27 tunnels altogether, its total length being 17,045 feet. Of all, the Lyong-hyon tunnel is the longest and its construction took longer time than it was expected. Another longest tunnel is Chusung-Yok tunnel, its digging was very hard work, as the rock was very solid. Besides, it was very mountainous place, and supply and transport of the digging materials was inconvenience. The authority, having afraid it unable to be completed in expected date, used digging machines more and carried the construction the day and the night, giving some bonuses; in consequence, the Lyong-hyon tunnel was completed on the November 1904, as pre-arranged and the Chusung-Yok tunnel was completed on the March 1905. During to construction of these tunnels, a temporary line has been constructed, but it was torn away, so sooner than these tunnels were completed.
The bridges are 302 altogether, total length being 28,230 feet.
The bridge crossed 3-ro-ohyon River (60 ft. depth and 450 ft. length) is most hard work.
The ground is soft, and the foundations of the bridge is 8 ft depth. The bridge across the Nai-tsong-gang (1834 ft length), T'ai Kuen-gang (824 ft length), and K. Kuen-gang (853 ft length) must be made specially for their foundations, which will be used some longer time for the constructions.

At present, the temporary bridges are used, and the proper bridges are in constructions.

The majority of the materials was to be supplied from the Japan and Europe or America. Owing to the transportation of the army, the ships were very scarce. Besides some ships, carrying the materials on board were awoken by the enemy or seized or stranded. Such accidents hampered the progress of the constructions.

In Korea, the roads are so bad and broken as the carriage can not be used, and the materials are to be transported only by the men shoulders or the horses backs. There are rivers to be crossed, but it freezes in the winter and overflows in the summer time, so that we could not rely upon these. In circumstances being such, the authority constructed the light railway over some 10 miles, from Nanmun to Sunan (1). In Corea region, it avoided the stream of Nai-tsong-gang River for transportation of the materials.

In order to pass the above of the Seoung-haen tunnel, the temporary railway over some 3 miles was constructed beyond the mountain, from the eastern entrance of the tunnel to the western entrance, in to inclination and in curve of 9 chains radius, 9 suite base stations being constructed on the line.

In Seol region, the materials were sent from Show-san to Pe-gang (1) against the stream of the Taeum-gang River.

From Pe-gang (1), they were distributed to Seoung-haen, Teou-le and Chyok-ung-yon by the trains. It laid the roads as quick as possible and no sooner than it constructed, the trains were used to carry the materials. The authority has paid best attentions to the transportations of the material, and supplied them very smoothly without delay.

The railway has been planned in view that it will be connected with various railroads in the east, and it will complete the connections of the communications between Europe and China. Therefore, its accommodations are quite difficult.
then short of the railway in our country. Its steel rails are 90 the weight per yard; interval of the track of the railway is 36 8 inch width; its sleepers are fixed every 80 feet; the carriages of both the passengers and cargoes are all "Bogie" style, their brakes being either "Kohler-Car-
nier" style or Westinghouse style; the locomotives made by are either 47 tons tanks, locomotives made by the Baldwin Co. of the U. S. or 100 tons consolidation engine of "Rudder- engine" for the passengers trains are most speedy and its drawing strength is very great.

The line has been opened for the traffic on the 12th January 1905. Its proceeds is much better than it was previously expected. In January, its income is about 6 yen, in average, a day, for a mile. In the February, it earned increased to about 9 yen, in average, as the following table.

<table>
<thead>
<tr>
<th>Month</th>
<th>Income</th>
<th>Per day</th>
<th>1 mile per day</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>5,995 yen</td>
<td>2.60 yen</td>
<td>8.5 yen</td>
</tr>
<tr>
<td>February</td>
<td>8,263 yen</td>
<td>3.53 yen</td>
<td>11.1 yen</td>
</tr>
<tr>
<td>March</td>
<td>9,067 yen</td>
<td>3.69 yen</td>
<td>12.3 yen</td>
</tr>
</tbody>
</table>

It is especially notable that in this line there are a great many passengers for a long distance.

In Japan, the distance of a passenger is 25 miles in average, in the Toho-do Railway, its average fee being 8 yen each while 60 yen only 21 miles and 51 yen each in the Kyushu Railway Co's line. In general average, it is 20 miles and 3 yen each, every passenger in Japan, while it is 26 miles and 8 yen each for every passenger in this line.

The South-Chemulpo branch line has its origin at the western great gate of Seoul. It joins with the main line at the southern great gate of Seoul and nine further westward via Yong sam and Yong- du-cho and reach to Chemulpo which is its extremity. Its length is 25 miles, containing 15 bridges whose length is 3286 feet altogether. This railway was planned by an American, James R. Morris, under the permission of the Corea govern- ment, 1894. In November 1896, Miss Sasaki, Shimamura and Mitani and various other business men formed a development syndicate and having purchased the privilege of this line from the said American, established a partnership and commenced the construction.

In October 1900, the line was opened for the
Traffic. In October 1903, it has promulgated with the Seoul-Fusan Railway Co. The proceed of the business of this line is very satisfactory. The below is the table of the income, in average, in latest 3 years:

The income, in average, per mile a day:

First half year Second half year
1902 " 22 1/3 " 21 1/3
1903 " 26 1/3 " 22 1/3
1904 " 24 1/3 " 23 1/3

The table of income from the January to the March 1905:

<table>
<thead>
<tr>
<th>Month</th>
<th>Income per mile a day</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>48,000</td>
</tr>
<tr>
<td>February</td>
<td>26,000</td>
</tr>
<tr>
<td>March</td>
<td>35,000</td>
</tr>
</tbody>
</table>

Although it passed only about three weeks after the main line of the Seoul-Fusan Railway was opened, the traffic is getting satisfactory progress day by day. Its development is proved by that of the Seoul-Chunchon line. The most populated province in Corea are Cholla-do, Gyeongsang-do and Kyong-sang-do. The main line was stopping through these provinces as well as Kyong-ju-do, covering the most wealthy parts of the Corea. The houses in these 4 provinces is about 90% of that in whole of Corea and the cultivated land in these 4 provinces occupies more than 75% of that in the whole of Corea.

In Corea, the regular markets are opened 3 times every month and supplying all daily necessaries. There are 1 or 5 markets every district. Along the main line of the railway and in its vicinity, there are about 60-70 markets of that kind, where the Coreans will come by the train from various directions.

It is generally expected that the Japanese Town will be established very soon near the railway stations; the Japanese language will be spoken among the Coreans and the Japanese coins as well as the bank notes will be in current very soon. The Coreans in these 4 provinces where the railway will have a great connection with the Japanese political influence in Corea.

The Seoul-Fujji Railway is another line which is to join the main line in Corea, connecting with the Seoul-Fusan Railway.
The Liel-Wijip Railway is another line which is to form the main line in Korea, connecting with the Liel-Fusun-Railway.

The Liel-Wijip Railway is now in construction by the government for the military use. It runs from Sijong-san, Liel, to Wijip, via Sijong-jeo and Sijong-yong, the length being 890 miles. It is expected to be opened for traffic in near future. Besides, another railway, the branch line of the Eastern China Railway, is to be constructed, situated in very near future, running from Yalu River to a point of the Liel China Railway, crossing the Chia tieng, its length being some 200 miles. Should these railways be completed, it will connect with the Shan-Kwai-Kan - Weimintung Railway, the Shan-Kwai-Kan - Tientsin Railway, and the Peking Railway, and reach to Peking, while it can also be connected with the railways in the Europe by the intermediate of the Liel China Railway and the Siberian Railway. Regarding with the communication with Japan, distance is 486 miles from Tokyo to Moji (Tokyo and Sanyo-Railway), 120 nautical miles from Moji to Susun, 570 miles from Susun to Wijip (Liel-Fusun Railway and Liel Wijip Railway), some 270 miles of the Liao-Tsiang Railway and 850 miles of the Shan-Kwai-Kan - Weimintung Railway, Shan-Tien-Hsin - Shan-Kwai-Kan Railway and the Peking - Tientsin Railway, the total distance being some 2,300 miles, which we can travel in 25 days and nights. It connects closely the Tokyo, Peking and Susun and will become the world mail line, having connected with the Eastern China Railway and the Siberian Railway. It will develop the civilization and the industry of the China and Korea and will gain a great advantage to the trade and commerce of the various powers with the East. Susun will be an entrance of the continent in future.
Part II

The mining in Korea

(A)

The export of the gold.

The mining is one of the greatest resources of the wealth in Korea. The total amount of the foreign trade of Korea is about 26,000,000 yen a year and the import always over the export is about 6,000,000 yen. The balance is covered by the production of the gold. The following is the table of the imports and export of the gold, silver and other hard cash in Korea.

<table>
<thead>
<tr>
<th>Year</th>
<th>Import</th>
<th>Export</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1902</td>
<td>6,594,085</td>
<td>2,502,885</td>
<td>4,091,200</td>
</tr>
<tr>
<td>1901</td>
<td>6,077,505</td>
<td>2,445,045</td>
<td>3,632,460</td>
</tr>
<tr>
<td>1900</td>
<td>5,757,575</td>
<td>2,177,791</td>
<td>3,579,784</td>
</tr>
</tbody>
</table>

Of the above mentioned, the export of the gold is occupying its great part.

The amount of the gold exported is as follows:-

<table>
<thead>
<tr>
<th>Year</th>
<th>Gold to Japan</th>
<th>Gold to China</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1902</td>
<td>5,004,361</td>
<td>5,808,905</td>
<td>10,813,266</td>
</tr>
<tr>
<td>1901</td>
<td>4,357,621</td>
<td>156,810</td>
<td>4,514,431</td>
</tr>
<tr>
<td>1900</td>
<td>3,065,380</td>
<td>567,690</td>
<td>3,633,070</td>
</tr>
</tbody>
</table>

The leading mines in Korea are as follows:

Kyong-ju

In Kyong-ju: Thong-fes.

In Ohbyong: Ohbyong-ju.

Chin-ju: Ohbyong-ju.

Ohbyong-ju: Mume-ri, Hong-ju.

Ohbyong-ju: Po-ju, Yong-ju.

Kwon-ju: Sam-ju.

Po-ju: Heum-ju.

In Cheol-la:

Heum-ju: Nae-ju, Cheol-ju.

Po-ju: Yong-ju, Mee-ju.

Chin-ju: Heum-ju, Kong-ju.

Cheol-ju: Heum-ju, Ohbyong-ju.

In Kyong-ju:

Ohbyong-ju: Nee-ju, Yong-ju, Ohbyong-ju.

Kwon-ju: Chin-ju, Heum-ju, Mee-ju.

In Kyong-ju:

Heum-ju: Nee-ju, Heum-ju, Ohbyong-ju.
In Nam-gyong-do.
Che-yong-Hae-Do, Ohyang-Okhyun
Hye-joong-Yeong-Gyeong Chae-Do-yeol
Myeong-Okhyun Hye-gyin Seong-Jeol
Okhyun Hae-Do.

In P'yong-An-do.

Okkyong Seong-um Sun-Do
Un-Do Seong-Okhyun Soo-Do
Okkyun Okhyun Soo-Chae-Do
Okkyun Chae-Do, Okkyun Chae-An
Okkyung Bang-Tong Kyeong-Do
t
Okkyung Seong Hae-Do

In Myong-hae-do.

Seong-um Ohhyang-um Yon-um
Chai-seong Thuot-um.

Kinds of the mines:

About 90% of the mines in Korea is the gold
and gold ore mines and the production of the gold
is more than five millions yen a year. They will
know there are mines are Hae-Okyun and Hae-
Okkyung, in P'yong-an-do, Hae-Do in Hae-Do,
Okkyung in Nam-gyong-do. The

smokeless coal are in Sun-Do and Ahyang-
Okkyung, the mineral water is produced in Kang-
yeo and Sun-Do. The copper mines are in
Okkyung and Hae-Do, the copper mines in
the Hae-Do mine is very well known.

There is a little silver mine but is not dig-
got yet.

The present conditions of the
mining in the Cora.
The most of the leading mines in Cora are
possessed by the foreigner. In 1895, a
man, an American, was allowed first to dig the A-
man gold mine which is covering 625 square
76 (24 miles) and whose annual production of
the gold is 2 millions yen. It is now under
a limited company which is formed by the Cora
Imperial House Head, Mr. Hase, and American,
and two American more. In 1897, Mr.
Walter, the German, assumed the privilege
of the Bang-Chae gold mine.

In 1900, Mr. Morgan, the British, got
Sun-Do gold mine and a Japanese got the
Bang-Chae gold mine. Lately, the
pooling of the Sun-Do gold mine has fallen to the hand of
The syndicate formed by the Japanese, British, and Americans. Besides various hopeful mines belonging to the Korean Imperial House -gold and silver - commercial and agricultural Department, but their proceeds are very little, on account their mines are under no good management. The gold dust is carried by the farmers when they are leisure and its conduct is pretty well. The investigation and regulation of the mining.

The mining as well as the agriculture is the best resource of the wealth in Korea.

Therefore, the Japanese ought to do their very best in order to get the privilege of the mines. But it is not yet investigated which and what mines are hopeful and profitable. There is yet no credible material for the investigation of the veins of rocks, quantities of the ores, of its transportation. Of course, more or less investigation has been done by the authorities but they are all not practical but the academic.

The Department for the agriculture and commerce of Japan has sent several experts for the investigation of the veins in Korea. The hope very exceedingly their investigation will produce a good result. The wood in forest in Korea.

Korea is very mountainous country but most of the mountains has a little of the trees. Some mountains are covered by no wood but their peaks only and some rocks rising into rocks and surface. The good wood are in Hamgyong, Pyeong, Nampo-do, a quarter latit and Toong-chi-do, Mung-chi and Pyeong-choi, Pyeong-ando, Pusan, Ham-gyong-do. But their quantity are not sufficient for the export. Their transportation are not convenient. Being there is no railway nor good road. Some wood strictly prohibited by the government to be cut. Only a good wood is in near resource of the Upper river and the Buceon. Upper river covering 3 districts, Hamgyong, Chon-gang, and Hwahyang in Pyeong-choi and 2 districts, Sun-gang and Haseon in Ham-gyang-do. This wood is not only large but in every profitable if it is well cut and transported. In 1902, its price was about 4 millions Belas.
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The wood is Tye-ryong.

Tye-ryong is a small-known wood in Min-gyong, Hapyeong-ryong (145 miles from Susan). Its situation is between Min-gyong, Hapyeong-ryong-do, it belongs to the Imperial House Wood and is allowed to cut down the tree for the use of only Imperial House Wood only.

The damaged tree, however, are allowed for sale, in consequence, the people very often cut trees intentionally on the wood, in order to produce the damaged trees. Tye-ryong is 10 miles length and about 5 miles width, of which just 15 square miles are covered by the good wood. The wood consists of the Rhizin densefolia (15-20-year-old, its diameter of the trunk being about 1 foot) chiefly, Quercus, Quercus glauca, Eucalyptus, etc.

The quantity of the wood is 200-300 trees every 5 acres, a tree being about 24-28 cubic foot each.

Therefore, a acre has about 7000 cubic feet.

The administration for the wood was systematic administration for the wood in Korea, because the profit from the wood is not yet considered by the authority. The central authority is dominantly.

Administrating it, it is interesting very often to plant the young plants, but it is never adopted. For the locality, the local governors in wood controlling the wood. The woods in Korea are divided into two kinds, one is governmental wood, which belongs to the individual or the legal persons, although there is no big career, yet the government wood and the private wood are distinctly separated in effect and in never mixed upon.

The governmental woods are mostly in the local where the communications are very inconvenient and its trees are growing luxuriantly;

the grounds of the governmental wood are allowed to be cultivated freely and to be granted in form of charges to those who cultivate them; i.e. one application to the government through the local authority.

On these cultivated grounds, a certain ratio of the tax are to be paid. No income is produced by the governmental wood, except only where the damaged trees were sold upon, its income being to belong to the local government officers.

The private woods are not taxed at all. The criminal cases of the thieves of the wood tree place very severely.
If any, the governor will whip the slaves with the stock as punishment or send the slaves to jail for disobedience with hard labor, the liability of the tenants being to be punished by the thieves. The demand and the supply of the timber.

The demand of the timber in Corea is so little as it is worthless for investigation, because the financial standard of the nation is very low. In this country, the only 8-10 pillars, and some topmost beams of the timber are used to build the ordinary houses, the materials for the other parts of the houses being the mud and shingles. The floor is generally made of wood and straw. Another country house is so small and simply constructed, so that only a little quantity of the timber is demanded. The house in town is a little better generally than that in the country. Other buildings which demand big quantity of the timber are the official buildings and the domestic palaces. The timber for these buildings are chiefly supplied by the wood in Corea. The foundations are usually made of the timber, wood into the wooden shed of the drains are rich in Corea. The bridges are not constructed, and if any, it is constructed with stones. The pine trees are used commonly, because there are little of other kinds of the trees. The more the demand of timber is increasing, the farther northward, corresponding to the convenience of the supply. The shrubs and grasses are used for fuel and the small branches of the pine trees are used by the people of the better class. The circumstances being such, the rare Coreans do not feel scarcity of timber, although its supply is very poor. If an ample quantity of the big timber is needed, it is always supplied the the wood in the resource of the Gyeol rice. The timber used by the foreigners in the settlement at the rice, are chiefly supplied by the Japanese. In Keel and Chunchu, some of the timber are reported from the Gyeol rice region.

The necessary of the administration.

Notwithstanding the agriculture is the foundation of the wealth of Corea, the authority is paying little attention on the administration of the wood and forests. Owing to the scarcity of the wood, the advantage of the river and water is not efficient. The sand and the sand is gradually covering the farms and the rice field, yet neither the farmers
and the government pay little attention for it. It is often
seen, but they do not consider about weeds. In
the soil, very scarce, so that it is always careless.
Nor are the administration of the wood is close,
connection with the agriculture. Those who wish to
cultivate the ground in Korea ought first to consid-
er what a good wood.

Regarding with the wood in the area, it is very profitable to cut down and export
back the timbers. We wish the Japanese will ac-
quire the privileges of the wood in Zhejiang area.

The commerce in Korea
The commerce in Korea is connected with the agriculture.
The economical affairs in Korea is not yet developed.
The nation is very lazy, they are up to date principle.
They have no idea to doing money, and they are
satisfied with living in very low condition. Korea
is an agricultural country, so the commerce is
depended upon only the agriculture. When
it is good crops and corn are exported, then
various demands are in market and import it
as a good amount. But when bad crops, the commerce
there have very little buying power and in consequence,
the import become very little. In short, the commerce
in Korea is attendant of the agricultural.

The foreign trade of Korea:
The foreign trade of Korea is increasing day by
day. The amount of the imports and exports of
Korea increased to more than 20 million Yen
a year, since 1902, of which 70% belong to the
trade with Japan.
The export of Korea consists of chiefly the rice
beans. The agricultural product over 90%
of the total amount of the exports. The leading
articles of the import is the cotton yarn and cotton piece goods which is over 50% of the total amount of the import. The import of the agricultural products is very little, it is only 9% of the total import, and never reached to 10%.

The import of agricultural products are not used by the Corians, but the Japanese and other foreigners only.

The trade between Japan and Korea.

Since 1874-5, Japanese-Korean trade has progressed at a great speed, yet there are resources for our commerce.

According to the statistics of the customs house, the import of Japanese goods to Korea amounts to about 1,112,000 yen in 1881, while the export of the Korean goods to Japan amounts to 1,000,000 yen in the corresponding year. Its balance seems to be very little. And if we calculate carefully, the amount of the imported goods which is replenished by Japanese at Corian and which is not affected on the statistics of the imports, we can find out a great balance on its trade between Japan and Korea.

Nearly all of the exports of Korea are the agricultural products which is exported to Japan. Therefore, the bargains of the goods for export are commanded by the Japanese merchants, and consequently, the export from Korea to Japan is successful and favorable for Japan. In other hand, the import from Japan to Korea is progressing very slowly. The cotton yarns and cotton piece goods from Japan, which is the greatest demand in Japan-Corea, is completed by that from America and India. The hemp clothes is monopolized by the Chinese, although the countries are monopolized by the Japanese, yet the Chinese is ready to supply the Japanese monopoly. The Japanese-Korea trade is only a bargain at the settlement in Korea.

The Japanese merchants in Korea are not gaining the profit on the import from Japan to Korea, but on the export from Korea to Japan, it is to say, the balance on the Japanese-Korea trade is always paid by the Japanese side. 

Trade in future.

As above mentioned, the Japanese-Korean trade is in disfavored conditions, although the Korean producing strength will not be increased further, yet there must be sufficient room for the
The marine products of Corewa.

The coast of Corewa is about 200 miles long, and
the marine products amount to about $1,000,000
per year. The leading marine products are the jun.
perch, clams, oysters, salmon, anchovies, horse.
sharks, porpoises, sea urchins, etc. The manu.
facturing of whale oil is one of the
most important industries in the
province. The whale oil is manu.
factured on the coast and
sold in the interior.

The greatest fishing

The greatest marine products are those of cod.
fish, herring, and sea urchins. Of
which the cod fish is the greatest product of the
coast and the demand is pretty well.

The place for its fishing is the coast of northward
from Bohai, near Longzhu district, to Sian,
Hunan district, Shandong province, covering
about 100 miles.

Its annual product amounts to about 6,000,000
yen. The asparagus is also one of the greatest products.
on the fishing of Korea. The fishery consists of: islands in Okha-ri, Onin-shon island in Honam-hae-do and Yon-yang island in Eum-sun-front of Cheongsong-
do and Hwang-hae-do are the principal fishing places of the fisheries which produced annually 9,000-10,000 tons annually to attract the attention of the Japanese.

On the fishing of the cardinals, Tais and charae the leading fisheries of the Japanese in Korea, of which the cardinals fishing is most flourishing. The leading Japanese fishing men are the people of Hwangseik-ri, Onin-ri, Cheongsong-ri, Onin-ri, Yon-yang-ri, Namyo-ri and Hwangseik-ri, having about 1,000 fishing boats. These products are about half a million yen a year. The season for fishing is from July to December and the places for fishing are Hwangseik-ri, Onin-ri, the coast of Hwangseik-ri, Onin-ri, Yon-yang-ri, Namyo-ri and Hwangseik-ri.

The whale fishing

The fishing of the whales in Korean waters is mostly done by the Koreans. The places for the whale fishing are chiefly the coasts of Kang-won-do, Nam-gyeong-do and the north coast of Yang-syong-do. In January second, 10,000 whales are very often raised a day. Ulleung Bay, Yon-yang island, Yang-yang island in Kang-won Bay, Seo-do in Hwangseik, district, Okho-ri in Tan-gyin-dong district, Yon-yang-ri in Yon-yang, district, Yon-yang-ri in Ongyong-ri district.

The whale fishing is very profitable and hopeful but few Japanese are doing it, as it must get permission from the Korean government to kill them inside the sea off 3 miles from the coast. The Yen-yo-rygo-rygo-kabushi-kai (the marine fishing Co., Ltd.), Nagasaki, Sh. Futaba-kogei-ken (the Sh. Futaba whale fishing Co.) and Sh. Futaba-kogei-ken (the Sh. Futaba whale fishing Co.) and Amakusa-kogei-ken (the Amakusa whale fishing Co.) and Miura-ken (the Miura whale fishing Co.) the whale fishing Co., of which the Yen-yo-rygo-rygo-kabushi-kai is largest. In February 1925, the Yen-yo-rygo-rygo-kabushi-kai-kai-ken has got the privilege from the Korean government for fishing the whale at the coast.
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...
Part VI

The advantage of the agriculture in Corea.

The present condition of the business in Corea is only the commerce in the settlements. There is no industry. It is not only so at present, but it will be so even in future. The hopeful points of the agriculture of Corea are as following:

1. A great many of the grounds left uncultivated, there is no credible statistics of the populations of Corea. But the latest investigations agree in saying 12,000,000 more persons. Against the surface of country, 95,000 miles square, the population is 14,666 persons in average a mile square. The population is rare compared with other countries and consequently as great many of the ground are left uncultivated.

2. Soil is somewhat good and suitable for various cultivation.

3. There are a great room for the improvement on the agriculture. The agriculture is not yet fully developed. The advantages of the water is not utilized.

4. The price of the land is very low. The rate of the interest on the principal is very high in Corea, while the price of the land is very low. Although the land is considered as the best of real estate and prices were advanced, significantly, it has been purchased, in competition, in both the towns and the country, yet the price of the land is low. The care of the rice field is 33.14A. and one acre of the farm is 99.00A.

5. The land tax is a little more. The tax on the rice field is about 12% for an acre and it is only 52 for one acre in the mountainous locality.

6. No local tax is charged connected with the ordinary tax. Therefore the farmers obligation is less than that in Japan.

7. The tenancy of the tenancy is good. The relation between the tenants of the land and the landed proprietors
In 1934, an investigation was conducted, and the surface area of the cultivated land was estimated as follows:

- Hyeyong-gen-ni-do: 68,929 acres
- Ichinang-chlyendo (Northern) 46,465 acres
  - Southern 89,188 acres
- Chul-ko-de: 102,596 acres
  - Southern 144,342 acres
- Wăngha-de: 92,401 acres
- Hwang-won-do: 22,491 acres
- Phóng-an-do: 145,180 acres
  - Southern 86,279 acres
- Non-ghost-de: 243,081 acres
  - Southern 60,921 acres

Total: 1,044,066 acres

It is about 5,100,000 acres altogether.

From various investigations, it is estimated that the present cultivated land is about 5,100,000 acres altogether.
First class of the Kian rice field about 36 Hens in square which can produce one bag of rice pays about 34 cens annually. It is that a field which can produce 50 bags of rice, is esteemed at one cash (元) pays about 16 dollars annually. They are situated in the provinces of Kiu-Ming, Chow-Ming, and Hsing-Sang.

Second class of field of the same size, or area as the above mentioned, which can produce about 2/3 bags of rice pays about 17 cens annually. They are generally situated in the provinces of Whang-Wei, P'ing-Chew and Kuing-Chew.

Third class field of the same area as the above mentioned which can produce about 3/10 bags of rice pays about 9 cens annually. They are generally situated in the provinces of Nan-Kiung and Kiang-Chew.

First class of dry field for one day, which can produce generally 8-9 bags of Millet or grain, or 100 weight of cotton, about 3 pounds per weight (50 cens). They are situated generally in the flat plains. Second class dry fields of the same size as the above, which can produce 5 bags of Millet or 50 weights of cotton, pays 60 cens of annual tax. They are situated generally in the hilly country, and very low plain. Third class dry field of the same area as the and, which can produce about 2-3 bags of Millet, pays 30 or 20 cens for annual tax. They are generally situated in hill or Mountain sides.
Official Notice. (Given to Japanese)

The diplomatic negotiations between Japan and Russia do no more continue, and our government begin to take any more fully being necessary to secure the position of our country which has been violated and to protect the rights gained already as well as the reasonable profits. Any country in the world have the sympathies deeply for our country, because the existence of our government is the most reasonable and suitable. Hence our subjects should be careful especially of the main substance and prudent about your conduct, obeying the several articles

written, because you are not only indifferent but you will get the confidence of the posture initiative (go away from our country if you are heedless and rude).

1. The utmost respect should be expressed always for the tranquility of the imperial family of the majesty the emperors of Korea.

2. Be careful enough for the safety of the lives and properties of Korean people as well as the other country.
The Willard Straight

Official Notice.

Stricter Japanese acting consul at Tientsin and Japan in general to Korean people. The diplomatic negotiations between Japan and Russia have terminated now and perhaps there may occur persecutions and torture among Korean people. Our authorities are always strict and your people are here to anyone, taking your interests as we hope. You may complain in detail to one office if the people give you some inconvenience for your license or protection. Our authorities will punish the subject according to our laws.

Imperial Ordinance dated 29th. June, 1905, for increasing the salaries of officials.

His Imperial Majesty said, the foremost in the most important point for the officials.

At the financial officials having been adjusted at present; cause much difference between the old and new currency, therefore the salaries of the officials must be increased so as to enable them to get enough to support themselves and all the officials bear in mind that they ought to attend their duty well and to change their bad old habits. If they continue it as dishonest business, they will be severely punished.

Shin Lane Yong Prime Minister

Annual Salary Account for the officials of the Bank

1st class (A) formerly, 5,000 dollars in Mexico, increased to 4,000 gold

- 4,000

2nd class (B)

- 2,000

3rd class (C)

- 1,500

- 1,000

- 1,000

- 600
SPECIAL SERVICE.

TOKYO TELEGRAM, Sept. 27th — "The German Asiatic Banking Company organized by the company belonging to the First Class in Germany, has decided to establish an Head office in Shanghai, and a branch Office at Yokohama in order to undertake advantageous investments in the Far East."

TOKYO TELEGRAM, Sept. 27th. — "The Japanese Government has sent a reply absolutely rejecting the remonstrance of the Chinese Government against the period allowed for evacuation of Manchuria and the future existence of the railway guards."


PREAMBLE.
The Governments of Japan and Great Britain, being desirous of replacing the Agreement concluded between them on the 30th of January, 1902, by fresh stipulations, have agreed upon the following articles which have for their objects:

a. The consolidation and maintenance of the general peace in the regions of Eastern Asia and of India.
b. The preservation of the common interests of all Powers in China by respecting the independence and integrity of the Chinese Empire and the interests of the Governments and the principles of equal opportunities for the commerce and industry of all nations.
c. The maintenance of the territorial rights of the High Contracting Parties, in the regions of Eastern Asia and of India and the defence of their special interests in the said regions.

Article I.

It is agreed that whenever in the opinion of either Japan or Great Britain any of the rights and interests referred to in the preamble of this Agreement are in jeopardy, the two Governments will communicate with one another fully and frankly and will conclude in common the measures which should be taken to safeguard those measures rights or interests.

Article II.

If by reason of unforeseen attack or aggressive action arising on the part of any other Power or Powers either contracting party should be involved in war or be forced to maintain neutrality unless some Power or Powers should join in hostilities against Japan in which case Great Britain will come to the assistance of Japan and conduct the war in common with and make peace in mutual agreement with Japan.

Article III.

Japan possessing paramount political, military and economical interests in Korea, Great Britain recognizes the right of Japan to take such measures of guidance, control and protection in Korea as she may deem proper and necessary for the security of her rights and interests.

Article IV.

Great Britain having a special interest in all that concerns the security of the Indian frontier, and Japan recognizing her right to take such measures in the territory of that frontier as she may deem necessary for safeguarding her Indian possessions.

Article V.

The High Contracting Parties agree that neither of them will, without consulting the other enter into separate arrangements with another Power in the presence of the objects described in the preamble of this agreement.

Article VI.

As regards the present war between Japan and Russia, Great Britain will continue to maintain strict neutrality unless some Power or Powers should join in hostilities against Japan in which case Great Britain will come to the assistance of Japan and conduct the war in common with and make peace in mutual agreement with Japan.

Article VII.

The conditions under which armed assistance shall be afforded by either Power to the other in the event of war will be as follows: The High Contracting Parties will at once come to the assistance of its ally and, whatever the circumstances mentioned in the preamble of this Agreement and the means by which such assistance shall be rendered, will be arranged by the naval and military authorities of the High Contracting Parties who will from time to time one another fully and freely upon all mutual interests.

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gaining it with that of Japan to unite the two systems into one common to the two countries, and, having seen the necessity, with that object in view, of transferring the past, telegraph, and telephone services of Korea to the control of the Japanese Government, Hayashi Goseke, envoy extraordinary and minister plenipotentiary of Japan, and Il-Heung, minister of state for foreign affairs of Korea, each invested with proper authority, have agreed upon and concluded the following articles:

ARTICLE I. The Imperial Government of Korea shall transfer and assign the control and administration of the post, telegraph, and telephone services in Korea (except the telephone service exclusively pertaining to the department of the imperial household) to the Imperial Japanese Government.

ARTICLE II. The land, buildings, furniture, instruments, machines, and all other appliances connected with the system of communications already established by the Imperial Government of Korea shall, by virtue of the present agreement, be transferred to the control of the Imperial Japanese Government.

The authorities of the two countries acting together shall make an inventory of the land, buildings, and all other requisites mentioned in the preceding paragraph which shall serve as evidence in the future.

ARTICLE III. When it is deemed necessary by the Japanese Government to extend the communication system in Korea they may appropriate land and buildings belonging to the State or to private persons; the former without compensation and the latter with proper indemnification.

ARTICLE IV. In respect of the control of the communication service and the custody of the properties in connection therewith, the Japanese Government assume upon their own account the responsibility of good administration. The expenses required for the extension of the communication services shall also be borne by the Imperial Government of Japan. The Imperial Government of Japan shall officially notify the Imperial Government of Korea of the financial condition of the system of communications under their control.

ARTICLE V. All appliances and materials which are deemed necessary by the Imperial Government of Japan for the control or extension of the system of communication shall be exempt from all duties and imposts.

ARTICLE VI. The Imperial Government of Korea shall be at liberty to maintain the present board of communication so far as such retention does not interfere with the control and extension of the services by the Japanese Government. The Japanese Government in controlling and extending the services shall engage as many Korean officials and employees as possible.

ARTICLE VII. In respect of the arrangements formerly entered into by the Korean Government with the governments of foreign powers concerning the post, telegraph, and telephone services, the Japanese Government shall in behalf of Korea exercise the rights and perform the obligations pertaining thereto. Should there arise in the future any necessity for concluding any new convention between the Government of Korea and the governments of foreign powers concerning the communication services, the Japanese Government shall assume the responsibility of concluding such convention in behalf of the Korean Government.

WHAT TO SEND TO SIBERIA.

Under the above heading the London Daily Mail of May 25, 1906, publishes an article inspired by a report of Mr. H. Cooke, special commissioner of the commercial intelligence committee of the London Board of Trade, who has made an extended tour of investigation in Russian Siberia. The writer gives a view of the prevalent commercial conditions in Siberia, analyses the receptive as well as the productive capacity of its millions of population, and tells the British merchant and manufacturer how to utilize its enormous and comparatively unknown market. He tells, also, how and why the Germans and Americans have established the British. Mr. Cooke says that some of his purposes will have been fulfilled if his report dispels the associations with which Siberia has been almost exclusively connected and dispises its penal and climatic legends. The article, among other things, says:

Siberia is in some respects a primitive and outlying region of vast dimensions, of hitherto primeval communications and customs, but now in a state of commercial transition. Its centers, thanks to the railway, are now easily accessible. The American, the Dane, and the German are there already, and have captured some of the most fruitful fields it affords for enterprise. If what remains does not at present offer any vast opening for special branches of British energy, it is at least a market to be passed by. These rich regions will be to Russia's increasing millions what our colonies are to the British Isles.

Clearly and with a wealth of confirming detail Mr. Cooke shows the attitude of Siberia to British trade and traders. Everywhere the excellence of British wares is recognized, but in a great many cases they are not salable to anything like the extent of articles from America and Germany and other countries. Here are some of the reasons why British goods are introduced but slowly to the people of Siberia:

(1) British goods too expensive; (2) British commercial men not enterprising enough, goods not sufficiently pushed; (3) absence of British agents on the spot; (4) discrimination of British manufacturers.
Freight and sundry charges on transportation of goods from Osaka to Seoul.

**By Sea** (about 15 days)

<table>
<thead>
<tr>
<th>Item</th>
<th>Gray shirting I Bale(240 kin)</th>
<th>Cotton yarn I Bale(165 kin)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stowing expenses at Osaka</td>
<td>.070</td>
<td>.070</td>
</tr>
<tr>
<td>Freight, Osaka-Chemulpo</td>
<td>1.100</td>
<td>1.100</td>
</tr>
<tr>
<td>Insurance, Osaka-Chemulpo</td>
<td>.30</td>
<td>.180</td>
</tr>
<tr>
<td>Lighterage at Chemulpo</td>
<td>.193</td>
<td>.216</td>
</tr>
<tr>
<td>Import duty</td>
<td>6.600</td>
<td>2.500</td>
</tr>
<tr>
<td>Customs entry agent charges</td>
<td>.050</td>
<td>.850</td>
</tr>
<tr>
<td>Cartage to Chemulpo station</td>
<td>.100</td>
<td>.070</td>
</tr>
<tr>
<td>Freight, Seoul-Chemulpo Railway</td>
<td>.818</td>
<td>.220</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8.728</strong></td>
<td><strong>4.406</strong></td>
</tr>
</tbody>
</table>

**By Land** (about 8 days)

<table>
<thead>
<tr>
<th>Item</th>
<th>Gray shirting I Bale(240 Kin)</th>
<th>Cotton yarn I Bale(165 kin)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freight, Osaka-Fusan</td>
<td>.840</td>
<td>.600</td>
</tr>
<tr>
<td>Import duty</td>
<td>6.600</td>
<td>2.500</td>
</tr>
<tr>
<td>Freight, Seoul-Fusan Railway</td>
<td>.736</td>
<td>.515</td>
</tr>
<tr>
<td>Petty charges at Seoul station</td>
<td>.024</td>
<td>.018</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8.200</strong></td>
<td><strong>3.633</strong></td>
</tr>
</tbody>
</table>
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At the same time the Bank undertook the discharge of the duties of the national treasury, and for the same reason it became necessary to extend its branches beyond the limits of the treaty ports, and new offices were opened at Gomans, Yedda, Panyang, and Songja.

With the duty of properly transacting the business of the national Treasury is associated that of facilitating the circulation of money, and the establishment of the financial resources of the country, and in order to discharge these duties, it was absolutely necessary that the Bank’s business should be necessary, and that the offices should be extended in order to facilitate the business of the other banks, as well as the banking business in general. This involves the establishment of a definite connection with them. Two native Korean banks were established, the Gisica- and the Kogu-bank, but their capital is small and their organization defective, and their directors are from being men of business, and in short these banks are such in number only in appearance.

The Daiichi Gisica has therefore come to its assistance, and completed the main points of the reorganization of the Kogu-bank, and has taken in hand that of the Unnichi Gisica. When the work of the reorganization is completed, these two banks will, under the supervision of the Dai­ichi Gisica, undertake the financial offices of the smaller Korean merchants with, it is hoped, great benefit to the country.

IV.—The Establishment of Co-operative Warehouse Companies.

In order to assist the merchants classes it is necessary to select some system of working. To hand over sums of money recklessly to the merchant associations is to invite reckless expenditure and the injury and the money will not be used for legitimate commercial purposes. It operates to facilitate an argument, free trade and is not only no relief, but it would probably aggravate the distress. It was on this principle that the Upper lately proposed to grant a loan from his private purse for the assistance of the merchants. The establishment of public warehouses would afford facilities for the custody of merchandise and security against warehouse certificates, which could be issued in the name of the owner, and in the fine circulation of money. This system is essential to facilitate trade and ease the pressure on the money market and hinder so much inexcusably has entered in Seoul, and the lack of it has seriously hampered the merchants.

A number of the leading piece-goods and grain merchants have united to form a warehouse company, having set about this purpose a portion of the Imperial Order to facilitate the fine circulation of money. This warehouse company will open a way to the advancement of commerce, and will be directly connected with the activity of the money market, and will provide a lasting benefit to the merchant classes generally. It is desirable that the warehouse company should be made of the Imperial Order to invest in this manner.

The establishment of public warehouses besides the ordinary warehouse business, will take custody of goods which have not been secured the customary formalities by the establishment of a warehouse business, a most useful institution. The Company also grants loans on goods deposited and thus has not only a favorable and improving business, but will also offer to the money market. This business will also be a serious advantage to the depository of goods, who will in itself materially assist the small holder of goods, the lack of legally regulated finance, the lack of credit and no established financial machinery.

The government will grant protection to the company in several ways and at the same time exercise an official supervision over its operations reserves the right of directing the business. If this were not done, good results could hardly be expected from a people so little accustomed to business methods as the Koreans.

V.—Regulations respecting Promissory Notes and Note Associations.

Promissory notes have long existed in this country, and were of a certain value. But recently their form has left much to be desired. Such a note consisted of a piece of paper about an inch broad and five to eight inches long, on which was written the sum, the date, the payee and the name, or even the surname only, of the payee and payer, and was paid at the sole discretion of the parties, and one half given to each party. The 1870s were objected to and the improvement of the financial relations, the business of the banks became necessary, and that the offices should be extended in order to facilitate the business of the other banks, as well as the banking business in general. This involves the establishment of a definite connection with them. Two native Korean banks were established, the Gisica- and the Kogu-bank, but their capital is small and their organization defective, and their directors are from being men of business, and in short these banks are such in number only in appearance.

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As the difficulty Regulations respecting Promissory Notes and Note Associations has been decided by the Korean Government with the assistance of the merchants, and the notes issued under the regulations will be recognized as being in harmony with the Imperial Ordinance of the country.

In attempting the reform of the financial system of this difficulty Regulations respecting Promissory Notes and Note Associations have been decided by the Korean Government with the assistance of the merchants, and the notes issued under the regulations will be recognized as being in harmony with the Imperial Ordinance of the country.

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Re-organisation of the Budget.

In former days the Korean Government prepared an annual budget. This budget has now been replaced by a weekly budget, for the annual revenue and expenditure for which are not compiled from the total number of the officials and the average amount of salary.

2. Expenses of supplies were calculated by requiring what was needed in each department, and simply estimating the cost.

3. Everything was determined except the necessary national expense.

4. The amount of burden was calculated by tallying the Korean dollars as the standard, and estimating payments made on a gold basis (i.e. Japanese yen) as two Korean dollars to one gold yen, by re-adding the account.

5. All expenditure not of an urgent or important nature was eliminated.

6. New undertakings were limited to those of a certain character.

7. Where the subdivision of items was unsuitable the new subdivision was made.

The returns from the different departments brought the revised imperial sanction was declined and the Budget was published by the board of taxation.

With regard to the revenue, there were no official figures on which to base the estimate, and consequently this portion of the Budget was but a guess, and subject to a study of former budgets. It will be impossible to compile satisfactory revenue and expenditure accounts. The national taxes are placed upon a proper footing and the state of the revenue can be determined approximately.

The following table contains the Budgets of 1905 and 1906:

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>Expenditure</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1905</td>
<td>12,474,575</td>
<td>12,690,574</td>
<td>19,652,562</td>
</tr>
<tr>
<td>1906</td>
<td>12,474,574</td>
<td>12,690,574</td>
<td>19,652,562</td>
</tr>
</tbody>
</table>

XII—Re-organisations Regarding Financial Affairs.

By Law No. 9 of 1899, relating to the national income, Imperial Budget of 1905, the same year, embodying Revenue Regulations, and Imperial Budget of 1906, the same year embodying Expenditure Regulations, the foundation of the basic regulatory measures of national finance were laid. These were further supplemented by various regulations, the whole forming a code closely resembling the Japanese Finance Law, and containing fully drawn up. This code however was plagiarised and was never put into practical effect or regarded as such by the officials themselves being only in rare instances aware of its existence. It is even doubtful if a number of its provisions would if enforced have proved beneficial; if, however, these regulations had been properly applied, much of the present financial confusion and extortion among the official classes would have been avoided.

It has now been arranged to construct a code which will put on the officials the right pass for the examination of each of the provisions of the above mentioned code as apply to present conditions, and various supplementary regulations, thus giving effect to the reform of the financial administration.

The principal points of these regulations are as follows:

1. To establish a fixed method of dealing with the revenue not expenditure, to establish adequate supervision over the revenue and expenditure, and to revise means for regulating the same, that abolishing the former evils of irregular taxation and extortion, and the collection and expenditure of the national revenue at the will of individuals, also the injurious practice hitherto existing in Korea of furnishing the collection of the revenue to individuals. In these means it is hoped to set the revenue on a uniform system and to establish a definite relation between the revenue and expenditure.

2. To establish a fixed method of administering affairs connected with the national treasury. For this purpose the Dachi-Ginko has been appointed to undertake the business of the Treasury, which is the chief agent for affairs connected with the revenue and expenditure. By this means the national revenue and expenditure is regulated and reduced, and in the public accounts Office of the Imperial Household, and a balance of yen was set up on the national account. Besides this there are travelling expenses due to farming purposes, the national bond issue and the ordinary expenditure due to farming purposes amounting to yen.

3. To make regulations for the transportation of specie, in order to enforce a uniform system for the transportation of specie, the government has undertaken the business of the Treasury. Any transportation of specie to the national treasury. For this purpose the Dachi-Ginko has been appointed to undertake the business of the Treasury, which is the chief agent for affairs connected with the revenue and expenditure. By this means the national revenue and expenditure is regulated and reduced, and in the public accounts Office of the Imperial Household, and a balance of yen was set up on the national account.

4. To establish a system of checking Government property, to the end that the Government property may be accurately defined, and order important and all must present the appropriation of such property by officials, by whom no distinction is made between Government and private property individuals.

5. To frame regulations with regard to public works, purchase, sale and renting of Government property and the purchase, selling, renting and mortgaging of Government property, and to regulate, restrict, and prohibit all such purchases, sales, rents, and mortgages of Government property.

6. To frame regulations for ready money payments, so that patty expenses on office Account, repair account and other incidental accounts may be estimated in the budget, purposes at a monthly rate, and paid for in ready money as incurred.

It is also intended to summon the account officials from time to time, to give them advice and to encourage honesty among them, at the same time carefully instructing them as to the methods by which they should carry out their duties. It is proposed to create a central office for revenue and expenditure, and a director for expenditure purposes, who, when he will be limited in the examining officials in these two branches, and a chief collector and collector, where they will be to the extent of the discretion in their duties, thus ensuring that the revenue and expenditure shall be dealt with by proper methods, and to endeavour to guard against injustice to the people by ensuring that the revenue shall be collected without the proper sanitisation, and that no officials other than the inspector of districts and governors of cities shall order of collection of taxes and that taxes when collected shall not be used for unauthorised purposes, as at present. By this means it is hoped to abolish the existing evils in connection with taxation.

The above measures form but the first stage in endeavouring to reconcile the finance of the country, and amount to no more than the outline of a scheme on a permanent basis, to be taken into consideration in the future.

In the first place, it is considered that the national revenue and expenditure shall be dealt with by proper methods, and to endeavour to guard against injustice to the people by ensuring that the revenue shall be collected without the proper sanitisation, and that no officials other than the inspector of districts and governors of cities shall order of collection of taxes and that taxes when collected shall not be used for unauthorised purposes, as at present. By this means it is hoped to abolish the existing evils in connection with taxation.

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official support in the controversies that arose which was unavoidable. The contracts of which special complaints can justly be made were the result of direct negotiations between the interested parties and Yi Yong Ik or other Korean officials. The former interpreter of the French Legation, Yi In Yong, figured in most of these negotiations. He had great influence with Yi Yong Ik and is said to be the only person of whom the latter was afraid. The Russian Minister did not, of course, take any open part in support of these various schemes, but, as before said, it was Russian policy at that time — or at all events Pavloff's policy — to support Yi Yong Ik. There is therefore good reason to believe that the favors shown to Frenchmen by the latter were a part of the plan adopted by the ultimate promotion of Russia's interests in Korea.

Of various commercial and manufacturing enterprises inaugurated by Yi Yong Ik under French control and direction it is not overstating the case to say that not one was either well advised or advantageous to Korean interests.

Of the personal contracts made in connection with these enterprises the least that can be said is that there were neither creditable to the sagacity of Yi Yong Ik nor to the good faith of the persons who promoted them. This statement does not include the employment of persons like M. Gremany, Adviser of the Department of Justice, or Mr. Clemensot, Director of Posts. Both of these gentlemen were well qualified for the offices they held and quite capable of doing the best work under other auspices than those which prevail in Korea. The same is true of other French citizens employed by the Korean Government in professional capacities.

There need be no reservation of this kind however, regarding the enterprises and contracts herein described.

In enumerating these enterprises and contracts mention should first be made of the connection established between Yi Yong Ik and the French firm of Rendon, Plaisant & Co. The nominal business of this firm is that of retail storekeepers. They began as dealers in groceries and the like, without large capital, and still keep up the business. Of course there is nothing discredit able in this; quite the contrary in fact, for as storekeepers Nestor Rendon, Plaisant & Co have without doubt built up a good business and enjoy a good reputation. But it is not a business which has in any respect formed the basis of the subsequent operations in which the firm has engaged. It is not going too far to say that in any other country than Korea these operations would have been impossible to people of Rendon, Plaisant & Co's financial and commercial standing. Their actual capital has been their connection with Korean officials, especially with Yi Yong Ik, and the influence which they acquired with certain of the Palace officials. A careful analysis of the various operations which they originated or in which they participated will show conclusively that they never risked any of their own capital. In fact it is very doubtful whether they had any capital to risk when they first began to do business for the Government. At first, no doubt, they borrowed, or made arrangements by which the necessary financial backing could be obtained. Their capital was to be found in the intimate relations which they had established with Yi Yong Ik and other Korean officials and the advantageous contracts they were thus enabled to make. In time unquestionably th
they acquired capital of their own as a result of their transactions
on government account, but there is no indication in any case that
they ever risked the loss of their own money in carrying out the
enterprises in which they engaged. On the one occasion when there
was any such liability, that is to say when they engaged in a law
suit with another French firm at Shanghai on account of the ginseng
operations, they were careful to guard against any possible loss by
retaining the amount due to the Korean Government for one year's
crop. This high handed proceeding, for which there is no equitable
or legal warrant, enabled them also to guard against loss on other
Government contracts.

It is hardly worth while describing the ginseng and other
contracts, further than to say that in each case Rendon, Plaisant & Co
appear as contractors, as agents and, in fact, in every capacity where-
by commissions and profits can be collected. The contracts are
one sided in all respects, and leave Rendon, Plaisant & Co the judges
not only of the scope of their own rights but also of those of the
Korean Government. It is altogether likely that every one of
these agreements if brought to the test would be thrown out of a
Court of Law as inequitable and without due consideration. The only
defence that has ever been made of them is that they are a type of
the business methods which prevail in Korea.

While Rendon, Plaisant & Co pose as claimants for large
sums alleged to be due to them by the Korean Government, as before
stated, they have retained in their custody the price of one year's
Ginseng crop, about one million yen, and this doubtless far more than
recoup them for any losses they have actually incurred on other
contracts. Their reason for retaining this amount is an alleged
breach of contract regarding the sale of another year's Ginseng crop,
and a consequent law suit with another French firm. They in effect
claimed a monopoly of the right to sell Ginseng by reason of a letter
from Yi Yong Ik. Even if Yi had the right to make such a contract,
which distinctly he did not — the letter does not constitute an
agreement binding even upon the Korean Government. The methods
adopted by Rendon, Plaisant & Co are well illustrated by another phase of
this proceeding. Their contention rests partly upon the assertion
that they offered a certain upset price for the Ginseng and were
entitled to buy each year's crop at that rate, or, if other parties
offered a higher price, at the price thus offered. This of course
made them purchasers outright. They disposed of the Ginseng in
China under contracts made by themselves of the details of which they
made no report to the Korean Government save the bare, unsupported
statement that they had sold at a certain price. Upon this trans-
action they charged the Korean Government a commission of five per
cent. Other merchants were willing to purchase the Ginseng at a
higher price than they offered, and did so purchase it, and paid
the whole amount to the Korean Government without deducting any
commission whatever.

It would be possible to go through all of the Rendon,
Plaisant contracts and give instances of illegal exactions similar
to the foregoing, but it is sufficient for the purpose of this paper
to call attention to two cases which illustrate the undue and im-
provvident agreements made with the Korean Government through their
agency.
The Pyeong-Yang Coal Mine Project.

This was a project for manufacturing briquettes from coal dust mined at Pyeong-Yang. Rendon, Plaisant & Co. and Mr. Cuvilleur, a civil engineer employed in the "Mining Bureau", attached to the Imperial Household, appear on the records as its originators and promoters. Yi Yong Ik made a contract for the purchase of machinery for making briquettes at a fixed price of Y 122,000, the sum of Y 10,000 being paid to Rendon, Plaisant & Co. at the time of the signature of the contract. A further contract was made with Mr. Louis Rendon, senior member of the firm, to act as agent for the sale of the briquettes manufactured by the new process. Cuvilleur, as before remarked, a civil engineer, who was in Korea at the time, was engaged to go to France to purchase machinery and to employ assistants, etc. The machinery purchased and shipped to Korea, three assistants were employed and all came to Korea. There the project ended for all practical purposes. Rendon, Plaisant & Co. took possession of the mine, sold lump and dust coal mined under their direction, had a few briquettes made by hand and sold them at a loss, but made no reports of sales of any kind to the Korean Government. There is good reason to believe that, they received more than enough to defray all of their legitimate expenses at the mine. Nothing was done, however, to carry out the original project. The machinery remained unpacked, while the salaries of Cuvilleur and his assistants went on. The enterprise was ill considered and badly planned from the outset. No investigation worthy of the name was ever made as to its practical utility and there was no check of any kind or description imposed upon Rendon, Plaisant & Co. either as regarded the purchase of machinery or with reference to other important details. Had the project been put into operation all losses would have fallen upon the Korean Government who bore all the risks. Consequently it was decided to end the project and to dispense with the services of the persons who had been engaged to carry it on. Their contracts had still several years to run, and notice was given of termination. Besides full pay for the remaining periods of their contracts, Cuvilleur and his subordinates made various demands for additional compensation, in the way of solatium, making a total, as at first stated, of about Y 80,000, which was afterwards reduced to Y 50,000. A final compromise was made with them for Y 26,700.

Rendon, Plaisant & Co. make a further claim on account of unpaid balance of purchase price of machinery and other expenses, amounting in all to about Y 47,000. They still retain possession of the machinery, which is of no practical use to any one, and their claim remains unadjusted, pending the settlement of the accounts connected with other transactions. Mr. Louis Rendon also claims the right to control the mine during the term of his contract, a right, it is needless to add, which has not been recognized. Another project of Yi Yong Ik, in which Ren Dan, Plaisant & Co. appear, was the building of the Seoul-Won railway. This scheme appears to have been planned by Mr. Lefevre, at one time French Vice Consul. A French Syndicate held a concession for building the road, obtained in Mr. Pavloff's day, but nothing was done to carry it into operation, as the project apparently did not commend itself to French or other financiers. The concession lapsed in fact, but Mr. Lefevre, when acting as Charge d'affaires, induced the Korean authorities to establish a Railway Bureau for the purpose of themselves
constructing the line, and to place him at its head, the nominal consideration being the surrender of the French concession. This was done and the Bureau was established in 1901, Mr. Lefevre and two French Engineers being engaged to superintend the work. Up to the time when the Japanese military authorities took control and built the road, a period of three years, no progress of any kind had been made by Lefevre and his associates. The Railway Bureau flourished all the time, however, and its numerous staff drew full pay. The same condition of affairs continued for some time after the war began while the road was being built by the Japanese. As soon as possible the Bureau was abolished and the Chinese employees were dismissed.

Mr. Lefevre and his associates Messieurs Impériale and Boudaret, had been receiving pay for almost a year after the road had been taken over by the Japanese authorities, although the two latter left Corea and obtained employment in China soon after the war began.

Mr. Lefevre made various demands for various sums, but finally compromised upon the payment of a lump sum. The other two were paid the salary due for the unexpired terms of their contracts. The total amount paid to the three was Y 4,040.

Mr. Lefevre, it may be added, was not an engineer or a railway man and had no training or experience in railway construction. That circumstance, however, did not serve in the least to abate his demands. His attitude as regards that and other phases of the subject can be best judged by the statement which appeared in one of his letters, that inasmuch as the construction of the railway under Corean auspices would in all probability have continued for ten years, he was in equity entitled to remuneration for at least that length of time. It is sufficient to say on this point that the Japanese Military Authorities built the road in a year, and that under ordinary circumstances three years should have been the limit of time for construction.

Rondon, Plaisant & Co. appeared in this transaction as contractors for railway material. The contract was of the usual kind made by them, containing absolutely no guarantee for the protection of the interests of the Corean Government. It stipulated that certain sums should be paid in advance by the Government for the railway materials and left Rondon, Plaisant & Co. a free hand as regards questions of price, commissions and all other important details. The firm claim to have made contracts for the purchase of materials in France, but allege that shipments could not be made, the materials being contraband of war, at the time it is alleged they were ready, which Rondon, Plaisant & Co. say was just when the war began. They say also that, out of consideration for the Corean Government, they defer a formal statement of their claim for indemnification until the end of the war.

The Bureau of Mines was another institution created by Yi Yong Ik with which, however, Rondon, Plaisant & Co. do not appear to have had any direct connection. It was established in 1900 as a bureau of the Household Department, and was entrusted with the duty of supervising, examination of Corean mines and preparing plans for their development. Later on a school of Mines was established in connection with the Bureau.

The personnel of the Bureau consisted of Mr. Bremulet, Director; Mr. de la Marche, Engineer, and Mr. Rubec, Overseer, all French
Mr. Tremoulet is not a mining engineer. At one time he was a civil official in Tonquin. He came to Corea on business connected with a private enterprise for securing the attendance of Corean singing girls at the last Paris Exposition. He failed in this, but remained in Corea and after a while was appointed Director of the newly created Bureau of Mines. He has no technical training or experience in any branch of mining.

Mr. de la Marche was at one time an officer in the French Army. He has had some training as a civil engineer but none, so far as is known, as a mining engineer.

Mr. Rabec had practical mining experience, but not as an engineer. His duties were those of overseer and he did not profess to have any knowledge of mining.

The practical results of the operations of the Bureau of Mines after all the four years of its existence were absolutely nil. Competent mining engineers might have rendered valuable services, if only in examining and reporting upon the mineral resources of Corea. The Bureau of Mines, as constituted, did nothing of the kind, and there is no record of any investigation of value made by any one connected with it.

The Bureau was abolished by the Ordinance of January 1, 1906. The contracts of Messrs. de la Marche and Rabec had been renewed for a fixed term. They were paid in full to the date of the termination of the contracts. The contract of Mr. Tremoulet had also been renewed. But no term of expiracy was named. He therefore claimed that it was good for the term of his natural life, unless he himself chose to revoke it. Naturally this claim was not admitted, but his contract was treated as being coterminous with those of the others, and he was paid on that basis.

The total paid was Y 23,520.

It will thus be seen that the Corean Government paid for these three undertakings set on foot by Yi Yong Ik the sum of Y 64,680, as a necessary preliminary to their abolition. There was of course a much larger sum paid for salaries and expenses while the projects were still in operation, presupposed operation.

For these large outlays there has been no value received whatever. Instead there is a legacy of claims, the settlement of some of which no doubt will entail still further expenditures.

Of course it would be unjust for any one familiar with Corean methods to lay the blame of the failure of enterprises undertaken in this country upon foreigners. The Corean Government has had many foreigners in its service capable of good work; many employed in connection with undertakings which promised good results, but which failed miserably through the faults inherent to Corean control and management. Nor is it intended by anything said in this paper to ascribe to French citizens any greater blame than might justly be laid at the door of other foreigners who have accepted service under the Corean Government and given no value in return. Frenchmen, quite competent to perform the duties for which they were employed, have come to Corea to find that all their efforts to accomplish anything of value were useless on account of the prevailing conditions. Two notable cases have already been cited; to those might be added another, that of Mr. Remion, an accomplished artist in porcelain decoration, who came to Corea under a professional engagement to discover that not only was there no porcelain
manufactory but even no reasonable prospect of the establishment of such a manufactory.

These cases were quite different, however, from those cited in this paper. The latter stand in a class by themselves, and, if not money making jobs pure and simple, bear all the earmarks of being so.

It will doubtless be considered a misfortune by self-respecting Frenchmen, that their countrymen should have been identified with such schemes. But, as has already been pointed out, the political conditions which prevailed in Korea during several years preceding the war afforded special opportunities to Frenchmen. Naturally those opportunities attracted adventurers, and taking into account the manner in which government officials were managed in Korea, the result, while deplorable, was one which it was difficult to prevent.

Of the persons employed in a subordinate capacity in the enterprises herein mentioned the most that can be said is that they never earned their pay. To that it might possibly be answered with perfect justice that they never had the opportunity to do so.

As regards Ronden, Plaisant & Co., the promoters of some of these schemes, and of the others who played the principal parts in them, a much harsher judgment might with justice be pronounced.

The Willard Straight Papers at Cornell University
Brief sketch of life of Mr. Ye Yong Hk.

Mr. Ye Yong Hk was born in Puk Ching district of North Ham Kyung province in the year 1864, and his father was a plain county gentleman whose last official post was a Magistrate of certain district.

About 25 years ago, Mr. Ye Yong Hk came up to Seoul, and stayed at the house of Mr. Min Yong Hk., nephew of the late Queen Min, who furnished him two bowls of rice for his daily meals as a customary guest. After many years, he got an official title of low degree (nam Chul) through his long waiting. In July 1861, at the time of the soldiers mutiny, Queen Min took her refuge at Cheongju. While in the other hand, the people believed that the Queen was assassinated by the Mutineers. It was first opportunity offered to Mr. Ye Yong Hk. that he followed the Queen to her refuge, and every message from her to His Majesty, and Mr. Min Yong Hk., her nephew was only delivered to the receiver of the Queen Hk., as he could walk quicker than any other.

On the return of the Queen in September next, Mr. Ye was appointed Magistrate of Yong Cheung, and Director of gold dust mine. It was said that he got large quantity of gold dust there, and melted them and molded into a small calf, and offered to His Majesty; since then he became a favourite of His Majesty. He is therefore called Lord of golden calf. He was afterward appointed Military Governor of North Ham Kyung province, where he was born. On his arrival to his post, he found that there was great famine over the Neighbouring district, so that he invited hundreds of rich people to a great feast; and at the end of the feast, he began to lament with tears streaming down from his eyes. The guests had naturally asked him what was the reason, at which point, he replied that his trouble was the famine in which the poor people were suffering from hunger, but he had no means to relieve them. The guests having heard what he said, promised to contribute money, and Mr. Ye did of course lost no opportunity to write down their names with their promised sums of contribution.
which amounted a large sum of money.

He then distributed part of the money to the poorest people, and the other part was, said some one, spent for his own interest.

In 1884, Mr. Ye Yang, she being acquainted with the Russian Minister, that time through the influence of Him, one of his friends of the Same province, and afterward he was appointed Master of the Imperial Treasury Bureau through his activity and economical abilities; he knew how to make (or acquire,) and raise money. Since that, he gathered every bit of interest from the 15 provinces for the Imperial Treasury, disregarding the opinion of the people and whatever else. Most of the Korean population spoke against him; while on the other hand, there were many rivals in the Government. Backing him to His Majesty, Mr. Ye the backed him; while he was punished by His Majesty.

One time he called Lady Cen, the

name of Yang Lee Bi, (one of ancient Palace ladies, who caused trouble)

Tang Dynasty of China) whereupon Lady Cen got angry with him, and all the high officials (the rivals) rose against him and presented memorial to His Majesty to requesting him to dismiss and put him (Ye) to capital punishment. Mr. Ye however got rise of the trouble and took him to Shanghái through the help of the Russian Minister in Seoul (⑦)

At first, he took his refuge in the Palace as His Majesty punished him. possible assassins while the high officials were ready to kill him if the door were open of the Palace gate. The Russian Mission who heard the News, entered into the Palace, and requested His Majesty to deliver him refuge to him. The Majesty did so, The Russian Mission arrived and took Mr. Ye with his hand and his staff and the legation guard protect them. Mr. Ye who was afterwards sent to Shanghái from the Legation.

A few months after that event, he returned to Seoul without fear, and he was then appointed Vice Minister to the Finance
Department, and afterwards, chief commissioner of the Police Department, he regained his influence in the government, and was more favored by His Majesty, but no one could touch him. The Imperial Treasury was once more under the control of its former master.

Just before the beginning of the hostility between Japan and Russia, the opening of Hong and Kowloon was proposed by the Government, but the request of some of the foreign ministers, but Mr. Ye strongly protested against the proposal, being perhaps induced by the Russian Minister as some said. Generally, therefore, the question was stopped without any effect.

At the beginning of the war, he (Ye) was arrested and carried off to Japan by the Japanese government with soldiers. On his departure, he said to one of his friends, who stood by, "Please go and tell the foreign officials to perform their duty well for the country. I am now leaving Hong.; I don't know whether I may be back or not."

After his stay in Japan for about a year, he returned to Hong in this year, and he was appointed minister of the War Department. His anti-Japanese feeling is perfectly unchanged. He was again afterwards met with strange eyes of the Russian who took great against him, and urged him to resign his post as War Minister. The war finally changed it governor of Hong as province, but he did not accept that post. He then fled to Shanghai by a Chinese steamer together with about twenty men, one of them, a beard, can speak French and English, and the other speaks Russian and Chinese. One of the Hong Kong daily news papers reported that Mr. Ye was received and entertained at a party by the officials of the French Consulate at Shanghai.

It was reported that he (Ye) is too economical to be lodged at Shanghai. 3d Chinese hotel, not more than 40 cents each meal, when he stayed at Shanghai.

In regard to his personal character, I know nothing about it, though I had told, that he is a straight and pleasant man, and his presence economical ability. He is known in Chinese literate, his general appearance is not more than a country gentleman.
CIRCULAR DISTRIBUTED BY THE IL CHIN HOI.

When strong declare your purpose and act quickly;
when weak keep your own counsel until you have some chance of
venturing successfully. Japan, the most advanced power in the
Orient, has been obliged to fight two great wars, the first
with China, the second with Russia, in her desire to maintain
the Peace of the Far East. Since the ratification of the Treaty
of Portsmouth and the signing of the Anglo-Japanese Alliance
there have been many rumors circulated throughout the land and
a suspicion in the hearts of the people that there would be a
change in the existing relations between Japan and Korea.
The transformation from Springtime to Summer's warmth is pleasant but Autumn's chill is followed by frosts and snows of
Winter. As the feet of him who kicks against a stone will
suffer, so surely will suspicion and useless intrigue bring
discord where harmony alone should prevail. The consequence
of friction will be the downfall of Korea.

Oh! Heaven! Who's sin is this? Who's sin is this?
What shall we do? Oh! we ask you our twenty million countrymen,
what shall we do?

We members of the IL CHIN HOI cry aloud and by our
actions appeal to the people of Korea. We assure you and entreat
you to believe that by following our example alone may the
Empire be saved, the mind of the Emperor set at rest, and the
hearts of the people comforted.

Under the existing circumstances and in view of her
position as regards Japan it would be difficult for Korea to
regain her individuality, as difficult as it would be to restore
to perfect health, a man already at death's door. We have
but two

but two roads to follow; should we choose the one we declare
to the Powers that we wish no outside interference, but desire
solely to preserve the independence of our land, and, in so
choosing, mistaken in our patriotism, go to our certain doom.
As we tread the other our faltering footsteps would be guided
by the advice of a friendly power who's aim like our own would
be the independence and improvement of our country.
But our Government has neither the spirit to act on its own
initiative or the confidence in the good intentions of this
friendly power which are necessary before any betterment of
conditions may be affected. This lamentable distrust is increas-
eda by the machinations of corrupt officials who scheme to
foment ill feeling between the Governments of Korea and Japan.

We members of the IL CHIN HOI acted solely by a
desire to maintain the glory and majesty of the Imperial House,
to assure the prosperity of the people and the independence of
our native land, assert ourselves. By the majesty of the Imperial
House we do not mean false glory and shameless pride, but
that attribute of sovereignty which commands the confidence of
the nation; by the prosperity of the people, not a temporary
phrase merely, but a perpetual condition; and as for independ-
ence we demand a substance and not a shadow.

The supreme power is invested in His Majesty the
Emperor, but all officials must conscientiously perform the
several duties to which they may be assigned both in the affairs
of diplomacy and the business of the state. His Majesty has
honored them with his confidence and the people should benefit
by their administration. Is the present Government doing its
duty? NO! We would rather have no Government than one like the
present where all the officials from highest to lowest are so
incompetent that by holding office even they rob the Government
of their salary, and who avail themselves of every opportunity
to "squeeze" and oppress the commoners,
Who can foretell the character of the future relations between Japan and Korea? Should the recall of the Korean Legations abroad and the withdrawal of the foreign representatives from Seoul place the external relations of Korea entirely in the hands of Japan, some Koreans may say with regret that the national honor has been sacrificed and the independence and integrity of Korea become an empty phrase. Such expressions would be short-sighted. The Korean-Japanese protocol of February 1904 provided that the Korean Government must seek the advice and consent of an adviser recommended by the Japanese, before entering upon any agreement with a foreign power. In transferring her foreign relations to the care of the Japanese, therefore, Korea would go through a form merely, for the protocol has already stipulated that Korea should do nothing of her own volition, and since Korean representatives abroad are only holding their posts and not obtaining any results. It would be better for Korea to do this, that the national integrity may be maintained and His Majesty the Emperor resume his greater authority. Moreover in internal affairs, if the Government will listen to the suggestions offered by the Japanese adviser instead of retaining in office the corrupt and venal occupants of all official positions, the old and worn out administration may be improved and the power of His Majesty increased.

The fame of the virtue and the magnanimity of the Emperor of Japan is world wide. His justice is a household word, and if we but place our trust in him he will not deceive us. Alas! Our Government unmindful that its actions will estrange the Japanese persist in trusting a foreign power in whom they should have no confidence.

At the very outset of hostilities between Russia and Japan the Imperial edict which published the Korean-Japanese Alliance, proclaimed Russia as our enemy, yet our Government, to our
INTRODUCTORY. The Seoul Wiju Railroad was opened to the public for general traffic on the 1st of December, 1905. With a few breaks at the larger streams trains were running through from New Wiju the northern to Yongsan the southern terminus as early as March. The Japanese in eleven months had constructed 310 miles of railway. Immediately after the declaration of war they had commenced their work, using for some distance the embankments and culverts which the Franco-Korean Company after several years of sporadic effort had constructed near Seoul. The rapid succession of Japanese victories and their complete mastery of the western portion of the peninsula made the railroad of less actual military value than it might have been had there been active operations nearer the northern frontier of Korea and had the Japanese not secured practical command of the sea at a comparatively early date. Its existence, however, as a working road at the close of hostilities leaves Japan with a freer hand for the prosecution of her various Manchurian plans.

Yongsan, a small village on the banks of the river Han, two miles southwest of Seoul is the future railway centre of Korea and here 200,000 tsubo (440 acres) have been set aside as a railroad reservation. From Yongsan start the line for Wiju and the new road to Genkan, the principal port on the east coast, while the Seoul-Pusan and Seoul-Chemulpo roads join with the above for through connection with any of the termini, the trains of all four running to the capital on common tracks.

Strategically this place is of great importance and the military authorities have condemned a large area in addition to that occupied by the railroad which they will use for part of their army of occupation. Troops are now widely distributed throughout the country, one brigade with its headquarters at Yongsan, another at Pingyang and a division stationed on the east coast, but as conditions in the country become more settled it is probable that these forces will be concentrated and that the men with their families will be established near Yongsan as a military colony. There are no troops especially detailed as railway guards except at some of the more important bridges.

At the beginning of the war the early completion of the Seoul-Wiju road was deemed of the most vital importance and the authorities still hold that it is destined for military primarily, and not for commercial purposes. It is hoped however, to run a broad gauge road over the route followed by the military line from Antung to Pachingcheng and beyond, and to bridge the Yalu at a point above that place. With tracks laid from Antung to Houkden the railroad in northern Korea will become as a matter of course a section, merely, of the great trunk route. A desire to introduce foreign capital in an undertaking of such magnitude should also be a factor, as has already been suggested by the Japanese press, in inducing the Government to do away with the militarism which now characterizes its administration and it is not unlikely that the Government will either establish a railroad bureau for Manchuria and Korea, together or separately, or by organizing a company strictly under their control, as for example the China Eastern Railway Co., put it on a more purely commercial basis.

ADMINISTRATION.

The Military Railroads are under the direct control of the General Headquarters at Tokyo and Major General Yamane who has been in charge of the work since the outbreak of the war is not responsible to the Commander-in-chief of the forces in Korea.
Expenditure. The expenses of railroad construction have been met by appropriations from the war funds, the cost of materials and the rolling stock purchased abroad being paid from Tokyo and the expenditures for labor and materials purchased locally, disbursed by the Railway Headquarters at Chemulpo.

Employees. There are 2863 railway employees exclusive of contract laborers, a small proportion being military men and the great majority civilians from the Japanese Department of Communications. The latter for their special service in Korea are granted 40% of their regular salaries as additional pay and are fed and housed. Coolies and workmen sent from the Imperial Railway Bureau receive 60% more than their ordinary pay and are given board and lodging. The officials are quartered in the station buildings which are well constructed of wood, the coolies in iron-roofed barracks with white plastered walls. The quarters are uniformly clean and well kept. A number of Koreans are employed as assistants in the stations and as interpreters. A school has been established at Chemulpo to instruct the more promising in the rudiments of railroading.

CONSTRUCTION.

The railroad on account of the rapidity of its construction is in many places rough and travel is uncomfortable. While the authorities would make no statement regarding the total cost of the road to date, it is roughly estimated at 30,000,000 Yen and it is said that an additional 20,000,000 and four years work will be required to put the line into final shape. The tracks follow the old Peking Road which with the exception of a stretch in Wanghaldo runs near the coast from Seoul to the Yalu, through a country generally flat, winding through the valleys and occasionally crossing a chain of hills. The highest point, 200 feet above sea level is at halfway 60 miles south of

Pingyang, the lowest points with elevation of only 30 feet at Songdo and Wiju. Through Whanghae province south of Pingyang however there are numerous ridges to cross, the rises are short and steep, the grades being as much as 3 1/3%, more severe even than in Japan. These difficulties however will be overcome by the proposed reconstruction, the final grade not exceeding 1%. Where there is Tunnel, at present only one tunnel 557 feet long there will eventually be eighteen with a total length of 18,660 feet.

Labor. Fifty-six miles of road between Yongsan and Pakmungto and several miles near Whangju were constructed by the Railway Corps and three battalions of Engineers, the rest being built by civilians, with a temporary military status, from the Imperial Railway Bureau at Tokyo. The labor has been almost entirely Korean with few Japanese besides the foremen, and a number of Chinese on the northern portion. Some trouble was experienced with the native coolies for although the pay was liberal, from seventy sen to one yen a day, payment was made through local officials who "squeezed" so outrageously that as the work neared completion it was necessary to alter the original methods before laborers could be obtained.

Temporary Tracks. Building operations were conducted simultaneously all along the line, 23 tracks being laid for hauling earth and gravel and eight lines built to the coast. Rails, ties and other materials were brought to convenient points by steamer, transshipped to lighters, landed and conveyed into the interior by rail.

Gauge. The standard gauge 4'8½" has been used for the Seoul-Wiju and Seoul-Gensan as for the other railroads in Korea and this fact furnishes a striking example of the general introduction of American methods and materials where once a footing has been secured. The American Trading Co.
building the first railway in Korea in 1897-99 used the American gauge, American engines and American cars and materials throughout. Japan having bought out the original concessionaires to insure uniformity followed the example of the pioneers and built the Seoul-Pusan Railroad on the same lines. The military authorities taking over the work originally placed in French hands are making their roads part of the same system. Embankments. The embankments are 15 feet broad on top with a 21 foot base. 60 pound rails have been used, some from Krupp but principally from the Carnegie Works. The ties come largely from America and the spikes from the Illinois Steel Co. Cuttings are 12 feet wide at the bottom but are being enlarged to 15, the angle of the banks being lowered from 60 to 45 degrees. The road is fairly well ballasted throughout.

Floods. During the summer floods not only were bridges destroyed but embankments were washed away and in many places where the current was not strong flooded to the depth of three feet. Great pains are being taken to sod these embankments and to drain the plains as a precaution against future mishaps.

Bridges. The bridges are at present of wood and of wood and iron and are built on piles. Their total length is 44,800 feet the longest crossing being 2,785 feet. In the temporary structures the longest span is 70 feet which will be extended to 200 when the final piers are completed. The construction has been exceedingly difficult on account of the shifting bottoms, the swift currents, the frozen streams in winter, the ice floes in spring and the summer floods. The greatest obstacles were encountered near Anju where two rivers, the Chingchong and the Taeryong meet. It was found that the plan to cross the river below the junction of the two was impracticable & in consequence it has been necessary to bridge both at a point four miles above the place originally selected.

Bridge materials are largely American from the Carnegie Steel Co. although the Cleveland Bridge Co. of England furnished a certain number of plates and girders and the Osaka Steel Co. also supplied a small proportion, being, however, material furnished by Carnegie.

Bricks for lining the tunnels, building culverts to replace the present wooden structures, bridge piers and facings, are baked at four points along the line, Wiju, Anju, Pingyang and Tuching, and saw mills that have supplied a certain proportion of the ties and most of the planking are located at Yongampo and New Wiju. Limestone is quarried in Wanghaido and gravel for ballast easily obtainable.

Curves. The most abrupt curve has an arc of 15 chains which will on reconstruction be extended to 20.

OPERATION.

Stations. The road is at present divided into five, which will eventually be reduced to three sections. There are 58 stations between Seoul and New Wiju which is opposite Antung.
and twelve miles down stream from the old Korean city of the same name. The largest is Songdo the second city of Korea and the centre of the ginseng industry. 

Anju the old Capital of 

Wanghaido, Pingyang the great distributing center of north Korea on the Taidong river, Anju and Tyongju are all located near the railroad.

Service. The trains of two or three cars each are generally crowded with Koreans and Japanese. Large numbers of the latter, small merchants and laborers are constantly passing to and from the north. They are herded into box cars or squat on the piles of freight, bath tubs, safes, carwheels and other articles nearly all of them destined for use of the railroad or of its employees. At present there are only two through trains a day between Pingyang and Seoul and Pingyang and Wiju, one north and the other south bound. Both runs require about twelve hours, the trains averaging 15 miles an hour including the stops which are not overlong as might be expected. The latter portion of the journey is much shorter but up to the time when the bridges near Anju are finished the passage of the river involves a great loss of time. It is hoped ultimately to run six through trains a day.

Rolling stock. The rolling stock at present consists of 49 fifty ton Baldwin locomotives, with 24 inch stroke and 16 inch cylinder, 310 freight cars, 200 of which were captured at Port Arthur and which have been retooled to suit the standard gauge with a miscellaneous collection of wheels from five different American firms; the rest of the cars coming from the United States together with 58 passenger coaches with a capacity of 100 each.

Trains. When the road is in final shape the authorities expect to dispatch 200 ton trains, but at present not more than four or five and generally only three cars are used.

Water. Tanks with a capacity of from two to three thousand gallons have been erected at 15-20 mile intervals.

The water is pumped from wells and ponds and the tanks, as in Manchuria, covered with wooden sheds which are also provided.

Coal. Coal has hitherto been imported from Japan but it is hoped that mines in the neighborhood of Pingyang may be developed. One area now controlled by the Korean Household Department contains a semianthracite deposit which although it crumbles a short time after it had been mined, when made up into briquettes is considered suitable for steaming, a forced draught however is necessary. The mines are located near the Taidong river, and transportation to the railroad would be easy and cheap. A bituminous coal area is also reported near Wiju but little concerning it is known at present.

per ton per mile for goods shipped under the "tonnage standard" and 1/2 sen per parcel per mile for goods shipped under the "parcels standard".

Competition. Water carriage to Chinnampo and Pingyang on the other hand is cheap and convenient. The trip from Gamulpo to the former port requires eighteen hours, the steamers leaving in the afternoon and arriving on the following morning, the run up river to Pingyang taking an additional eight hours. The rates are as follows.

Passenger fares.

<table>
<thead>
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<th>Class</th>
<th>Fares (Yen)</th>
</tr>
</thead>
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<tr>
<td>1st. Class</td>
<td>14.00</td>
</tr>
<tr>
<td>2nd. Class</td>
<td>(European food) 9.00</td>
</tr>
<tr>
<td>2nd. Class</td>
<td>(Japanese food) 6.00</td>
</tr>
<tr>
<td>Steerage</td>
<td>3.50</td>
</tr>
</tbody>
</table>

There is an additional expense of from 80 sen to Yen 1.00 for the journey to Pingyang. With the railroad fare ¥ 4.89 and that by steamer summing up ¥ 4.30 the latter would be the cheaper though the difference is not large.
The advantage of sending cargo by water, is however more apparent as the rates from Chemulpo to Pingyang by steamer are about Yen 7.20 per ton while from Seoul to Pingyang the cost is Yen 8.15. It was expected that the railroad might be largely used during the winter but it is now announced that the principal steamship lines will keep the port of Chinnampo open by means of ice breakers. Until the road from that port to Pingyang is completed however there should be a certain amount of trade borne by rail from Seoul, which otherwise would have to be carried by poxies to that city and the interior.

BRANCHES.

Seoul-Gensan. The Seoul-Gensan line was commenced in July, 1905, the survey having been completed in May of that year, and a few miles have now been constructed from either termini. The road will be 130 miles in length and divided into two sections. It is expected that the difficulties of construction will be greater than those experienced on the Seoul-Wiju road. There will be six tunnels, the longest two miles in length, but there are no streams of any great size to be crossed.

Changju-Kyesimpo. This road is 21 miles in length and was built for bringing railway material landed at Kyesimpo on the Taidong River into the interior. One train a day is run each way.

Pingyang-Chinnampo. This line has been surveyed and it is hoped to begin work thereon in the spring of 1906.

GENERAL.

Character of country. The country tapped by the Seoul-Wiju Railroad is rich in rice, beans, millet and barley and is capable of much greater production than at present. The principal gold mining districts are near Pingyang and Anju. Five great rivers which run from east to west to debouch into the Yellow Sea are the natural avenues of commerce and will be used to an even greater extent when the present shipping facilities have been improved. The winter however closes all these streams and while in the present stage of Korea's development there is no great activity during the cold months, for the crops are all harvested and sold, and the principal imports, kerosene and piece goods are of a character that enables them to be easily stored, yet the opportunities offered by the railway may stimulate a traffic which has been undeveloped because of the lack of proper communications.

Although by overcoming these difficulties the railroad may be of great value in opening the country, Korea's geographical position, her long coast line and her many streams particularly on the west coast afford easy access to the interior and it is by these water routes that the great trade of the future will be carried. This Japan recognized when by the treaty of August 1905 she secured for her nationals the privilege of navigating the inland waters of the peninsula.

Trade in Korea consists chiefly in the exchange of native produce, or the profits of the local sale thereof, for piece goods, kerosene, sugar and other common articles of every day necessity. There are few perishable cargoes to be shipped in the peninsula, no fruit, milk or refrigerating trains which in America contribute largely to the revenues of the great corporations. It may be that the silk which is now rushed across the ocean on the Canadian Pacific steamers will be hurried to Europe by the new transcontinental route. It is to through rather than local freight that the railroad in the near future must look for its profits but the fact that in Japan, a country almost any part of which is easily reached from the sea, the railroads are able to compete with the steamship companies for certain classes of goods would
seem to augur well for the later development of the carrying trade.

The passenger traffic should be valuable. The Seoul-Chemulpo line now pays fairly well largely because of the number of people carried, and the Seoul-Fusan road which is not yet meeting expenses, depends largely on its revenues from this source for its returns. The Koreans in many cases travel for pleasure. It is for them an amusement and better accommodation must be provided than in China where the coolies and small merchants are herded together in box cars or open trucks, oblivious to discomfort if by endurance they are able to increase the profits of the venture which is invariably the object of their journey.

Japanese are now established in large numbers at all the important cities along the railroad and at the small places as well, and the number of immigrants is constantly increasing. The Koreans themselves are more prosperous than ever before, owing to the large expenditures by the Japanese forces, and it is probable that the natives will be better governed in the future and for the first time in many years able to profit by the results of their own industry. There are indications that the next few years will witness an unparalleled development, and a transformation in the commercial conditions that have prevailed in the past.
In our previous report forwarded last September the record of the work of the Society in Manchuria was brought up to the date of the Battle of Liaoyang in the last days of August and the beginning of September. It dealt chiefly with the formation and organisation of this Branch of the International Red Cross Society and the work which has been done in the districts South of Liaoyang, and the preparations which had been made in anticipation thereof of a period of distress, further North. It may be well to recapitulate the arrangements we had made in various centres in the interior.

In Liaoyang Dr. A. W. Westwater had been appointed our representative to work in concert with the Magistrate and guilds. A hospital was equipped for the wounded, and a refuge established with accommodation for three hundred people. On the 13th August Mr. Westwater met the Magistrate and guilds and formally took over the premises they had fitted up at their own expense. Dr. Westwater undertaking from that date the management of the institution on the understanding that the refuge and its accounts would be entirely under his control, assisted by a deputy appointed by them. This was agreed to and the officials have worked in fullest harmony with the Society from the first.

In Roukden we had appointed Dr. Christie and the Rev. J. W. Inglis to represent the Society, and they were strengthened by the appointment of two officials viz. Taotai Tan and Mr. Chen, who M. The Tartar General sent to assist. Hospital accommodation was arranged for as it was deemed probable that there would be many Chinese wounded near the city.

In Sinkantouen we have appointed Dr. F. L. Learmonth to work in harmony with the local Magistrate and the Society's Agents already there, more particularly to look after local refugees who might be temporarily driven from their homes.

And in view of contingencies north of Roukden we had appointed Mr. O'Neill and Dr. Huir to act for us in conjunction with the local authorities of Tish Ling, Pakumen and K'ai Yuan. Accommodation for refugees was provided at Pakumen and hospital equipment at K'ai Yuan.

More recently the Committee appointed Mr. Hunter of Khung Ning as their representative there and arrangements are now being made by him in co-operation with Mr. Chaoing the the district Magistrate for receiving refugees.

At Tiao Yang everything remained perfectly normal until the fighting began. No refugees were reported to have come in on the 28th of August and on the 30th Dr. Westwater writing on the evening of "a fearful day of continuous artillery firing," told us that, "the refuge is full nearly two hundred have come in mostly women and children. I have 40 babies on hand and what I shall do tomorrow I know not. We must get another compound." From that day refugees began to pour in. Another building was provided. Four hundred and fifty, chiefly women and children, were reported on the 12th of September. They overflowed into and old roofless granary on the spacious floor of which whole families camped out and were thankful. On the 28th, eight hundred were reported, and from time to time the number has gone on increasing until now Dr. Westwater has probably a family of over a thousand of the most destitute, for it is only for this class that he lays himself out.

As the winter grew near and camping out in the old granary was out of the question, and the guilds again came to the assistance of Dr. Westwater and provided a large establishment of 30 rooms, suitable fitting with warm kangas. All the available accommodation has long since been occupied, and the cry is - still they come. In a recent communication Dr. Westwater says, that:" Last night I ke carefully examined the east refuge register, and was compelled to read out some half a dozen families to make room for still more needy cases from the front. They all protested a appeal to be allowed to stay on and it needs a hard heart to withstand their feelings, but what can one do? The cases coming in now are in an utterly destitute condition. They had been living undeground and would have gladly remained, but the military insisted on their leaving.
had to go. Our refugees are cramped to their utmost capacity and 
refugees are still coming in. I am not given to extend help unless 
I see urgent need but I must say if we have many more like the cases 
which have been arriving lately we must find some means of extending 
our promises.

The conditions grew worse after the fighting was over. Many of 
the houses had been wrecked, windows and doors having all been broken 
up during the battle, and many roofs as well, for firewood or 
defensive purposes by the Russian troops. And when the plain to 
the south was at last clear of soldiers it was the beginning of winter 
and too late to make the houses habitable. Then the cold weather 
caused the troops both Russian and Japanese to occupy the villages 
to the north of the city, and the dispossessed inhabitants were vain to 
find shelter in Liao-yang for refuge. Even from Shihliho and Shado, - sixty 
and eighty 1/2 distant, - they came, utterly forlorn, some driven, some 
burned out of the houses. One family of eight escaped 
from their burning homestead having saved one quilt among them. 
They with many others wandered about for a month of the coldest 
weather we have had, driven from pillar to post, until they drifted 
near Liao-yang, heard of a refuge and at last found a home.

Besides those sheltered and fed by the Society there are 
thousands of refugees in Liao-yang who are quartered in various parts 
of the city, got a little relief from the officials appointed by the 
Tartar General, and, having a little gruel and fuel of their own, 
continue to get along. Our object is to receive the utterly 
destitute only and leave the rest to local charity and the assistance 
of friends.

The story of the wounded refugee deserves a page to itself. 
On the first day of the Liao-yang battle eleven wounded women and 
children were brought in, all of them wounded with shrapnel and 
covered with soot and debris of the 'kang' besides which they had been 
crouching when the fatal shell burst in upon them. There were 
three people in the house. The half were wounded and brought in, t 
the other half were killed. This was the result of one shell in one 
house.

September 3rd. was 'black Saturday' in Liao-yang. Shells were 
burning everywhere all over the city. Many Chinese were killed, 

wounded were brought in scores to the hospital, some of them only to 
die. During that fateful Saturday and the following Sunday two 
hundred and fifty wounded Chinese passed through the Doctor's hands 
Not only the hospital but the refuge and the Mission compounds were 
all requisitioned. It took us all our time during those two days 
giving first aid.' But very soon the cases were sifted, the less 
serious went home, returning daily for dressing, and the rest - the 
200 shell wounds, - with them it was a battle with death. Some died 
of course, and all of them who survived will bear marks of that 
black Saturday for life. But many a mother got her child and many 
a child its mother, very much pain was eased and infinite suffering 
caused by the noble efforts of Dr. Wentwater and those who were 
associated with him. And to him and them this Society owes a debt of 
gratitude.

Reference has been made to the cordial assistance given by the 
then Liao-yang Magistrate Mr. Chine and the members of the guilds. 
A few days after the Japanese occupation a pleasing incident occurred 
which has already been reported, but which deserves a place in a 
detailed report as showing the sympathy and interest of the Japanese 
Military Authorities in the benevolent work of the Society. I shall 
tell it in Dr. Wentwater's own words:- "The day before yesterday 
(10th Sep.) General Fukushima called and accompanied me to the 
hospital and refuge. He was greatly interested and thanked me cordially 
for what we had done, expressing at the same time his great regret that so much distress had been caused to the Chinese during the 
recent operations. He, along with the Surgeon General inspected 
both institutions, and offered any assistance I required. Yesterday 
he returned and said he had been sent by the Commander in Chief 
to enquire for the wounded, and to thank me in his name. At the same 
time he presented a donation of a thousand dollars to the hospital 
This kindly message was conveyed to the patients. We then went to 
the refuge and when the inmates were all assembled in the middle of the 
compound a little message of sympathy was delivered and another sum of 
a thousand dollars given towards the funds of the refuge. It was a 
\ wonderful sight to see the women and children - about four hundred and 
fifty of them - bowing and bowing their thanks, and begging his 
Excellency to arrange for their speedy return to their homes."
Early in September refugees began to arrive in Mukden. They
came either from the scene of war in the South, generally coming in
empty-handed, or from anywhere to get away from the storm which they
saw to be breaking. Just at first we had premises ready to receive
refugees. Outdoor relief however was organised, and about the middle
of September, immediately after the retreat of the Russians from
Liaoyang, five hundred were reported as receiving relief from us,
while the Tartar General in the West suburb had established a refuge
and was housing about a thousand. The migration from the villages
south of Mukden was general. The whole of the plain with the
hundreds of villages was turned into an armed camp. Crops and houses
were destroyed, and the terror-stricken people fled pell-mell. Every
day brought its new accession of refugees. The streets in some places
were blocked with homeless women & children, half of them sitting on
the ground. It was well that it was summer camping out was possible
for the homeless crowds. Mr.Inglis and a large staff of assistants
had a difficult task for many days, taking names, investigating their
condition, feeding out the less needy. By & by a few houses were got
as refuges and were immediately filled, over a thousand being housed
and fed. Then came the battle of Shaho, and the number advanced by
leaps and bounds. Writing on Oct.22nd, Mr.Inglis reports:-

"The rush of refugees since the late fighting has been different
from that after the retreat from Liaoyang. Then everyone who could
do so brought in his household effects, fuel and grain. The influx
was general from all parts where the army was encamped. After the army
advanced southward many of these people returned to their homes, and
harvesting became general whatever the crop had not been absolutely
destroyed. Beginning with the 15th, there has been a new influx of
refugees, this time from a limited area, viz., between the fighting
line & the river Han. From the actual front the whole population
seems to be coming in, & most of the people being nothing with them.
The Han river is running deep and is not fordable for carts in many
places, hence many have been compelled to leave their supplies behind.
Only women are allowed to cross the Russian bridges and several have
been drowned in the river."

To accommodate the multitude additional houses room had to be provided

and through the kind offices of the Tartar general and his deputies
we were able to secure buildings in the north south and east suburbs.
for use as refuges. Among the buildings thus utilized are the mission
college Mission compounds and the Chekiang Guildhall, the Win Che
guildhall, Yi Ho Tien (an inn), Yi Ho Yuen (merchants compound) San
I Temple, The Tien Chi Temple two theatres and a commodious banking
establishment. Many of the premises were near empty shells when
taken over, and considerable expense was incurred in making them
habitable. Rents, however, were not high, and the guildhalls and tem-
ple-les were given rent free. Every available corner was occupied, even
the open corridors between the main building of the Tien Chi Temple
have been boarded up and made habitable, notwithstanding the strong
objections of the priests who insisting that Buddha required the
free use of the corridor for passing to and fro between the various
shrines. Bagnets were also made and we have at the present moment
7800 Seven thousand two hundred who are regularly fed and comfortably
housed. Besides there is accommodation reserved for thousand more if
the need should arise. How long this work will continue it is
impossible meantime to say. In any case the majority will remain on
our hands till well on in the Spring, as they are homeless and
without food and many of the women and children are for a much
longer period.

Dr. Christie has done noble service for the Society in Mukden
not only he has placed his hospital and well trained native staff
at the disposal of the Society but he has also thrown himself with
great energy and enthusiasm into the work of caring for the sick and
wounded refugees. In additions to the wounded who came in scores
after the battle of Shaho, he has to fight with fever and smallpox
among the unwounded refugees. 'There has been' he writes 'a great deal of
sickness among the refugees especially small pox and measles,
and as our present hospitals are full I am trying to rent another
compound, so that all infectious cases can be at once isolated. And
epidemic among such a crowd would be disastrous. There are now three
hospitals in operation and an isolation hospital for smallpox patient a
Among the wounded he has many very serious cases, one unfortunate
laborer had not fewer than 16 bayonet wounds in his body. The
stories of suffering they had to tell were simply heartrending.
When they were utterly destitute, have had to flee at the dead of night empty handed, and needed not only surgical treatment but food, clothing and bedding as well.

Besides this great service in the hospital Dr. Christie has had a large share in the splendid work which has been done by Mr. Inglis and his staff of Native helpers in feeding clothing and housing the homeless multitude of refugees.

It was not until the end of October that anything required to be done at Hain Men Tun. Several families turned up and were lodged in the mission buildings. The Prefect Mr. Cheng assisted Dr. Tarnmouth in getting house accommodation which was difficult to get owing to the number of families from the war-effects area who had rented houses on their own account. Many of the first comers supported themselves, they sailed from north of the fighting line and were able to bring their grain with them. A week or two later they began to pour in from the region southwest of Mukden, having been driven out by the Russian troops on the fighting line. The troops have destroyed their crops occupied their houses and commandeered their cattle. As there was no room at Hain Men Tun Dr. Tarnmouth has arranged for the accommodation in premises at a village two stations down the line, where they are now domiciled under the care of the responsible agents. Dr. Tarnmouth writes that there is still room in some of his outstations where he proposes to accommodate others that may turn up. Some time ago a crowd of homeless villagers chiefly women and children arrived at Kuang Ming having been evicted from their homes at Tien Tung, temporary accommodation was provided for them by the Rev. Mr. Hunter, who has since undertaken to act as our representative in that city. The refugees state that in the districts east of the line there are many families in a like homeless condition, and that there only retreat is in the direction of Kuang Ming. This city is well suited for relief operations. It is clear of the war area, grain and fuel are comparatively cheap and house accommodation can be got without much difficulty.

As for Fukasen and Kai Yuan our men have not as yet been called upon to do anything but it is a satisfaction to know that if the call comes they are ready.

Many of the refugees were unprepared in respect of clothing for the rigour of a Manchurian winter. When the cold season set in it told very much on the old and very young among whom there have been many deaths. Many had only a single ragged garment when they came and it was absolutely necessary that something should be done in the way of providing warm clothing. Dr. Christie asked for 5,000 suits of wadded garments, while Dr. Westwater wrote: 'Send me as many wadded garments as you can, consistent with the needs of other places I can use as many as you are able to send.' From the Society in Shanghai we got 5,000 suits, materials were forwarded to Mukden and Hain Men Tun for a thousand more which were made up into garments by the refugee women themselves. From Tientsin and Newchwang we got in various were 5,000 suits, and altogether 9,000 suits (18,000 pieces) of wadded garments have been distributed by us in Mukden, Liaoyang, Hain Men Tun and Haicheng districts.

Through the courtesy of the Japanese Military Authorities the Committee was enabled to send a deputy to investigate the conditions of those districts south and east of Haicheng which had been devastated by the war. It was found that in many places the standing crops had been either partially or totally destroyed, that in some districts there was no grain except what was imported from a distance, and that the price of grain was from three to five times the normal rate. Large numbers of the very poor, it was feared, would be in dire straits if no help was held out to them and it was resolved to make careful investigation and distribute relief in grain. H.E. the Tartar General again gave proof of his deep sympathy with the peoples distress by sending as a donation of 10,000 dollars which was spent in the purchase of grain at Western Chin Chow whence it was transported free to Tien Chwang Tai by the Imperial Railway. From Tien Chwang Tai the grain was conveyed in carts to various centres in the Liaoyang, Haicheng and Kai chow districts and has been distributed among some 9,000 of the most necessitous families in those regions. Another distribution will require to be made before the winter is over.
The Committee desire to make the following acknowledgments, viz.:

To the Viceroy Yuan Shih Kai, and the Directors of the Imperial Railways of North China for free passes for refugees over the line, for franked telegrams, and the free transport of medicines clothing and grain.

To H.I.M.'s Military Administration Newchwang for permitting the Society's agents travelling in the interior, and for free passes by the Railway.

To the Commander-in-chief of the Japanese Army for a donation of 2000 Dollars to the Society's work in Liaoyang.

To H.I.M. the Tartar General of Kouden for supplies of grain to the refugees from the government granaries, and for a donation of 12000 Dollars to purchase grain for distribution in the Liaoyang Hailcheng and Baichou districts.

To H.T.Jiang Sen, Tientsin (and friends) who furnished over a thousand suits of wadded garments for the refugees.

To the Standard Oil Company per C.Ho.Caulin Esq., for a donation of 75 cases of kerosene oil for the Society's hospitals and refuges.

To the Ladies benevolent society of Tientsin who donated 600 suits of wadded garments and kindly undertook the baking of another lot of over 500 suits.

To the Ladies work party of Newchwang who furnished several hundred suits of wadded garments.

The Christmas offering at the British Mission Church at Peking amounting to was devoted to the work of Refugees aid and is gratefully acknowledged.

Chairman.

Hon.Secretary.

Abstract of Memorials submitted by the Bureau for the Collation of Administrative Methods and the (e) Constitutional Assembly accompanying the Regulations for the Provincial Deliberative Assemblies.

Imperial Rescript issued July 22, 1908: "Sanctioned".

An Imperial Edict was issued on October 19, 1907, saying that the establishment of the Constitutional Assembly had been decreed as a step toward a Parliament. In every province there should be a Deliberative Assembly where public opinion could be ascertained, and the Constitutional Assembly should draw its members from the Provincial Assemblies. The powers of these assemblies shall be limited strictly to debate, the final determination and execution of all measures belonging exclusively to the Provincial Authorities.

The Provincial Assemblies shall furnish any information required by the Constitutional Assembly and they shall be empowered to make suggestions to the Provincial Authorities. (End of Edict.).

The important principles of constitutional government are (1) giving the people an insight into governmental affairs and (2) placing officials under the scrutiny of the people. All forms of constitutional government have deliberative bodies.

The idea of consulting the wishes of the people is not a new one to China. It is advocated in the Chinese Classics. But such popular discussion must be strictly regulated to avoid leading to disastrous results.

(e) Referred to in future translations as the "Constitutional Commission".
The Imperial order has been received to establish Provincial Deliberative Assemblies in addition to the Constitutional Assembly in Peking. The Empire unite in praise of this act of the Throne. Foreign constitutional governments have parliaments of two houses in the capital which act in conjunction with local self-government bodies. But owing to the size of the Chinese Empire local administration centers in the Viceroy and Governor, thus marking a differentiation from the foreign type of government. The provincial authorities are under the direct control of the Throne, another point of difference. The Provincial Assemblies while concerned with local government and designed to voice popular opinion cannot be held to diminish the supreme authority of the Central Government. It must not be forgotten that all deliberative bodies are restricted in their functions to debate. They have absolutely no executive powers. In foreign constitutional governments the powers of popular deliberative bodies are similarly restricted. In Germany the promotion and removal of officials is expressly reserved as a prerogative of the Throne, likewise in Japan. A parliament is an essential attribute of a constitutional government and a date must be set for the establishment of a parliament in China. As a start toward a parliament the Constitutional Assembly and the Provincial Deliberative Assemblies are now established. Hereafter the Throne may set a date for the establishment of a parliament. The method of operation of the Parliament and the Provincial Deliberative Assemblies will be identical. The powers of the Parliament must be defined in advance.

Provincial Deliberative Assemblies.

Regulations approved by the Throne, July 22, 1906.

ARTICLE I. GENERAL CHARACTER.

Section 1.

The Provincial Deliberative Assemblies shall conform with the Imperial Edicts and act as places where the public opinion of the respective provinces may be ascertained; they shall also deliberate as to what would seem to be beneficial for the province and shall advise their superiors of their opinions. The above shall be their principal function.

The Provincial Deliberative Assemblies shall be held wherever the Provincial Viceroy or Governor has his seat.

ARTICLE II. THE MEMBERS OF THE ASSEMBLIES.

Section 2.

The members of the Provincial Assemblies shall be elected to the numbers set forth in the following table and shall have to be elected in two successive elections.

Peng-t'ien -- 50 members. Kiangsu -- 66 members.
Kirin -- 30 " Anhui -- 63 "
Heilung-chiang 30 " Kiangsi -- 66 "
Chihli (including Shun-t'ien) -- 140 " Chekiang -- 114 "
Kiang-tung -- 85 " Fukien -- 72 "
Kansu -- 82 " Hupeh -- 80 "
Hunan -- 80 " Honan -- 50 "
Shantung -- 86 " Ssu-ch'uan -- 103 "
Honan -- 96 " Kwang-tung -- 91 "
Shansi -- 45 " Kwan-ch'iu -- 87 "
Shensi -- 39 " Yunnan -- 66 "
Kanu -- 45 " Kwei-chou -- 59 "

advance.
The Manchu Bannermen shall be held to be residents of the places where they are stationed whether it is in Peking or the Provinces. Up to the time the laws governing the Bannermen are changed, however, the Peking Bannermen shall be entitled to 10 exclusive representatives who shall constitute an addition to the number permitted to Chihli (including Shun-t'ien). Bannermen stationed as garrisons in the provinces shall be represented by from one to three additional members as determined by the Viceroy, Governor, and Tartar General acting jointly. (Note by Memorialists: The representation in the Provincial Deliberative Assemblies would best of all be arranged strictly on a basis of population, but as China has not yet made a census and to make one now would consume too much time the statistics of the literary examinations and the tax rolls have been taken as a basis for reckoning the number of Assembly members to assign to each province. Five percent of the number of licentiatees of each province was fixed as the number of the members. But in Kiangsu while the revenue yielded to the Throne in tribute rice is large, the number of licentiatees is small. Accordingly one member has been added for every thirty thousand piculs of rice yielded. On this basis there are nine additional members at Tanking and 23 at Soochow. In Chekiang and other provinces while much tribute rice is yielded yet the number of licentiatees is also large and there have been no additional members added. In Manchuria and the new dominion, which places have not been created into Provinces for a very long time, it is difficult to learn definitely statistics of either the taxes or the examinations; accordingly, an attempt has been made to set a suitable number irrespective of these facts. The numbers of members returned from each prefecture, independent sub-prefecture, department, and district, will be arranged by the provincial authorities in accordance with the Supplementary Regulations).

(Additional Note: In foreign countries a distinction is made between the direct election and the indirect election of the members of deliberative bodies. In the former case the members are chosen directly by the voters. In the second case the voters select electors who in turn elect the members of the deliberative bodies. At this time when a beginning is being made in the methods of election nothing careless should be done. It is to be urged against a hasty adoption of the method of direct election that its operations are not very exact, and make it possible for more useless figure-heads to be elected. In this Article the second method described is selected with a view to caution.) (Additional Note: In the last few years many Editors have been issued having for their aim the obliteration of the distinctions between Manchus and Chinese, and it is hoped that at some future time when the laws governing them have been altered that the Bannermen may be accounted residents of the locality in which they live. But before these laws are changed and the Manchus merged into the Chinese population if the Bannermen in Peking and elsewhere are not provided with special representatives they will have no opportunity to become acquainted with governmental affairs. Accordingly, provision has been made for the temporary representation of Bannermen by special members etc.).
Section 3.

Any man twenty-five years of age, or over, who is a native of a province and conforms in any one respect with the requirements enumerated below has the privilege of voting in the election of members of the Deliberative Assemblies:

(1) Having been successfully engaged for three years or more in teaching or in some other occupation conducive to the public good.

(2) Having graduated from a middle-school, or school of corresponding grade, in China or abroad, and possessing proof of the same.

(3) Having the former literary degree of a Senior Licentiate (kung-eheng) or a higher one.

(4) Having held any substantive official post of 7th civil or 5th military rank or higher, and not having been degraded on impeachment.

(5) Having any business capitalized at $5,000.00 or possessing real estate to the value of $5,000.00.

(Note: The franchise abroad may be classified as universal and restricted. In countries where universal franchise is the rule the Government makes no demands as to property, all male citizens who are of legal age may vote. In countries of restricted franchise possession of property or the amount of taxes paid is the basis for granting or withholding the franchise. At the present time when a beginning is made in the establishment of elective offices the universal franchise cannot be granted. If a property qualification alone were demanded it would tend to incite the money-greed among the people and lead them to honor the rich. So various qualifications have been selected and the range has been widened to include other things besides material wealth. There have been added qualifications of reputation, learning and official office, all of which are adjudged of equal importance with wealth, and any one of which will entitle a man to vote. And thus the admission of unqualified men to vote will be avoided and no partiality will be shown. etc.).

Section 4.

Any man of legal age (25) who though not a native of a province has nevertheless lived in the said province ten years and has the sum of $10,000.00 or more invested in a business or real property, is qualified to vote for members of the Provincial Deliberative Assembly of the said province.

Section 5.

Any native of a province or any one (30 years old) not a native who has lived in the province at least ten years is eligible to election to the Provincial Assembly.

Section 6.

Under any of the following disabilities no man shall be allowed to vote for or to be elected a member of the Provincial Deliberative Assemblies:

(1) Any turbulent or law-breaking person.

(2) Any person who has suffered imprisonment or any more serious penalty of the law.

(3) Any one who has been engaged in any disreputable business.

(4) Any one who has been put under suspicion in a business matter and has not been exonerated.

(5) Any one who uses opium.
(6) Any insane person.

(7) Any one who himself or a member of whose family is engaged in any disreputable pursuit.

(8) Any illiterate person.

Section 7.

The following of the occupations named below during their continuance shall prevent a man from voting for or from being elected a member of a Deliberative Assembly:

(1) Tenure of public office in the province or acting as private secretary to any official.

(2) Enrollment as a soldier or in the first or second reserves.

(3) Holding a commission as a police officer.

(4) Being occupied as Buddhist or Taoist priest or as a religious teacher in any other creed.

(5) Being enrolled as a student in any school.

(Note:- The disabilities mentioned in this section are not selected because they show necessarily any lack of those qualities which an elector or a candidate should have, or because they indicate a lack of accord with the character of such functionaries, but the officials of a province and their private secretaries are engaged in public affairs and occupied with the same business as is the Provincial Deliberative Assembly and it is to be feared that if the former be given the electoral or office holding privileges misconduct and mutual interference may result, or criminal alliance. It is a universal law that soldiers shall have no right to concern themselves with matters of government and the principle applies to the police. Buddhist, Taoist, and other religious priests are concerned exclusively with the affairs of their respective religious organizations and do not interfere with mundane matters. Students in schools should put their attention to their studies and naturally should not concern themselves with governmental matters. For the above reasons the classes enumerated are debarred from voting for or being elected members of the Provincial Deliberative Assemblies.

Section 8.

Teachers in primary schools shall not be eligible to election, or to hold office as members of the Deliberative Assemblies, which would interfere with the performance of their important duties. But they shall retain the right to vote.

Section 9.

The regulations governing the method of voting will necessarily be very long and will consequently be embodied in a separate set of rules.

III. THE CHAIRMAN, VICE CHAIRMAN, AND PERMANENT COMMITTEE OF THE DELIBERATIVE ASSEMBLY.

Section 10.

A Chairman, two Vice Chairmen, and a number of permanent officials shall be selected from among the members of the Assembly. The members on continuous duty shall be one fifth of the entire number. The Chairman and Vice Chairmen shall be elected separately by ballot but the members on continuous duty shall be elected en bloc. A majority of the votes cast shall elect. The detailed regulations shall be determined by each Assembly. (Note:- the business of the Province never ceases, and in order that the Assemblies may not be obliged to be in session longer than is necessary
necessary the above permanent committee is provided for.

Section 11.
The Chairman shall direct the business of the Assembly assisted by the Vice Chairman. In the absence of the Chairman a Vice Chairman shall act and in the absence of all three a temporary Chairman shall be elected.

Section 12.
The members of the Permanent Committee shall conform to Section 21, Clauses 9 - 12, and when the Assembly is not in session shall obey the orders of the Chairman, giving account of their actions at the next subsequent meeting of the Assembly. The members of the Permanent Committee shall be ready at all times to answer the inquiries of the Viceroy or Governor.

Section 13.
The Chairman, Vice Chairman, and members of the Permanent Committee shall be in their places of public business continuously, in order to avoid delay.

Section 14.
With the exception of the above special functions the Chairman, Vice Chairman, and members of the Permanent Committee shall have the same powers as the other members of the Assembly.

IV. Terms of offices and filling of vacancies.

Section 15.
The Chairman and members of the Assembly shall hold office for three years, but the members of the Permanent Committee shall hold office for only one year. The term of office shall be reckoned from the first day of the meeting of the Assembly next following upon the election.

Section 16.
When the Chairman for any reason illegally vacates his office, the Vice Chairman shall take his place. When the Vice Chairman for any reason irregularly vacates their office a successor for each shall be elected by the members of the Assembly from among their number. If the vacancy occurs while the Assembly is not in session the choice shall be made from among the members of the Permanent Committee. When an unexpected vacancy occurs in the Permanent Committee it shall be filled by the man highest on the list of the Existent members of the Committee.
If a vacancy occurs in the Assembly it shall be filled by the one highest in the list of those who were elected to the Assembly but were not appointed.

Section 17.

Those appointed temporarily to fill vacancies shall hold office only until the conclusion of the term for which they were appointed.

V. Elections and Resignations.

Section 18.

When his term of office has expired a member may be re-elected but only for one additional term. No member shall be removed before the expiration of his term on account of changes in the electoral districts.

Section 19.

No member may resign except for the following reasons: (1) Sickness that makes impossible for him the performance of his duties. (2) Unavoidable change of residence to another province. (3) Some other reason approved by the Assembly.

Section 20.

Any member re-elected may resign if desirous of doing so.

VI. Powers and Duties of the Assembly.

Section 21.

The Deliberative Assembly shall perform the following functions: (1) Determine the policy of the Province. (2) Make preliminary estimates of the income and expenditure of the Province. (3) Settling the amount of the above. (4) Determine the taxes to be levied and the funds to be borrowed. (5) Decide as to innovations in the Provinces (i.e. additional taxes, etc.) (6) Decide as to changes in the administration of the provincial government. (7) Elect delegates to the Constitutional Assembly (8) To answer questions put by the Constitutional Assembly. (9) To answer questions put by the Viceroy or Governor. (10) To answer questions put by the Viceroy or Governor. (11) To supervise the local self-government societies. (12) Receive and consider the proposals of the local self-government societies and people.

Section 22.

Those measures advocated by the Deliberative Assembly they shall request the Viceroy or Governor to make official. If the Viceroy or Governor consider the said measures unwise he shall direct the Deliberative Assembly to reconsider them.

Section 23.

When the Deliberative Assembly shall decide that any measures are unwise it shall appeal to the Viceroy or Governor to make the required changes. If the latter official disagrees with the opinion of the Deliberative Assembly the procedure outlined in Section 22 shall be followed.

Section 24.

If the Deliberative Assembly when instructed by the Provincial Authorities to reconsider any decision shall not alter said decision the Provincial Authorities may lay a full statement of the case before the Constitutional
Section 25.

In anticipation of the meeting of the Assembly the Viceroy or Governor shall make a list of those topics enumerated under the first seven heads of Section 21, with the exception of heads 2 and 3 of the Assembly is at liberty to discuss any of the topics mentioned.

Section 26.

The Deliberative Assembly may appeal to the Viceroy or Governor in case of uncertainty, but if said official deems it necessary to maintain secrecy with regard to any matter he may inform the Assembly of the general aspects of the case only.

Section 27.

If the Viceroy of Governor of a Province shall hinder the Assembly in the exercise of its lawful functions or shall break the laws of the Empire, the Deliberative Assembly may accuse him to the Constitutional Assembly in Peking.

Section 28.

In cases of bribery by the officials or the gentry of a province the Deliberative Assembly may acquaint the Viceroy or Governor of the facts in the same.

Section 29.

If two provinces shall be engaged in a dispute the Deliberative Assembly may request the Viceroy or Governor to lay the case before the Constitutional Assembly in Peking for decision.

Section 30. When the Constitutional Assembly shall make any decision in accordance with the provisions of Sections 24, 27, and 29, said decision shall be authoritative.

XII. Meeting of the Assembly.

Section 31.

The sessions of the Deliberative Assembly shall be of two kinds, regular and special. The Viceroy or Governor shall summon the Deliberative Assembly to a session. The Viceroy or Governor shall attend the Assembly in person the first day and explain the rules under which it will be conducted.

Section 32.

The Deliberative Assembly shall have one regular annual session which shall last about forty days, from the first of the 9th moon to the 11th of the 10th moon, but an extension of ten days may be made in order to conclude unfinished business.

Section 33.

Special sessions of the Assembly may be held to settle important business at the request of the Viceroy or Governor, or at the petition of one third of the members, or at the petition of the Chairmen and Permanent Committee.

Section 34.

Notice shall be given to the members thirty days in advance of any meeting of the Assembly of the topics to be discussed at the next session.

Section 35.
Section 35.

A half of the members shall be present before the Assembly shall be declared open.

Section 36.

A majority of the members shall decide any question and in case of a tie vote the Chairman shall cast the deciding ballot.

Section 37.

The Viceroy or Governor may attend the Assembly to declare his views or he may send a deputy to do so, but he may not vote.

Section 38.

When any topic coming up for discussion is one of personal importance to any member or to any member's family or relatives, or if it is a topic affecting any official prerogative of any member said member shall not engage in the discussion nor participate in the vote in connection with said topic.

Section 39.

No member shall be molested elsewhere for language used in the Assembly, but if he shall repeat any sentiments outside of the Assembly which are of an unlawful character he may be punished therefore.

Section 40.

No member shall be arrested for any crime during the session of the Assembly, without the assent of the Assembly.

Section 41.

Excepting for the following special reasons the public

public shall not be denied admittance to the sessions of the Deliberative Assemblies: (1) At the instruction of the Viceroy or Governor. (2) On the unanimous decision of the Chairman. (3) At the instance of more than ten of the members.

Section 42.

Except when the Chairman unanimously consider that secrecy is imperative the transactions of the Deliberative Assemblies shall be communicated to the public, the Provincial Authorities and the Constitutional Assembly in Peking.

Section 43.

When any member shall transgress the rules of debate the Chairman may forbid him to continue discussion and in the event of his refusal to obey may expel him from the hall, or if disorder arises in the Assembly the Chairman may dissolve the meeting.

Section 44.

Spectators breaking the rules may be ejected by the Chairman.

Section 45.

The rules of debate and the rules governing the admission of spectators shall be drawn up by the Deliberative Assemblies and authorized by the Viceroy or Governor, and promulgated.

VIII. Regulations.

Section 46.

The highest provincial authority has the duty of supervising the election of the members of the Deliberative
operative Assembly and controlling the meetings of the Assembly; he shall also at his discretion, authorize the decisions of the Assembly.

Section 47.

The following shall be sufficient reasons for adjournment of the Assembly by the Viceroy or Governor:

(1) Transgression of the limits of their functions and refusal to obey the Viceroy or Governor. (2) The arrival of any illegal character. (3) Any disorder too serious to be controlled by the Chairman.

Section 48.

For the following reasons the Viceroy of Governor may memorialise the Throne to dissolve the Assembly, but in this event he shall lay the case fully before the Constitutional Assembly: (1) The expression of sentiments reflecting unfavorably on the Throne. (2) Any act calculated to disturb the peaceful rule of the country. (3) Refusal to adjourn when ordered to by the Viceroy or Governor, or refusal to yield after having been adjourned several times. (4) The refusal of a considerable number of the members of the Assembly to attend the meeting of the Assembly after having been repeatedly summoned.

Section 49.

When the Assembly has been dissolved the Viceroy or Governor shall at the same time instruct the local officials to hold new elections and the Assembly shall convene within two months.

IX. Offices of the Assembly.

Section 50. The Assembly shall establish offices for the transaction of the correspondence and the keeping of the accounts of the Assembly said offices to be controlled by the Chairman.

Section 51.

The following officials shall be employed in the offices: A Chief Secretary and Fourt Secretaries, said officials to be selected by the Chairman and the appointments to be confirmed by the Viceroy or Governor.

Section 52.

The Deliberative Assembly itself shall determine the exact lines on which the offices shall be conducted.

EXPENDITURES.

Section 53.

The Viceroy or Governor shall furnish funds to the Assembly for the following purposes: (1) The traveling expenses of the members. (2) The expenses of the Chairmen and the members of the Permanent Committee. (3) The salaries of the Secretaries. (4) Miscellaneous expenditures. (5) An emergency fund.

Section 54.

The Viceroy or Governor shall determine the amount of the expenses and salaries mentioned in the preceding section.

Section 55.

The Chairman shall audit the expenditures of the Assembly monthly and shall draw up accounts of expenditures at the regular sessions and submit the same to the Assembly.

DISCIPLINE.

Section 56.
Section 56.
The discipline used in the Deliberative Assembly may be divided into the following two varieties: (1) Suspension from attendance at the Assembly for a period not exceeding ten days. (2) Expulsion.

Section 57.
Suspension shall require the unanimous decision of all the Chairmen. Expulsion shall follow the unanimous decision of the Assembly.

Section 58.
A member may be suspended for infraction of rules or for disorderly conduct; in case of serious offenses he may be expelled.

Section 59.
If a member shall without reason absent himself for any period of ten days from the meeting of the Assembly he shall be expelled.

Section 60.
If a member shall meddle in any outside affairs he shall be suspended or in case of unusual gravity expelled.

XII. ADDITIONAL SECTIONS.
Section 61.
These regulations shall take effect from the date of arrival of the despatch bringing news of the Imperial sanction.

Section 62.
In case of any deficiency in these Regulations the Provincial Deliberative Assembly may make suggestions to the Provincial Authorities who will in turn communicate with the Bureau for Collation of Administrative Methods and the Constitutional Assembly who will together arrive at a decision with regard thereto.

THE END.
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OUTLINE OF FACTORS AND POSSIBILITIES INVOLVED IN THE ORGANIZATION OF A CHINESE—AMERICAN SYNDICATE.

Certain possibilities involved in the future development of the Chinese Empire may, perhaps, best be briefly presented by comparisons. During the last ten years from $800,000,000.00 to $1,000,000,000.00 (estimated) of Japanese securities have been floated abroad, and absorbed by the western investing public. Japan, as now is well known, is a nation of comparatively small resources; yet her credit has been deemed sufficient to warrant this large investment. In some respects China is a similar country to Japan. The human element is almost identical in general traits and productive capacity; the conditions under which the people live approximately are the same. There are these differences; the natural resources of China are vastly superior to those of Japan, and the population is ten times as much. China now is turning into the current of modern progress, and it is probable that the next twenty years will witness in China as great comparative development as the last twenty years have accom-

lished in Japan. This may mean that in this period, or perhaps sooner, several billions of capital will be invested in enterprises in China and in financing the modern activities of the Chinese Government. Conditions unmistakably intimate that most of this capital will be provided by foreigners, and will find in China a secure and profitable field. If this hypothesis is accepted, or any approximation of it, the fact that there is a large opportunity in China for certain kinds of western business enterprise is proven.

In briefly analyzing the elements which affect this proposition, especially from the viewpoint of Americans, they may be grouped under the following headings:

2. Relations of China and the United States.

The first of these general divisions -- the Chinese Government -- falls into several sub-divisions. It may be said that the average business man in America now has these general ideas about China:

(A) That the Chinese Government is so unstable that there is no adequate assurance that it will be able to meet its financial obligations.
(B) That the political future of the nation is so uncertain as to make foreign investments there precarious.

(C) That the internal condition of the nation is so archaic that many forms of modern enterprise and finance are handicapped and hindered.

(D) That there is no immediate prospect that these disadvantageous conditions will be improved or corrected.

The factors which directly apply to these propositions may thus be classified:

1. Internal political situation of China.
2. External political factors.
3. Fiscal situation of the Empire.
4. Industrial and economic elements.
5. Publicity.

These topics will be discussed separately.

Internal Political Situation.

A persistent effort has been made in recent years, through publicity channels chiefly controlled by governments which desire the disintegration of the Chinese Empire, to create an impression throughout the world that the Chinese Gov-

ernment is on the verge of an internal cataclysm. A careful and candid analysis will show that this popular notion is a fallacy; that in fact the Chinese Government contains extraordinary elements of stability; and that there is nothing in the present internal situation of the nation which justifies the application to conditions there of the word "unstable" more than to most other nations. On the contrary, China's internal political condition is more stable than that of some nations (notably Russia) which today rank as first-class powers.

External Political Factors.

It cannot be doubted that some strong nations desire to accomplish the disintegration of China, with a view to themselves profiting by the conditions which such an event will bring about. It also is true that other equally powerful nations desire to preserve China. In weighing the possible and probably influence of these factors the question is which of these influences is the stronger. As to this, it truthfully may be said that the nations which desire to pre-
serve China probably will succeed, which means that China will be able to accomplish a peaceful (in the main) and gradual evolution. The reform movement in China rapidly is reaching a practical stage, and only time is needed to make it fully as successful as it has been in Japan.

Fiscal Situation.

It is not now possible to estimate the fiscal situation of China by standards which usually are applied in the West; but an analysis, deduced from the most authentic information obtainable, shows that the nation is comparatively free from debt, that taxation can be greatly increased without seriously burdening the people; and that foreign investments can be amply secured. In short, China easily can carry a much larger foreign debt than Japan, and can provide better security.

Industrial and Economic Elements.

China, like Japan and India, is making a beginning in modern industry, and results already demonstrated show that Chinese are the equals, possibly the superiors of other Orientals in mechanical capacity. The undeveloped natural resources of the land are almost infinite, and the people readily adopt modern methods when these are intelligently introduced. The so-called anti-foreign sentiment, which is alleged to be averse to introduction of foreign methods and hostile to the financing of Chinese development by foreign capital, is superficial, and almost entirely due to the belief among Chinese that this means is used by some foreign governments to encroach upon and eventually overthrow China's political autonomy. It is an episodic sentiment, and will pass with the amelioration of conditions which excited it.

Publicity.

That a majority of unfavorable ideas about China which now obtain in the West have been caused by biased publicity can be demonstrated. It may be corrected by the same means that created them. Steps are now being taken, encouraged by the Chinese Government, to secure for events and conditions in China as full and fair publicity in western countries as is enjoyed by other nations. This undoubtedly
will eventually have the effect of causing China's position to be better understood, and will aid to sustain her stability by dissipating some of the designs which now threaten her.

**AMERICA AND CHINA.**

The interest of the United States in the future of China is fundamental, and there is good reason to believe that in the near future the American Government will undertake an eastern policy calculated to preserve the integrity of China, and to pave the way for more active promotion of American interests there. Chinese statesmen now appreciate that America is the best friend of China among the greater powers, and that there is a genuine community of interests between the two nations; and they wish to pursue a policy which will further enlist the interest, and consequently the protection of America. Chinese statesmen are coming to realize that foreign capital is essential to the rapid development of China, and for political reasons which are obvious when the international situation in the Far East is understood, they prefer that America be the chief source of supply for this needed capital. It can positively be stated that this now is the inclination of the Peking Government, which will support any proper arrangement likely to promote such results. On the part of America, the presidency will be occupied during the next four or eight years by a man familiar with general conditions in the East, and who fully realizes the importance to America of events and developments there. This seems to assure that in the future the United States will have a definite policy in the East, and the international situation is so that America probably can determine, by the exercise of its influence, the course of events. There is reason to believe that the United States Government also will assist and encourage projects designed to promote American interests in the East, when these are legitimately conducted and conceived, especially when it can be demonstrated that they will result in extensive commercial and industrial benefit to the United States. The time for the organization of such a project on broad and comprehensive lines is ripe, and assurances of support from eminent quarters, in both China and America, have been received.

**BUSINESS FACTORS.**

It will be necessary, if such a project is carried to
a successful issue, to depart from methods which have from
time to time during the last decade been used to promote
similar enterprises in China and the United States. The old
method of "concession hunting" is thoroughly discredited,
and so also are many of the men who now are and formerly were
engaged in this kind of operation in China. In forming a
syndicate to market Chinese securities in western countries
and to finance enterprises in China now and in the future
it will be necessary to employ business methods and precautions
conformable to accepted business standards throughout the
world. Once properly organized and equipped, the possibilities
which lie before such a syndicate hardly can be estimated as
to volume of business which may be done. Operations should
be conducted on a basis to make them practically independent
of changes of administration of governments, although the
friendly interest and association of important officials in
China will be very advantageous. A syndicate should include
several principal commercial and financial groups in America
and England, with established connections in China, both native
and foreign. For instance, it would be well to include the
steel, oil, tobacco, cottons and other large industrial inter-
ests which do business in the Far East and desire to extend
their markets there; for it probably will be feasible to make
the placing of Chinese government securities in America and the
supply of materials for use in China reciprocal.

RESUMPTION.

1. The Chinese government is stable.

2. External forces favorable to the preservation
   of China are stronger than those which oppose
   them, which practically assures peaceful reform
   in China.

3. That the reform movement in China has reached
   a practical stage, and prospects for eventual
   success is good.

4. That within twenty years from one to two bil-
   lions of foreign capital will be invested in
   Chinese securities and enterprises, an enor-
   mous volume of business which must chiefly be
   financed in the West.

5. This investment will be coincident with an
   enormous commercial and industrial develop-
   ment, and extension of foreign trade of the Empire,
   a major part of which should accrue to the
   nation which takes the lead in helping China
   to finance her reform government and new in-
   dustrial regime.

6. That the foreign nation which eventually acquires
   prominence in China's foreign trade will be able
   to influence the course of her modern industrial
development and make it reciprocal rather than
detrimental to its own, and will commercially
dominate the Pacific Ocean, which in time may
become the center of the world's trade.

7. Political conditions point to America as the
natural leader in this movement, a fact which
leading Chinese are beginning to appreciate, and
which progressive members of the Peking Govern-
ment desire to bring about.

8. That the Washington administration will be in-
clined to assist such a project, and will direct
its eastern policy to encourage and stimulate it.

9. Conditions in China which have been disadvantag-
eous to modern progress and adverse to secure in-
vestment there of foreign capital are rapidly pas-
sing, and soon will be replaced by satisfactory
conditions.

10. The fiscal condition of China is better than that
of most great nations, and the nation easily can
support a large foreign debt, which must be in-
curred to secure funds to finance the reform of
the currency, the placing of the army and navy
on an efficient basis, to build railroads and
create other industries for the development of
the country.

No attempt is here made to prove any of the proposi-
tions set out, but it is believed that all can satisfactorily
be demonstrated. It no doubt will be conceded that if these
propositions are true they offer an attractive opportunity for
American financiers, one well worth investigation.
REPORT OF T. F. W. TO CHINESE GOVERNMENT.

August, 1908 (Copy)

The relation of international publicity to the present condition and probable fate of the Chinese Empire is one of the most important matters which the Chinese Government has to consider. It is no longer possible for China to pursue her own way without being seriously affected by public opinion in other countries. In the more powerful western countries, and to a considerable extent in Japan, what is called public opinion in the end determines governmental policies. This is particularly true in respect to the two most powerful western powers, and to which China must look for moral and perhaps material support, the United States of America and Great Britain. In neither of these countries can the government pursue for long any policy which does not accord with popular opinion, and when popular opinion takes any course the governments usually are compelled to follow it. It is clear that the course of events in China must be materially influenced during the next ten or twenty years (during which period the fate of the Empire will probably be decided) by the attitude of such nations as the United States, Great Britain and Germany. It can hardly be disputed that should these three nations reach an agreement or fall into accord regarding an Asiatic policy they will be able to determine the course of events in the East in respect to international activities. If this is admitted, it is clear that China's fate may be affected by what people in America, England and Germany may think about her and how they may regard the ambitions and actions of nations which may desire to cause the disruption or subjugation of China.

The problem which confronts Chinese statesmen is, therefore, a dual one. They must bring China to a position where she can maintain her position among the nations by being strong enough to protect herself, and this can only be done by reforming China's internal affairs. To reform China's internal affairs is quite practicable, but time is required. The question is: Will China be permitted to accomplish these reforms gradually and peacefully, or will some nations which desire a different outcome endeavor to take advantage of China's weakness before she is prepared to defend herself? If any powerful nation or nations should adopt and pursue this latter policy, China's only means to preserve her national existence and autonomy will be by inducing the counterbalancing influence of friendly nations to preserve her.
Present conditions in the East indicate certain very definite tendencies. It is evident that some nations have sinister designs upon the integrity of China, and it is apparent that certain powerful nations are opposed to these designs. It is becoming more apparent every year that no lasting balance of power can be established in the Pacific Ocean except with the direct participation of the United States of America. It is further apparent that there is a real community of interests between America and China, and that it is to the interest of America that the integrity of China be preserved. To have the facts which support this hypothesis plainly presented to the American people, so that their opinion may support the United States Government in shaping a vigorous eastern policy, should therefore be an immediate object of the Chinese Government. There is only one way by which this can be effectively accomplished, and this is by keeping the American people informed as to facts and conditions in the East which bear upon the propositions involved, and by fairly presenting to them China's side of matters which may become the subject of international consent and controversy—or, in other words, by publicity. In this matter China should read the lesson of Japan's method. There is no doubt that much of Japan's success in recent

years has been due to the fact that she has managed to secure an immense amount of favorable publicity in the West, while China's side of matters which concern her has been but poorly and inadequately presented.

In addition to political matters, it is evident that favorable publicity about China will have great influence in remedying some of the fiscal and economic difficulties under which China will labor for many years to come. In this connection it is evident that the fiscal and industrial reconstruction of China can be made to also conserve desirable political objects. It should be a primary object of Chinese statesmanship to cultivate the friendship of America and Great Britain, and there is no better practical way to do this than to get American and British citizens largely interested in enterprises in China. In preparing a practical programme for reform in China, Chinese statesmen will be compelled to consider these facts: That the two great financial nations of the world are England and America; that these two nations are also nations which may easily be induced to support China in her attempt to maintain her autonomy, on account of their interests in the East and natural positions; therefore, these two countries seem to offer the most favorable field for placing Chinese loans from every standpoint. These nations will not be inclined to use the private invest-
ments of their nationals in China to further sinister political ends, and they are the only nations now prepared to provide the large sums which will, in the next few years, be required to finance the fiscal reformation and political rehabilitation of China. To give the American and British people a direct interest in the stability of China, by the ownership of bonds of that nation or investments there, is one of the surest and easiest ways of bringing to the support of China the influence of those governments. There will be within ten years and perhaps less a complete reconstruction of international policies in the Far East, in which the assumption by America of a leading position may be anticipated. It remains with Chinese statesmen to say whether in the forthcoming realignment America will be found arranged on the side of China or with the forces which are now operating to destroy the Empire.

In this connection, the interest of Chinese Government in international publicity, especially in respect to America, is warranted; and in order to get results the matter should be considered in its various bearings, and from the standpoint of practical journalism. It has been suggested that parties acting for China purchase and operate a newspaper in the United States, or perhaps several newspapers in various parts of the country. Such a plan necessarily involves great expense, which makes it necessary to consider the objects sought by such a project, and whether this is the best way to attain them.

It may be assumed that China is not concerned with publicity in the United States, England or Europe, except when it touches upon eastern affairs, or matters which have a direct or indirect bearing upon events in the East. The object of such publicity should be, primarily, to represent favorably and fairly conditions and events in China and the Far East in the light of China's interests; and, secondarily, to refute misrepresentations made concerning those matters by opposing and hostile interests. These objects may be best accomplished not by special articles and advocacy, although this method has an influence and should not be neglected, but by information put into circulation in regular news dispatches through regular news channels. This kind of information is more widely disseminated, and has a greater eventual effect, by being presented in more subtle form, than outspoken advocacy and controversy. To distribute news in this fashion more than a single newspaper is required; many are needed and to own and operate a large number of newspapers in America will require an enormous investment, and would be likely to impair the results of the news service by causing a revelation of its incentive. The bulk of news in America is disseminated
through the morning newspapers, and the route of news movement
is from East to West owing to the differences in time. New
York City is the news center of the United States. It is
the habit of the greater morning newspapers in New York City
to supply special news services to other newspapers through-
out the country for simultaneous publication, and in order to
have this service widely printed the distributing newspaper
should be widely known and of good standing. There are
several such newspapers in New York, but none of them can now
be purchased except for a great price. So far as can be
learned, there is at present only one morning newspaper in
New York City which may be bought--THE PRESS-- and it is not
a desirable property for the use desired in this case. The
best paper for this purpose is either the TIMES OR TELEGRAPH,
and neither of these is for sale. Even if it was possible to
purchase one of these papers a deal could not be made with
much less than $1,000,000.00.

A review of the situation of newspapers in America induces
consideration whether the objects sought can be secured with-
out purchasing any newspaper, and it appears that this may
be done. Investigation shows that an arrangement can be
made with either of two prominent New York newspapers, both
unanimously qualified to meet requirements, by which a news
service concerning eastern affairs can be distributed through-
out the United States, England and Europe, and also supported
when occasion demands by the editorial policy of the news-
paper. Such an arrangement could secure simultaneous
publication in at least a score (probably more) of newspapers
covering all parts of the United States and Canada, and with
a total circulation of probably 3,000,000. This arrangement
will be comparatively inexpensive. The chief items of expense
are:

1. Cost of cable tells of news forwarded from the East to
   New York.

2. Salaries of a correspondant in the East whose duty
   will be to supply a news service to the New York
   paper, and perhaps two men in New York, a superior
   and subordinate, to edit and distribute the news in
   America.

3. Subsidy to the New York newspaper. (?)

The cost of cable tells depends, of course, on the extent
of the service. Such a service, to be effective, should
amount to an aggregate of 100,000 words a year, an average
of about 300 words a day, and it will cost at the present press
rate about $50,000.00.

The New York correspondent should be a thoroughly exper-
enced and competent journalist, of experience with inter-
national affairs and international publicity. He second rate
man will be of value. He should be an able writer, especially
on eastern affairs, as he should furnish the newspaper with

The Willard Straight Papers at Cornell University
timely editorials about eastern affairs. Such a man can
hardly be obtained for less than $10,000.00 a year. He should
have an assistant to do the actual handling of ordinary cable
matter, and to be always on duty when it becomes necessary for
the head correspondent or agent to be absent from New York.
Such an assistant can be had for $2,000.00 a year. The
eastern correspondent, while he need not be of the same quality
as the agent in New York, should be a fully competent and
reliable man experienced in preparing matter for the cable and
familiar with news and political conditions in the United
States. In the beginning a man for about $5,000.00 a year
should be employed; but after the service has been fully
established and got to running smoothly a cheaper man, say at
$3,000.00 a year, could be entrusted with the work. It should
be understood that any results gained by this plan must to
a considerable extent depend for effectiveness upon intelligent
handling, and it will be good policy to economize in the
salaries of the few employees needed. The eastern correpon-
dent will represent himself, of course, as a staff corre-
spendent of the New York newspaper, while the New York employees
will presumably be attached to the newspaper in ordinary edi-
torial capacities.

As to the amount which will be needed to gain the support
of a great New York newspaper to this plan that cannot now be
accurately estimated. The paper can get some return from
this special service, for which newspapers may be willing to
pay something, or at least will pay enough to cover the cost
of distribution in America. Just what a newspaper will demand
cannot be positively learned until one is prepared to approach
it with a definite proposition.

The cost of this plan can be reduced by lessening the ser-
cvice to be supplied, thereby lowering the cost of cable tells;
but this would be a poor policy where the great interests which
are involved are considered. The suggestions made here are
founded upon extensive practical knowledge of journalism in
America and throughout the world, and also of the peculiar
situation of China. Such a service, to be of value, should
not be confined to political matters in which the interest of
China is apparent, but should also supply information about
all matters of general interest, in order that it will be
actually valuable to the newspapers which print it and to
their readers.
The present prospect for marketing Chinese investment securities in America must be considered from several angles, which may be differentiated as follows:

1. Viewpoint of the American investor
2. Banking conditions.
3. China's methods.

Any banking syndicate which may be formed in America for the purpose of floating Chinese securities and financing Chinese industrial enterprises will not, it should be understood, contemplate the investment of its own money except for preliminary and incidental expenses, but will expect to sell the bonds, etc., to the investing public, and this cannot be done to advantage unless the public thinks favorably for such investments. It therefore is necessary to consider the point of view of the average business man in America toward China and things Chinese. In commenting upon this I will leave out of consideration that ill-informed class of the community which has only romantic and hazy ideas about the Orient, and will discuss the opinion of the intelligent business class, which
probably is no more provincial than similar classes in Europe. For the last year or two newspapers in America have printed many articles and news dispatches telling about the growth in China of a sentiment against giving great concessions there to foreigners, and this has had a tendency to make business men in America think that it is a waste of time and money to investigate that field. I don't think it is possible to organize a speculative syndicate like formerly was done, with a view to securing "concessions" in China. There has been a reaction from that sort of thing, and in my opinion effort along this line will be wasted. I have casually talked with several New York business men with a view to learning their general attitude toward investments in China. I find that many of them are interested in the prospects out there, but they have an impression that the basis for foreign investments in China is at present too insecure to warrant activity by American financiers. They seem interested, and ask many questions, to which I reply as well as I am able. However, I believe that the point of view of these men probably is that of the average man in Wall Street and throughout the country, and that objections which they raise toward activity in China represent ideas widely entertained. I take it that the average American business man and investor now has these general ideas about China:

(a) That the Chinese Government is so unstable that there is no adequate guarantee that it will be able to meet its obligations.

(b) That the political future of the nation is so uncertain as to make investments there precarious.

(c) That the internal condition of the nation is so archaic that all forms of modern enterprise are handicapped.

(d) That there is no immediate prospect that these disadvantageous conditions will be corrected or improved.

Hundreds of arguments against foreign investments in China are advanced, founded upon present popular opinion of the country and people as it exists in America, but the more significant ones will, I think, fall under one of the above headings. In attempting to market Chinese securities here China must be prepared to meet and refute these arguments which are certain to be advanced. I believe this can successfully be done, but conditions as they are should be faced. One hurtful idea that prevails about China is that foreign business there only can be secured through gaining the interest of Chinese officials, and that to some extent the stability of
I am not certain about the proposal of the committee. The American Banking Code is meant to be a law that does not pertain to the Treasury. In some cases, the Board of Governors may not be able to enforce the code. If there is any problem that cannot be solved in the Treasury, the Board of Governors must be able to do so.

American banks are not concerned with the United States. They are the backbone of the country, and they are the mainstay of the American economy. In many cases, American banks have more power than the government.

The American Banking Code is intended to protect the interests of American banks and not the country. It is not meant to be a law that affects the country. It is a law that affects American banks.

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be seen, is not really a competitive condition; but it can be corrected if China adopts intelligent means. It can be done by creating a market for Chinese securities in America. Several methods can be applied to accomplish this. An extra allowance might be made to American underwriters for special expenses in advertising and pushing the bonds. If for political reasons China prefers to nominally place loans in the United States, and will favor American bankers to the extent of giving them advance information concerning the terms, security, etc., and will give them the business at the same rate English and European bidders propose, there is no doubt that an American underwriting syndicate can be formed which will do pioneer work for Chinese securities in this country. In the long run to thus temporarily favor American financiers will profit China, for with some slight extra expense she can by making new investors create a real competitor with the European market, and in the future probably can get better terms. On the whole, American bankers are quite favorably disposed toward Chinese loans, and will no doubt willingly undertake them on the same terms as English and European bankers; but in actually competing they are at a disadvantage by not having an independent investing public behind them. It will be to China's ultimate advantage, leaving international political considerations out of the matter, to correct this situation even at some additional expense in marketing early loans. I feel sure that any business-like proposal of China will get a ready hearing in the American financial world, notwithstanding present disadvantages.

As soon as is possible, the Chinese Government should compile reliable information concerning the economic and fiscal situation of the Empire, so that foreign bankers will have something more definite upon which to base their calculations, and the estimate of risk. The lack of such information is at present a serious disadvantage to China, and until this defect is remedied she will pay heavily through the nose in marketing her securities abroad, by being compelled to allow excessive commissions, and to incur extra expense in reassuring the Western investing public.
This Mine was opened by W. PEARBY & temporarily abandoned because of the Pirates, mischief in that Region.

W. Pearby's opinion was exceedingly good.

From LAW to HAIPHONG good waterway: average depths 6' & plenty water at all season.

Approximate cost $ 3.50 per ton from Lam to Haiphong.

**ANALYSIS:**

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<th>Dates</th>
<th>Copper</th>
<th>Gold</th>
<th>Iron</th>
<th>Remarks</th>
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<td></td>
<td></td>
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**TIM-XUONG Mine**

Copper Mine
Lead & Silver
Copper & Gold

From Timxuong to River GUAM 1 kilometer 500
- = to HAIPHONG 130 kilometers by railway

Approximate cost $ 3.50 per ton to carry ore from Timxuong to Haiphong.

Timxuong Mine is under the direction of W. MOREAU, & will soon be in a situation to produce as much ore as the Syndicate may wish.

In the opinion of W. BIAUVAUX, W. MOREAU, & other engineers, Timxuong is a Mine which is rich in all sorts of metals, chiefly Gold, Silver, Copper & Lead.

The actual working is about 10 tons a day & may be increased indefinitely. The Country is healthy & quiet.

**ANALYSIS:**

<table>
<thead>
<tr>
<th>Dates</th>
<th>Copper</th>
<th>Gold</th>
<th>Silver</th>
<th>Iron</th>
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ANCAHUA Mine

Galena Silver Lead

Silver & Copper

Blende

Blende & Silver

HAIPHONG is the TOWNH Sea port, Ocean steamers six thousand tons, drawing 20 foot, can enter every day in the harbor.

HAIPHONG population:- foreign 2000
- of - native 4000

ANCAHUA is 160 kilometers distant from Haiphong. Good water way from Haiphong to LAM. From Lam to Ancahau, 60 kilometers, the navigation is difficult, several rapids are a serious obstacle to the navigation of native crafts, Captain SHOY, who is presently making the survey of the river between Lam & Ancahau says that the river can easily be improved for small steam-launches carrying 40 tons. Approximate cost $240 per ton to carry ore from Ancahau to Haiphong.

Presently the Mine occupies 200 workmen under the orders of W. BRAUDOUIN, a mining engineer. The Ancahau region is well mineralized according to W. BRAUDOUIN's report.

We can safely say that from the date, the different lodes (Blende, Copper, Galena) makes of Ancahau a very good mining Centre.

Various ANALYSES:

Dates Copper Gold Silver Lead Sulphur Zinc Antimony
25/2/09 12.3 50.5% 47.5 17.7 11.9 %
6/5/09 1.5
8/10/09 11.65 60% 58.56
-3-
-3-

TRAINEHUTT:

Trainett is 290 kilometers distant from HAIPHONG. Railway & water ways for transport of ore.

The Mine is 16 kilometers distant from the KRD-RIVER. a good from the Mine to the River was surveyed 4 is presently made under the supervision of an engineer.

The Mine is well opened & some 40 000 tons are in view and ready to be taken away which will be easily transported as soon as the road is finished, in the months of January or February 1910.

The engineer of this Mine, M. DEL ROCCA, has no hesitation to affirme that Trainett is one of the best Mines in the world, the average of 20% of Copper will be easily reached as soon as they work in the deeper part of the lode.

The lode or lodes are rich, sometimes, 10' broad, well in shape in the rock, the approximate cost for carrying the ore from Trainett to Haiphong may be estimated at $25 per ton.

ANALYSES:

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<tr>
<td>5/6/09</td>
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</tbody>
</table>
BLACK-RIVER Mine

Copper & Gold Mine

This mine is distant 4 kilometers from Black River, about 700 kilometers from Haiphong.

Good water ways at all seasons. Approximate cost for the transport of ore from the mine to Haiphong: ¥ 48 per ton.

The mine is worked "a ciel ouvert", like an ordinary quarry; ore in great abundance.

This mine is under the direction of Mr. BOVIO.

ANALYSES (of surface ore)

<table>
<thead>
<tr>
<th>Dates</th>
<th>Copper</th>
<th>Gold</th>
<th>Iron</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/10/39</td>
<td>6.27</td>
<td>4.74</td>
<td>48.44</td>
</tr>
</tbody>
</table>

THANHOA

Calamine Mine

This mine was opened only four months ago. Mr. TALON is directing the work. Calamine is almost pure; this deposit is supposed to be very extensive. It would be premature, however, to give a definite opinion on Thanhoa Calamine mine.

Mr. BILBERRY in one of his notes says: he has no hesitation to declare that the mine justifies the preliminary work & expense made to develop it.

The mine is six kilometers distant from railways line; good water ways. The distance from the mine to HAIPHONG is 200 kilometers.

No ANALYSES made.

General REMARKS

From HANOI to ZIMXUON, 6 hours railway.
- 3rd  to THAIHUIT 6 hours railway 4.5 hours on horseback.
- 3rd  to BLACK-RIVER Mine 3 hours railway 45 mins steam launch.
- 3rd  to THANHOA 6 hours railway 30 mins, on horseback.

From HAIPHONG to ARCHAU 3 hours steam launch to LAU, 40 kilometers on horseback or carriage by good land route.
Infantry. — Their merits and defects.

Infantry are the most important branch of any organised army, because it is by them, in conjunction with the other arms that battles are won. Artillery, cavalry, engineers etc. are merely aids to the one end.

The wide-spread front of any military operation being the infantry assault. The scouting work of the cavalry, the screen thrown out in front of any advancing army, the patrols thrown on the flanks. The reconnoitering in force shortly before a general engagement. All this undertaken on behalf of the infantry and are.

Therefore subsidiary —
The artillery preparation covering the attack is of the same nature. The infantry assault would not necessarily fail without the aid of the guns. The attack of the Afghans at the Battle of Oudawa — some of the successful attacks in the Ijzra during the Boer War.

The fortres is just where any equal number of Boers attacked an entrenched position supported by artillery fire — Majuba where a carefully placed number of riflemen took the place of artillery with trade success.
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The engineers, the supply and transport, are obviously only assistants and need not be dealt with under this heading.

The merits of infantry are the less with which they can be trained, two years is considered a fair time to train an fort soldier, but however in Continental armies, where a rigid discipline is in force, it is not a brutal discipline.

It is certain that these methods would fail completely in a Volunteer army such as America or England, in addition the temperament of the Anglo Saxon is not adapted to the stringent methods of the Teuton, Slav or Celtic races.

Modern infantry are armed and equipped as follows.

The English are armed with the new Lee Enfield rifle, known as short wood.

The rifle has an effective range of 3500 yards that is it will kill a man at that distance.

It has a fixed magazine with a clip loader holding ten cartridges.

The calculation is 308 and the weight 9f lbs.

The bayonet is rarely used, it is too heavy.

It has a flat trajectory, the bullet does not begin to drop until it has covered 500 yards of space.
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In 1886, Sir Hiram Maxim invented the Maxim automatic gun which still retains its former position. The Maxim gun of to-day is used by every European power but two.

The principle of the Maxim is the liberation of the recoil. The barrel which is the length and calibre of the ordinary rifle barrel is surrounded by a circular brass case called the water jacket. When the gun is in action this jacket is filled with water. The object of this being to

The gun is mounted either on a travelling carriage, or with infantry. A method is now generally used carried on a car pack. The range is the same as the rifle, the cartridges are carried in belts of 250 each. The calibre of the gun is 600 rounds a minute.

This gun was invented in America. Latest invention is the Colt gun covered by Colt Small Co America. This gun has a water jacket the recoil being used by means of a vent hole of an inch from the muzzle, a plug attached.
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In 1886, Sir Hiram Maxim invented the Maxim automatic gun which still retains its premier position. The Maxim gun of its day is used by every European power but two.

The cardinal principle of the Maxim is the localization of the recoil. The barrel which is too length and calibre of the ordinary rifle barrel is surrounded by a circular brass case called the water jacket. When the gun is in action this jacket is filled with water. The object of this being to

obviate the overheating of the barrel caused by the rapidity of the fire. The water reaches boiling point after 2000 continuous shots and must then be changed. The water should not be kept in the gun when not in use. Canvas cartridges are placed in a belt which is passed to the gun by a vent. The recess of the cartridge is used to decar the cartridge placed it in the barrel fire and eject the case. The operator commences fire by pressing the button at the breech of the gun then by readying releasing the check on the trigger.
The gun is mounted either on a travel carriage or with an infantry gun. It was formerly used in the War of 1812.

The range is the same as the rifle. The cartridges are carried in boxes of 250 each.

The rate of fire is 600 rounds per minute.

A later invention is the Colt gun, invented by Colt Small Co. America.

The gun has no water jacket. The recoil being used as means of a vent hole 5 of an inch from the muzzle, a plug attached.

The first appearance of machine guns in war dates back to the Franco-Prussian War, when the French used the mitrailleuse.

This gun was a collection of rifles, mounted in a circle, worked by a handle, its rate of fire was about 250 per minute. It used the Chauchat cartridge.

Great hopes were built on the mitrailleuse but with one exception they were not realised. At Grassotte (near Printz, the German) it was the fire of the machine guns that caused the terrible losses of the Prussian Guards. This corps...
losing 7,000 men in 20 minutes including the flower of the Russian army. This phase of the battle nearly converted the half gained victory into a defeat.

The success of the Gatlings was the Gatling, a very similar but improved weapon. It was invented by an American and adopted by England. It was used both during the Zulu war and the Egyptian campaign of 1882.

It was however purely a naval weapon and was invariably manned by the Naval Brigade. Next came the Garden andサロン. These were fir few or four.

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COMMERCIAL INQUIRIES.

1. Population: Chinese: 1
   Russian: 1
   Japanese: 1
   Foreign

2. Number of principal hongs of each kind:
   1st class: 2.5%
   2nd class: 2.5%
   3rd class: 2.5%
   Total of shops: 30 or about. 1 shop and 1 shop and 4 shops from other places, 1 distillery and 1 branch of distillery for sale.

3. Average capitalization of hongs: Per roll: 100000, etc.

4. Relations between Chinese and Russian or Japanese merchants
   good or bad? Character of credit?
   The Chinese merchants import foreign goods all through the year, and some from Russian firms of Vladivostok, all due cash at assurance. Can't sell goods on credit.
   Character of credit, etc.

5. Russian and Japanese enterprise: Number of firms? Character? What export and import business?
   10 foreign firms in all foreign goods are not imported by Chinese merchants.

6. Approximate value of annual trade: Export:
   Import:

7. Exports:
   Amount and value of each class:
  流感 to Willard <Shanghai> to
   Indian to Alaska
   skirn..."
   foreign to Willard to Tony Hi Shan Yee
   See to Vladivostok
   Item: cakes

Exports:
   Principal destinations of each class.
   See no 7th of last page.

Prices per picul, etc.:
   No regular price.

Imports:
   Amounts and values per annum:
   Piece goods:
   American,
   Japanese,
Piece goods:
English

Russian

Principal American chops on the market. Which most popular?

Chinese suggestions for improving American cottons for Manchurian market.

No merchant can divide which is American goods no said the best way have our agent to appear all American goods and show all samples to Chinese.
### Kerosene: Annual importation

<table>
<thead>
<tr>
<th>Country</th>
<th>Price per Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>American</td>
<td>$0.10</td>
</tr>
<tr>
<td>Russian</td>
<td>$0.05</td>
</tr>
</tbody>
</table>

**Remark:** Russian kerosene is cheaper than American.

### Probable outcome of future competition

- American: no
- Russian: no
- Sumatra: no

### Probable result of future competition between American and Russian flour

- No idea by Chinese merchants.

### Kinds of prices of miscellaneous goods:

- **Japanese**
- **Russian**
- **German**
- American

---

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Principal places from which foreign goods are imported.

Whether imported largely by Chinese or foreign firms?

Goods imported from Vladivostok and Korea.
Chinese goods imported most from Korea by foreign goods
from Vladivostok, all by Chinese merchants.

Russian or Japanese trade methods, buying and selling.

Between Russian or Japanese and Chinese all by cash
and credit.

Kinds of currency in circulation and in what way and to
what extent each is used.

Banking institutions: Capital, kinds of business and to what
extent carried on (exchange, loans, deposits), discount on draft
interest on loans and deposits.

Chinese: 3 branches of Kiriin. 8 runs to Kiriin
by draft.

Foreign: no

Financial conditions last year?
Principal methods of exchange between city and Vladivostok, Newchwang, Delny, or other place of origin or destination of goods?

Principal industries: Kind, capital, output, number of employees, profitableness, destination of product, etcetera.

Chinese:

Foreign industries:

Joint Industries:
Kinds and amount of taxation?

All merchant pay duty on import goods and 10% on sold per month.

Chinese business methods: credit, settlement of accounts, et cetera?

Most by cash, but some on credit of 3rd, 6th, and end of year only, distillers and thin traders credit to farmers to continue.

Chinese merchant guilds or chambers of commercial organization, membership, purpose, methods, et cetera?

One commercial society only.

Routes of transportation: Where to? Distance?

Roads:
- Road to Kirin by wagon in winter
- Mule
- Summer

Good to Vladivostok by railway.

Rivers:
- Sometimes to sea by junk.

Cost of transportation: River-boats, carts, railway.

Wagon 500-600 feet per week to Kirin
Mule 17,000 - 17,500 miles.

Rail car to Vladivostok all by private car 150 miles.

Area of distribution and collection: Extent? Principal cities or town within area? How modified by construction of railways?
Public improvements: Streets, sewers, lighting, buildings, etc.

Police, for diet: Light, lighting has employed in last an-when but all merchants could not give so much expense without but they stop the light and the police station want to consult with commercial society to the ability light in all streets and shops.

Police organization, size, efficiency, etc.?

General remarks: Our Will fully adjusted for sale of farm of last year, present farm report to the director, and blackberry that last week year, some what come from get upon local places. As for change interest, the same fully want to open the ability light again in main street all shops.

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Great Scott - what have I done?

Are summer regulations being observed?

What time is it? 5th hour.

[Handwritten notes]
COMMERCIAL INQUIRIES.

2. Number of principal hongs of each kind: Bank (Shum Hi) 10, Bank (Chin Hoi) 5, Bank (Kao Hoi) 5
3. Average capitalization of hongs: $200,000 per hong.
4. Relations between Chinese and Russian or Japanese merchants—good or bad? Character of credit?
5. Russian and Japanese enterprise: Number of firms? Character?
6. Approximate value of annual trade: Export-Import
7. Exports:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount and value of each class</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>American</td>
</tr>
<tr>
<td></td>
<td>Japanese</td>
</tr>
</tbody>
</table>

Exports:

Principal destinations of each class:
- Tobacco, to Muskan, to India of Chiu, and Russia.
- News
- Brandy, England, Japan, Germany.
- Different wine: Indian, Russian, Spanish, and China.

Imports:

Amounts and values per annum-

Piece goods:
- American,
Piece goods:

English

Russian

Competition between American and Japanese cottons during

Last year

Japanese cottons during last year was best.
The reason is price cheap.

Present

Japanese cottons during present time still look
increase on market.
The reason is as many last year.

Prices of cottons

American

Japanese

English

Principal American cotton on the market. Which most popular?

Principal American cotton on market and all kinds of M.A.T.'s
Chinese suggestions for improving American cottons for Manchurian market.
The best way rent an agent at this part and make cheap price
and good quality.
Kerosene: Annual importation:

American
- Standard oil 3000 tons per year
- Crude oil 3000 tons per year

Russian
- Crude oil 1000 tons per year

Sumatra or Dutch
- No goods here now

Probable outcome of future competition
standard oil will increasing on the market.

Flour: Annual importation:

American
- 120

Russian
- 210

Probable result of future competition between American and Russian flour

No flour comes here, so all merchants have no idea of result on flour.

Kinds of prices of miscellaneous goods:

Japanese
- Mineral Wax (20s.) candle 400 per pkg. 35¢ per pkg.

Russian
- Carved wood candle 1000 tons per pkg. 10¢ per pkg.

German

American
- Mutton plasma, 14 lb. a case 1300.00 dollars per case 1500.00 dollars
Principal places from which foreign goods are imported.

Whether imported largely by Chinese or foreign firms?

Foreign goods come from Macao and Japanese goods come from Peking. Russian goods come from Harbin.

Besides Japanese goods all foreign goods imported by Chinese firms. Goods come from Macao by china and by railway. Russian goods from Harbin by train, then by railroad and by wagon, and sometimes from Harbin to Harbin, Shanghai by railway and by wagon, and sometimes from Harbin to Harbin, Shanghai by wagon. Straight, Japanese from Peking to Shanghai by railway and wagon.

Russian or Japanese trade methods, buying and selling.

Russian and Japanese trade, buying and selling all by cash or credit.

Kinds of currency in circulation and in what way and to what extent each is used.

Exchange: all by cash now.

Banking institutions: Capital, kinds of business and to what extent carried on (exchange, loans, deposit), discount on drafts, interest on loans and deposits

Chinese:

9,200: Amount per 3,000 = mostly by loans.

Kinds of business: Pay calls here. Hire only.

Foreign:

No banks here and foreign business done as Chinese.

Financial conditions last year?

Financial of this city during last year was much better than this year.

Chop maze.

Reason to Chinese Bank named 'Chang Yuen' and Wee Jee's trades were not shut.
Principal methods of exchange between city and Vladivostok, Newchwang, Dalny, or other place of origin or destination of goods?

The goods to other places sold by official paper money (peso)

Principal industries: Kind, capital, output, number of employees, profitability, destination or product, et cetera.

Chinese: —

Foreign industries: —

Joint Industries: —

Dickie Light Plant:

Every thing has settled well and I will write before dinner tomorrow and come back at end of it.

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Chinese business methods: credit, settlement of accounts, etcetera?
No credit. All pay present money by official paper money of Frag.

Chinese merchant guilds or chambers of commerce: organization, membership, purpose, methods, etcetera?
Shao Hui, Chia Tsu, Shao Fan, Shang main guilds and 1 chamber of commerce. The purposes are to taking that place for meeting it recall some matters.

Routes of transportation: Where to? Distance?


Rivers:
Wu Hui Kai

Cost of transportation: River-boats, carts, railway.
Carts & railway.
1000 Frag = 200 Frag can't hire from Shang Hui, per piece about 120 catties.

Area of distribution and collection: Extent? Principal cities or towns within area? How modified by construction of railways?
East, South, West, North, Shao Hui, Shao Fan, Shang Hui, Hoo Hui, etc. The merchants keep prices higher as they can't do much business as the railway not built. The reason is the goods come much easier than before. Ordinary goods could not be sold, the merchant keep price higher as they can't do much business.
Public improvements: Streets, sewers, lighting, buildings, etcetera.

Wooden street trees - change wooden street, Russian oil lighting now. But new road & electric lighting will build this year.

New building: Chinese Opium Tea, Min Ching Rue, Fan Ching Rue.

Tao pin Ting, Tao pin Rue, Fu jiu Rue, Fu hui Rue, + some schools.

Police organization, size, efficiency, etcetera?

General remarks:

In Chinese Chii.

Wushan?

Hosian Chiang Rue

Hunting society of schools.

Commercial Inquiries:

1. Population: Chinese: 125,000 Russian: 25,000

2. Number of principal hongs of each kind:

1. Rye. No. Hanks 40-60 general stores

3. Average capitalization of hongs. 20,000 sq ft other capital. They own 40% of every house.

4. Relations between Chinese and Russian or Japanese merchants

   good or bad? Character of credit?

   All goods sold to Chinese by each 40% credit to each.

   Say good or bad, if the Chinese merchant yet more.

5. Russian and Japanese enterprises. Number of firms? Character?

   What export and import business?

   No paper Russian and Chinese firms.

6. Approximate value of annual trade: Export-

   Import-

7. Exports:

   Amount and value of each class.
Exports:

Principal destinations of each class.

Prices per picul, et cetera.

Imports:

Amounts and values per annum.

Piece goods:

American, prices per piece $2; Russian not per piece.

Pareto: fine and heavy.

Japanese,
Prices of cottons

American
Carlot (you and Hurley) 35 c. drill.

Japanese
Due trade shelling 100 c. per piece at Hai Hung Wharf 35 c. per piece

English
Cotton slub Red 95 c. net per piece at 9 c. each (95 c. net per piece)

Principal American ships on the market. Which most popular?
Standard Oil, Shuring, Shuring, Drill.

Chinese suggestions for improving American cottons for Manchurian market.
A agency opened here is doing well but the place too small for any agency. The new cotton letter sample first

Kerosene:
Annual importation:
American
Standard oil.

Russian

Sumatra
no

Probable outcome of future competition

Flour:
Annual importation:
American

Russian
Probable result of future competition between American and Russian flour

Kinds of prices of miscellaneous goods:

Japanese

Russian

German

American

Principal places from which foreign goods are imported. Whether imported largely by Chinese or foreign firms?

Most goods come from Vladivostok and some come from Chefoo, Weihaiwang.

Russian or Japanese trade methods, buying and selling.

Kinds of currency in circulation and in what way and to what extent each is used.
Banking institutions: Capital, kinds of business and to what extent carried on (exchange, loans, deposit), discount on drafts; interest on loans and deposits.

Chinese:
All good exchange will be exchanged as drafts made out through banks.

Foreign:
None foreign banks and firms.

Financial conditions last year?

Principal methods of exchange between city and Vladivostok, Nantong, Peking, or other place of origin or destination of goods?

Chinese:

Principal industries: Kind, capital, output, number of employees, profitability, destination of product, etcetera.

Chinese:
Foreign industries:

Joint Industries:

Kinds and amount of taxation?

Chinese business methods: credit, settlement of accounts, et cetera?

Most things paid for by cash and some on credit about 2-3 months.

Chinese merchant guilds or chambers of commerce: organization, membership, purpose, methods, et cetera?

One commercial society to range all merchants of Hankow.
-19-

Routes of transportation: Where to? Distance?

Roads:
To Juan de Fuca, by cart, 2400 ft.
and by land, both
15-20 ft. by cart, 1 mile, 700 ft.

Rivers:
no good stream visible.

Cost of transportation: River-boats, carts, railway.
By water, at Juan de Fuca, one year's freight;
by rail, at $1.50 per freight,
and at $2 per freight.

Area of distribution and collection: Extent? Principal citizen town within service area? How modified by construction of railways?

Public improvements: Streets, sewers, lighting, buildings, et cetera.

Every town, only one school will build.

Police organization, size, efficiency, et cetera?

General remarks:

CARTE DE T'AO MAN FOU.

Cette carte a été faite au cours d'un voyage, entrepris dans un but de propagande religieuse. Par le fait même, on a négligé bien des choses intéressantes, mais que ce but n'exigeait pas.

La position de Fa k'ou men, -telle que la donne la carte allemande. - a servi de base. De Fa k'ou men à T'aconan fou, j'ai pris la direction à la boussole et calculé la distance d'après le temps employé à la parcourir; de même de T'ac'ou man à Nantschi t'ai pen, (à l'ouest), Tseng hai miao, Pien tehao. Le P. Vervelles est à parcouru le pays au S du Sin kolo, et la route de Teh'a han pi lou à Balt odorat. Il s'est servi de la boussole, mais a pris les distances tellis que les donnèrent les indigènes. La présence du brigand mongol T'ac'k'o t'ac'ou nous a empêchés de pousser plus à l'O. Les parages, où nous n'avons pas été, ont été de la manière suivante: nous demandions aux Mongols ou aux Chinois le chemin pour aller d'un point connu à un autre également connu, avec les distances. En demandant à plusieurs endroits, des renseignements semblables sur des routes, croisant en quelque point, on arrive à des résultats passables, et parfois très justes, car les indigènes - pourvu qu'ils aient un peu voyagé - savent bien les distances et les directions, (celles-ci moins.)

Au dire des Chinois, il y aurait 500 lis de Leao iuen à T'ac'ou man, et un peu plus de 600 de T'ac'ou man à Tsaisirkar. De Leao iuen à T'aconan, je n'ai trouvé que 460 lors ne sommes pas allés à Tsaisirkar, qui est 18°56'53" long. E de Greenwich, et à 47°35' lat. N. Sur la carte T'ac'ou man est peut être trop au N, de 30 lis environ.) Un livre chinois donne pour T'aconan 45°35' lat. N. et 62°50' long. E de Peking.

Les points suivants ont été placés sur la carte exactement d'après nos observations:

Leao iuen, Pien tehao, K'ai t'oung bien, Nantschi t'ai pen, Tseng hai miao, et tout le tracé de la route passant par ces places, Taranhanwang fou, K'ou luen, et la route de Leao iuen à K'ou luen.

Les autres places ont été ajoutées et casées approximativement.

En dehors de ce pays, les contrées voisines (Mongolie orientale, Manchourie), ont été copiées à vue, d'autres cartes, dont une était chinoise, qui a la grande muraille, p. ex. est très mal placée.

Il ne faut donc pas attacher à cette carte une valeur, qu'elle n'a pas.

L'échelle est de 10.000. 000.

P. Vervelles.

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SOUKI TONG HIN ou K'OU LUEN

I safety a peu près 9,000 habitants, dont un bon tiers est Mongol. L'aspect de la ville est assez curieux: les boutiques s'alignent le long d'un fossé de 500 à 600 m, de longueur 10 de large et de prof. Il n'y a pas de rues, à l'exception d'un bout de 150 m. derrière la ville. Les boutiques ont l'apparence pauvre, quoiqu'elles aient, dit on, beaucoup d'argent. Le reste des maisons est bâti en bois. Il y a quelques auberges assez bonnes, avec des chambres, spéciales. Les Chinois viennent tous du Tonkin de Chine. Les commerçants sont originaires du Shan tong et du Shan si. Ils vendent un peu de tout. Le commerce se fait surtout avec Chinchow. La Sous-préfecture dépend de Chao Iang fu, en Mongolie Orientale, sous Jehol. La grande lanamie «Lanswang fou» est couverte par un Lama-roi, qui parle très bien le chinois. - Il y a un beau temple tout neuf, élevé au dieu de la guerre, avec des fresques passables.

La nourriture y est bonne: boeuf, mouton, porc. Pour deux repas par jour on paie 50 cents.

Il n'y a pas de télégraphe, la poste sera érigée en juin, si le Ton t'oung de Jehol le permet.

La majeure partie du commerce se fait avec Chinchow (par chariots), Ing-kow et Mukden, un peu avec Chao Iang aussi. Il y a grand marché de chevaux, vers la septième et la huitième lune. Les patrons des auberges ont le droit d'avoir des fusils, parce que le pays est fréquenté de brigands.

De K'ou luen à Hara t'ou kai le pays est très sauvage. Idé de K'ou luen à Ou hantcheu, et Sin li t'ouen. De K'ou luen à Ta'ing ho men: 240 lis; à Sin min four: 300; à Hara t'ou kai: 90; à Ou hantcheu: 90.

Le Lieutenant De Préter.

Les notes sont dues, par le fond, à M. Ferrario, mem de la poste, Mandchourie.

DE CHIN CHOW FU A TSIFISIKAR.

On part de la gare de Chin chow vers le Nord; immédiatement on passe un monticule assez élevé. Je n'ai pas fait la route; mais, on m'assure qu'il n'y a pas d'autres montées jusqu'à Y chow,(30 lis). N.B. En plaine le lit s'allonge. - La carte allemande donne un bon tracé de la route Chin chow - Y chow.

Y CHOW. Ville surélevée, assez propre, une tour (t'a se). Bureau de poste et de télégraphe. Peut avoir 15,000 habitants; je crois qu'il y en a moins. Pas fort conservateur; y fabrique de bons chares.

La plaine de Y chow est assez belle et bien peuplée.

Au Nord, à quelques centaines de mètres de la ville, le Ta ling ho qui avec son lit secondaire et sa largeur d'ordinaire, est basse et large de 100 m. Le fond est du limon et de sable; il est assez irrégulier, sans de trous et de dés. Lors des crues, le courant est rapide (peut-être 8 ou 6 m. à la sev?) A Chao Yang, le Ta ling ho se déplace sensiblement; mais, je ne sais pas quels sont ses caprices en Mandchourie. Ses crues sont parfois très fortes, mais éparses.

Au Nord de Y chow, vers Ta'ing ho men, s'étend une plaine de 50 lis de large, beaucoup en été. Bu feu au N. on passe par Mao c'ou keou, Chou kia p'ou se; Kao t'ai se, Pao c'ou cieh, avant d'arriver à Ta'ing ho men. Ces quatre villages sont assez grands. Une petite rivière coule entre la ville et le faubourg de Ta'ing ho men.

TA'ING HO MEN. - Pas de huitres. Plus petite que Y chow, mais active. Poste. - On lui donne 500 boutiques contre 300 à Chin chow et 300 à Y chow. - A 50 lis de Y chow. On prétend que récemment la distance a été mesurée à 72 lieues doivent être bien petites.
De Ts'ing houen à Fa k'ou men, on a sur la barrière, ou tout près, Chao hou ing se, (poste), - Faï tou teh'ang men, - Sin li t'ouen, - Teh'ang pei ing se, - Ts'ang ti, - Teh'ang ou t'ai men, - Le ma t'ai, - Siou. Echoli ho sortous villages et marchés plus ou moins importants. Comme Ts'ing ho men, toutes ces places ont perdu de leur prospérité. C'est peut-être parce que le chemin de fer a attiré les transactions vers le Sud. - Les Chinois affirment que Sin li t'ouen possède une gare destinée à la ligne, jadis projetée de Sin sin fu à Sin k'ou, et que des jalons ont été posés. - Sin k'ou est à environ 100 lieues NH de Ts'ing ho men, (en Mongolie). Il parait que le Roi de P'ouest a consédé un terrain de 30 lieues pour la ligne de Moukden à Peking. - Seuls Anglais y ont résidé avec une pompe à vapeur. Depuis ils ont abandonné la gare.

A Sin k'ou, on arrête le promontoire que les Chinois nomment un point de montagne bien raide. Le Teh'ang kiai leung et le Chang ting leung, (au NE de Sin k'ou), sont des monticules en terre, s'élevant, si j'ai bien compris, à 50 ou 60 m. au dessus de la vallée. Si l'on veut passer entre Sin k'ou et la barrière, on doit escalader le dit promontoire, qui est rocheux. Je n'y connais pas de passage à niveau ; mais, la montagne n'est pas très élevée. Elle est simple, constituée par une ligne de hauteurs. Une fois passé cette montagne, on n'en rencontre plus jusqu'à K'ang p'ing hien, en voit quelques-unes au Sud. Il y a cependant des ondulations. - De I shou à K'ang p'ing, il y a 450 lieus, par la route la plus directe, par Sin k'ou il y en a plus de 500.

La sous-préfecture de Teh'ang ou est peu peuplée. Au Nord, elle est limitée par des collines sableuses, vraies dunes sauvages, entre s'étalent de vastes prairies, coupées de tanières de sable. Au Sud, les terres sont meilleures. La sous-préfecture existe depuis quelques années seulement. Sa limite à l'Ouest est le Tao yang ho, pas profond et parfois presque à sec. Le Sin k'ou ho, (plus à l'Est), est plus grand près de la barrière, il a bien un lit de largeur. Son lit est couvert de sable et de gravier. - Teh'ang ou bien, (alias Heng tao se), est une ville qui vient de naître. On lui donne 300 boutiques. Elle est isolée dans une vaste plaine, (prairie). La contrée est pauvre. Barrière les dunes du Nord, il y a encore de bonnes terres. Mais, il faut aller au NE et à l'Ouest pour trouver de gros villages et des terres riches. Le général du pays, l'ancien brigand Feng ni ko, aider les Japonais, lors de la guerre, (avec son ami Fou li san, décapité depuis à Sin sin fu.) On lui donne 1000 soldats, tous anciens brigands, il chieff se paraît exagéré, il certain, cependant, que la contrée est de tout temps un refuge de bandits. - De Teh'ang ou bien à K'ang p'ing hien, il y a 300 lieus.

K'ANG P'ING HIEH. - Est bien peuplé, possède de gros villages, surtout au Sud. La ville de K'ang p'i ag est petite, elle a guère 3000 habitants. très peu de commerce. - Route. - La route est à 50 lieus plus à l'O. À l'Ouest, la ville, se trouve un lac, et de tout côté, le pays est assez marécageux en été.

Il n'y a pas de relations entre Teh'ang ou bien et Ts'ing ho men, ni entre K'ang p'ing et Teh'ang ou. Toutes les relations ont lieu du Sud au Nord et du Sud à l'Ouest. Le trajet Ts'ing houen-K'ang p'ing sera très peu profitable, alors que de
Sin min fu à Fa k'ou men et Leao iuen on pourrait faire de bonnes affaires. Toute Ligne qui ne relie pas Leao iuen avec un marché voisin de la Mandchourie, ne profitera pas beaucoup.

Dép l'ang p'ing à Leao iuen 100 a 200 lis 30 après la route suivie. On a à 1° de Leao ho; 1°, une ligne de dunes; et entre les deux une bande de 20 à 50 lis de large. Cette bande est tellement brûlée en été qu'on n'y passe guère que pour couper les dunes. La route de Fa k'ou men à Leao iuen passe à 20 lis de l'ang p'ing. Pas de gros villages sur la route de Leao iuen vo ilu a été détruit lors de la guerre, et se relève avec peine.

**LEAO IUEN** (alias: TCHENG KIA T'OUEN) 65,000 habitants.

Industrie du cuir, commerce de grains, animaux. Ville assez récente, active. À 50 lis de là, San kiang h'ou, petit port sur le Leao ho, exporte pas mal de caër vers la mer. Le commerce se fait surtout avec Fa k'ou men, Piel touna et T'ao nan fou. À 1°, la ville touche aux dunes; à 2° et à 1° les terres sont détémpées en été. Bonnes terres de labour près de la ville et au delà des dunes jusqu'à 200 lis à 1°. Pour le trafic intérieur, la Ligne Sin min fu - Leao iuen ne ferait aucun tort à la Ligne japonaise Mokden-Ècan teh'ang me.

Au delà de Leao iuen, vers l'est, on passe le Songen kolo et à 50 lis de la ville, le Sin kolo, pas très large; mais le Sin kolo peut monter très fort lors des crues. Près du Pao li chan, terrain marécageux, comme il y en plusieurs sur la route de T'ao nan fou. En été, les moustiques y rendent le passage quasi impossible. On longe la ligne télégraphique de Fa k'ou men à Tzeitikar.

Entre le Pao li chan et K'ai t'oung hieng, serpentant à l'Est 18 rangées de dunes, le sable est grès-noirâtre, très friable. Ces dunes sont plates, assez larges.

Pien t'oung, K'ai t'oung hieng (alias: Ph/itsing ne) sont des villages. À l'Èn de K'ai t'oung, quelques bourgs s'allignent sur une bifurcation de la route. Toutes les autres places sont négligeables, constituées souvent par 3 ou 4 maisons. Les auberges sont mal installées. Au delà de K'ai t'oung jusqu'à T'ao nan, le pays n'est presque plus cultivé.

**T'AO MAN FOU** (alias: CHANG LOU TCHEN ou CHAKI KAI). Étendus terres appartenant aux tribus mongoles de T'ou-sit'ou et de Tchist'ou. En l'an 29 de K'oung siu, les rois furent forcez de vendre ces terres aux Chinois, pour rendre aux Russes l'argent qu'ils leur avaient esprunté. Depuis une Préfecture et quatre sous-préfectures y ont été érigées. Elles ont une population chinoise de 200,000 h. environ. La Préfecture à elle seule en a 20,000 (7,000 familles). Les immigrants arrivent nombreux. Le pays malheureusement manque de bois dont l'importer de Fei touna et de Tzeitikar. L'argent aussi est trop rare. La ville de T'ao nan est entourée d'un remblai et d'un fossé, qui ont 4 lins en large et en long. Il y a 4 ou 5 distilleries. Les terres sont bonnes; elles donnent du millet, du sorgho et même de la canne, après que, à 500 lis plus au SW, le millet vient difficilement et le sorgho pas du tout. La population mongole est très claire-sensée, elle habite non des tentes mais des maisons. Dix rois du Gob oriental-dépendent de Mokden. — Le confluent du Kiao linh ho et du T'ao ho (T'oriskolo) se trouve un peu au N de la ville. Le T'ao ho possède des bords, qui le renommement bien, il n'est pas large.

La population chinoise est assez dense à au NE, à une journée de T'ao nan. Au SW il n'y a guère que des Mongoles.

De T'ao nan à Tzeitikar, la route est plate, au dire des Chinois, je ne l'ai pas parcourue.
Pour aller directement de Ts'ing homen à T'ao man fou, on doit passer par K'ou luen (alias Sino luen par opposition à Ta k'ou luen, Ourgas) K'ou luen, à 340 li, de Ts'ing homen, est un marché Sino-Mongol. C'est surtout un marché de chevaux; à certains jours il y en a jusqu'à 10 000. Le commerce se fait surtout avec la Mandchourie d'une part, avec les Mongols de l'autre. Ceux et y viennent vendre leurs animaux, et leur grain. Ils y achètent des articles manufacturés, du genièvre etc. Pasteurs presque partout, les Mongols qui y sont agriculteurs là où ils touchent aux Chinois. S'ils en ont le moyen, ils abandonnent le soin de leur champs à des colons chinois.

Le renom de K'ou luen est un peu surfeit. — De là à Leao luen il y a 300 li, à travers un pays entièrement mongol. De K'ou luen à T'ao man fou, 700 li, son passe quelques dunes, le Bongen kolo, le Sin kolo, et deux autres rivières, avant d'arriver à T'ao man. On laisse à gauche K'a lou bien, petite sous-préfecture, qui ne vivra pas longtemps, et on passe à côté de la résidence du roi de Tarenhan. — Dans le Gobi oriental, les grandes lamaderies, habitées par des centaines, voire parfois des milliers de lamas, ne sont pas rares.

H.R. de Pecher.
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PROVISIONAL REGULATIONS FOR THE WORKING OF THE CHINESE
CUSTOM HOUSE AT THE STATIONS "MAMCHURIA" AND "POGRANITCHNAYA"
("SUFENHO")

GENERAL RULES.

Article 1.

In accordance with the Contract for the Construction of the
Chinese Eastern Railway of 27th August, 1896, by the Chinese
Calendar of Xiang Hua, 22nd Year, 9th moon, 2nd day, Custom Houses
are about to be opened by the Chinese Government at the terminal
stations of the Chinese Eastern Railway "Mamchuria" and "Pogranitch-
chnayya" ("Sufenho"), which will be subordinated to the Head
Custom House at Harbin.

At the Stations Harbontse and Malin Controlling Barriers will
be established by the Chinese Customs to control the movement of
goods and to levy duties on merchandise exported from within the 50
yards free frontier zone.

Note. The protection existing within the Railway Territory
is assured to the full extent to the employees of the Chinese Customs.

Article 2.

Goods carried by the Chinese Eastern Railway through the said
Customs into the Russian Empire, and in the opposite direction, are
liable to the Customs Import and Export Duty respectively at the rate
of two-thirds of the Tariff of the Chinese Maritime Customs.

Article 3.

The above mentioned Custom Houses collect exclusively Customs
duties and do not levy any inland or other duties or taxes. They
also collect Transit dues on such goods carried by the Railway as
will be declared at the Customs as intended for transmission into the
interior from within the Station areas fixed by the despatches of
23rd Year moon, day), the present Provisional Rules and
the General Instructions of the Inspector General of the Chinese
Imperial Maritime Customs so far as these are applicable to the
Conditions of Land Trade.

The Custom House at the Station “Manchuria”, as situated
in a local opened to foreign trade, complies also with the
Treaties concluded by the Chinese Government with other Countries.

Article 2.

In order not to delay the cargo traffic and in the interests
of the Russo-Chinese Trade the said Custom House takes all necessary
measures the speedy release of goods passing through the Custom.

Article 3.

Buildings required for the use of the Customs at the Stations
“Manchuria” and “Pogranitnckaya” for Offices, for storage and keeping
of goods, which are in the hands of the Customs (godowns) and
for quarters of the employees will be proved by, and at the expense of,
the Chinese Government and the sites for the Russian and
Chinese Custom House buildings at these stations will be chosen by
mutual agreement in the immediate neighborhood of each other so
as to avoid all delay in the transmission of documents and goods
from one Custom House to the other.

Article 4.

In the event of there being at the stations “Manchuria” and
“Pogranitnckaya” buildings belonging to the Chinese Eastern Railway
fulfilling by their situation the demands of the preceding article
such buildings may be placed by the Railway at the disposal of the
Customs against rental by mutual arrangement.

The Chinese Eastern Railway can in general undertake the
construction of all buildings required by the Customs according to
the plans and specifications of the Customs.

Article 5.

For the examination of passengers and their luggage the Russian
Customs at the Stations “Manchuria” and “Pogranitnckaya” may place
at the disposal of the Chinese Customs their Luggage Examination
Halls.

Article 6.

The rate of Transit dues referred to in this article
is as follows:-

1. When conveyed from within the Station areas into the
interior within the limits of Manchuria Transit dues
are equal to one-third of the Maritime Customs Tariff.
2. When conveyed from within the Station areas to the
province of China proper goods make up the full Marit-
time duty, i. e. pay the additional one-third and pay
besides Transit dues at the rate of one-half of the
Maritime duty.

Article 7.

On payment of Customs or Transit Duty the said Custom House
issue Receipts and certificates respectively.

Article 8.

Goods destined according to their Railway documents for the stations
“Manchuria” and “Pogranitnckaya” and other stations situated within
the 50 verst frontier zone are - as goods entering the 50 - verst
free frontier zone - released for destination after examination free
of duty.

Article 9.

Goods from Russia destined according to the Bills of Lading for
the Stations situated outside the 50 - verst frontier zone, or goods
laden at the stations “Manchuria” or “Pogranitnckaya” and intended
for transmission to the stations outside this 50 - verst frontier
zone, are liable to Import Duty after examination by the Customs.

Article 10.

In all their actions the Custom Houses at the Stations “Manchuria”
and “Pogranitnckaya” conform with the Treaty of 1601, (Ruang Hau 7th
year) and the Regulations for Land Trade appended thereto, the Contract
for the Construction of the Chinese Eastern Railway concluded in 1896
(Ruang Hau 22nd year), the Principal Rules given in the despatches of
the Chinese Foreign Office and the Russian Minister at Peking of
23rd & 25th June, 1907 (Ruang Hau 33rd Year, 5th moon, 26th and 28th
6th and 8th July Days), the supplementary despatches of October, 1907 (Ruang Hau
33rd
Article 12.

Chinese Customs Buildings (offices and godowns) as well as all the goods unloaded by the Customs into these must be guarded by the Customs themselves. The responsibility however for goods in railway care from which railway seals have not been removed by the Customs rests with the Railway.

Article 13.

In service matters the Russian and Chinese Customs at the Stations "Manchuria" and "Pogranichnaya", as well as the Chinese Eastern Railway render mutually full assistance to each other.

The Railway undertakes the transmission by all the mail trains, of Chinese Customs covers addressed to the stations lying on route free of charge, and issues by agreement a certain number of free service railway tickets for the employees of the Chinese Customs travelling on service on the line.

Telegram from the Chinese Customs are transmitted by the Railway Telegraph against payment as usual.

Article 14.

With a view to expedite the transaction of business and establish a fixed terminology and for the convenience of the local Chinese population a gradual introduction, based upon experience, is desirable of Chinese text parallel with the Russian on forms of documents of various kinds, labels, etc. used by the Railway and which have connection with the Customs.

In order to facilitate relations between the Chinese Customs at the frontier Stations, the Railway and the Russian Customs, the external correspondance will be carried on in Russian, with parallel Chinese text if necessary; likewise, documents issued by the Chinese Customs will be supplied with a parallel Russian text to the extent it may be found necessary.

Article 15.

For the execution of Customs formalities over the goods passing through the Stations "Manchuria" and "Pogranichnaya" in the absence of the owner of the goods or of his agent, the Chinese Eastern Railway maintains at the said stations Customs Agencies.

Note.

Conditions and Rules for the working of the Customs Agencies are defined by special agreements between the Chinese Eastern Railway and the Chinese Customs. In case of necessity for the Agencies to pay duties these are tendered either in case or by bills of the Chinese Eastern Railway.

Article 16.

Should a discrepancy be discovered between the goods and Customs documents tendered for them, goods will be confiscated or, at the option of the Customs, a fine will be inflicted.
SPECIAL RULES.

IMPORT OF GOODS.

Article 17.

Goods going from Russia into Manchuria are examined by the Custom Houses at the Stations "Manchuria" and "Pogranitnaya" respectively. Goods which according to Bills of Landing have for their destination one of the places situated within the 50-yards frontier zone are passed without delay free of duty after the Customs have ascertained that among the goods there is nothing that is prohibited for importation into China.

Note. Goods mentioned in this Article, at the option of the sender, with the consent of the Customs, may be sent under Customs seals of the entering Customs concerned to Harbin for examination and payment of duty.

Article 18.

The examination of goods imported into Manchuria is carried out on the basis of the duplicate copies of the Bills of Landing transmitted by the Russian Customs to the Chinese Customs. The Chinese Customs begin the examination not later than 24 hours from the time of the transmission of the Bills of Landing. The examination of goods brought by a train must be completed in the shortest time possible and not later than 48 hours from the moment the examination began. In case of non-compliance with the fixed time limit a report is drawn up by the Customs House about the circumstances of the delay and submitted to the Head Custom House; a copy of the report is attached to the Railway cargo documents.

Article 19.

The aforementioned particulars must absolutely be entered on the Bills of Landing; name of sender, and, if possible, the name of the addressee, place of despatch of goods (the station of departure), place of destination, denomination, quantity and weight of goods, mode of packing, signs, marks, numbers, etc. and, if possible, the value of goods, and the signature of the railway official.

Article 20.

In addition to the duplicate copies of Bills of Landing the owner of the goods has the option of submitting to the Customs Bills, Specifications and other documents defining value, quality and quantity of goods.

Article 21.

Besides the abovementioned duplicate copies of the Bills of Landing, the Railway station officials present to the Customs for comparison Train and Car lists.

Article 22.

On receipt of the Bill of Landing the Customs either calculate the duties leviable according to the data given on the Bill of Landing if upon unloading a part of the goods the packages after their outside inspection or the opening of a certain number of packages at random be found to correspond in all respects with the particulars given on the Bill of Landing, or otherwise goods are unloaded from cars, opened up and examined by the Customs in the event of there being some discrepancy or suspicion about the documents.

Article 23.

The despatch of goods from the stations "Manchuria" and "Pogranitnaya" into Manchuria by the Railway line is only to take place with the co-operation of, and after the sender of goods has submitted to, the Customs a written application to that effect.

Goods destined for stations situated inside the 50-yards zone are passed without delay duty free after the Customs have ascertained there is nothing in them that is prohibited for importation. Goods going by railway to places outside the 50-yards frontier zone are examined according to the application presented and charged Import duty on, whenever leviable. Goods, however, sent from other stations within the 50-yards zone to stations outside this zone are liable to examination and levy of duty, whenever such is due, at the Controlling Barriers to be established by the Chinese Customs at the Stations Horbonte and Halin.

Article 24.
Article 24.
The release of goods from the Customs control takes place immediately after the payment of Customs duties leviable on them. In proof of payment of duty the Customs issue receipts freeing the goods from a second payment of Customs duty.

Article 25.
At the option of the owner of goods receipts may be issued for separate lots of goods forming part of a consignment showing fractional amounts of duty charged on each lot, but against a special fee for these receipts.

Article 26.
These receipts remain in force for three years.

Article 27.
Goods prohibited for importation into China when discovered will be confiscated by the Customs.

Article 28.
Foreign goods which on importation have only paid import duty, if carried from the frontier places or from within the situation areas into the interior can on payment of Transit Duty fixed by Art. 3 of the present rules obtain a Transit Certificate which frees them (on route to the place of destination) from all other inland duties and taxes.

N. B. The wording of the last paragraph of this Article is not definitely settled.

Article 29.
At the option of the owner of the goods or his agent simultaneously with the payment of import duty Transit dues can be paid by him (Rules, Art. 3).

On payment of Transit dues the Customs concerned issue Transit certificates, which free the goods from all the inland duties and taxes while moving from within the station areas into the interior (on route to the place of destination). Goods without Transit Certificate are subject to inland taxation.

N. B. The wording of the last paragraph of this Article is not definitely settled.

Article 30.
Transit Certificates may at option of the owner of the goods be issued for a whole consignment of goods of a person or for each separate lot of a consignment as decided by the owner of the goods.

EXTRACTION OF GOODS.

Article 31.
On arrival of a train from Manchuria at the Stations "Manchuria" or "Eugranitehna" the Railway Officials present to the Custom House Train and Car Lists and the duplicate copies of Bills of Landing.

Article 32.
Only such goods as are addressed to the Stations in Russia outside the 50-periote frontier zone are to liable to Export duty after examination by the Customs.

Article 33.
Goods exported from Manchuria are examined by the Chinese Customs which assess the Export duty according to the Chinese Tariff and then by the Russian Customs which calculate the Import duty according to the Russian Tariff, or, in order to avoid delay, according to the circumstances, examination and assessment of duty are carried out by both Customs jointly and simultaneously.

Article 34.
Goods which are liable to Chinese Export duty may not be despatched by railway into the Russian Empire before duty had been paid.

Article 35.
Goods the importation of which from the Chinese Empire is prohibited will be confiscated by the Chinese Customs.

Article 36.
In case of goods brought to the Stations "Manchuria" or "Eugranitehna" for transmission into the Russian Empire which have already paid Export duty, these will be released by the Chinese Customs without a fresh levy of Export duty in the event of a Certificate regarding such payment being presented and if the packages upon outside inspection prove to be in agreement with the particulars given in the Certificate.
In case of a discrepancy or a suspicion about the goods, these will be examined.

RAILWAY GOODS.

Article 37.

All articles and materials required for the construction working and repairs of the Chinese Eastern Railway Line are exempt from all Customs taxes and duties as well as those levied inland. In these are also included all articles required for the protection of the line.

Article 38.

For the above mentioned goods the Railway presents to the Customs duplicate copies of Bills of Landing, and the goods are released by the Customs at once after an outside inspection and comparison of packages with the particulars in the Bills of Landing, with the exception of those special cases when the Harbin Head Custom House directs the Custom House to examine a particular lot of railway goods.

Article 39.

The said duplicate copies of Bills of Landing are accompanied by certificates or declarations issued by the Chinese Eastern Railway to the effect that these goods are its own property and intended for its requirements (use).

Article 39a.

In order to prevent malpractices, etc., the Railway must keep an accurate record of materials received and used to which the Customs have a right of access for information.

Article 40.

In case it is intended to sell or transmit to an outsider materials or articles mentioned in Article 37 whether on account of their needlessness or being worn out, a declaration about it to the Customs is necessary which according to circumstances given the permission and levies duty, if such is due.

TRANSIT GOODS.

Article 41.

Goods passing from one locality of the Russian Empire to another in transit through Manchuria are released at once by the Customs without levy of duty and without hindrance if the seals affixed at the entering Station by the Russian and Chinese Customs are intact.

The Chinese Customs seals are affixed to the cars after the Russian-Customs seals.

Article 42.

The Railway hands over to the Customs for information duplicate copies of Bills of Landing for the transit goods mentioned in the preceding article.

Article 43.

Should seals of one of the Customs be damaged or lost en route while the seals of the other Customs or the Railway seals are intact, and the latter agree with the entries made in the Car list the levy Customs orders the release of the car on its journey without making a detailed internal verification of the cargo.

Article 44.

Should all the seals affixed at the entering Station be damaged or lost, or only a part of them, making unhindered access into the car possible, or the car be damaged en route and require a reloading of goods, the Railway Station at which damage is discovered informs immediately
immediately by telegram the Customs at the Station of entry as well as the nearest Custom House and detains the car until the receipt of a telegraphic reply.

Article 45.

It rests with the Custom House which receives the telegram to appoint a special employe to carry out the investigation into the cause of damage or loss of seals, or to commission the Railway the Railway to make such investigation or to authorize the despatch of the car for investigation to the leaving frontier Station.

Article 46.

If, at the investigation or upon inspection and comparison of cargo with documents at the place of accident or at the leaving Customs, the cargo be found in full agreement with the documents it will be allowed to proceed onwards without hindrance.

Article 47.

On the cars with damaged or lost seals new seals are affixed at the place of accident with which they proceed to the frontier leaving Customs, proper remarks to the effect being made on the cargo documents; if a special Customs Officer was sent to make investigation, in addition to the Railway seals attached at the place of accident, Customs seals are attached by him also.

In the absence of Customs Officer, the cars proceed with Railway seals alone.

Article 48.

In case of shortage of cargo or disagreement with documents, the cargo is detained by the Customs until the investigation explains the cause of shortage or disagreement of cargo; if the investigation proves misdemeanour on the Railway (or a not sufficient protection) the remaining cargo is confiscated (and duty leviable on lost cargo excused from the Railway).

Article 49.

In case of shortage, loss or disagreement of cargo, caused through derailment or other uncontrollable forces (force majeure) the Railway is not responsible vis-à-vis the Customs, but in all such cases the Railway must take proper steps to prevent pilfering, loss, etc. of the remaining cargo.

Article 50.

If, in cases described in Article 49, it is intended to sell the remaining or damaged cargo on the spot, Customs permission must be obtained beforehand. Import duty (and Transit dues, if required) must be paid by the purchaser before delivery of the sold cargo.

Article 51.

In case the investigation proves the guilt of Railway employees, the Customs concerned notifies this to the Railway authorities for such action as will be deemed necessary and the Railway authorities inform the Customs of the decision taken.

RE-EXPORTS.

Article 52.

Whenever foreign goods are re-exported from China the import duty originally paid is refunded in accordance with the rules followed by the Chinese Maritime Customs, given below.

Article 53.

Foreign goods which have paid Import duty may if re-exported from China within the period of three years from the date of such payment receive refund of the Import duty formerly paid in form of a Drawback Certificate.

Article 54.

Drawback Certificates are accepted by the Customs without deduction in payment of Export and Import duties. If desired, they may be exchanged for ready money.

Article 55.

Drawback Certificates are issued by the Customs within 3 weeks from the day of presentation of documents which establish the right of the owner of goods to a refund of duty, in case the goods
goods prove to be in all respects in agreement with the description recorded at the time of importation, if they are in their original packages, bearing all the distinguishing signs and marks, and if the duty the refund of which is requested was actually paid within the specified term.

Article 56.

Should the examination prove disagreement of goods and fraud be discovered, the goods will be confiscated.

Article 57.

If fraud be discovered when refund of duty is claimed on foreign goods, the Custom at its option either inflicts a fine not exceeding five times the duty the refund of which was applied for, or confiscates the goods concerned.

Article 58.

Goods having for their destination one of the points inside the station areas and which have paid duty on importation may be transmitted to places in the interior upon presentation of an application to the entering Custom or the Harbin Head Custom House, together with a receipt of Custom House at the Stations "Manchuria" or "Pogranitkhanya" in proof of payment of import duty, and upon payment of Transit Dues at the rate fixed in Art. 5 of the present rules. The Customs concerned, or the Head Custom House at Harbin, after having verified the goods with the entries on the receipts in proof of payment of duty and after having levied the said Transit dues issued to the owner of the goods Transit Certificates mentioned above.

Article 59.

The following articles allowed, in accordance with Art. 14 of the Regulations for Land Trade of 1881, to be imported and exported, if carried through the Stations "Manchuria" and "Pogranitkhanya" will be considered as contraband articles and liable to confiscation. Powder, Shot, Cannons. Guns. Rifles and all kinds of Fire Arms. Military Ammunition and Stores. Salt. Opium. Likewise it is prohibited to export from China through the Stations "Manchuria" and "Pogranitkhanya" Rice and Chinese Copper Coins.

ARTICLES REGARDING PASSENGER'S LUGGAGE.

Article 61.

Passenger's luggage is passed after examination duty-free.

Article 62.

As luggage are generally recognized all articles accompanying a passenger whether intended for his personal use or required on the journey.
Article 68.
Should there be discovered among the passenger's luggage articles prohibited to be imported or exported, they will be confiscated.

Article 69.
Notifiable Articles carried among the luggage, whether of the nature of goods or in excessive quantity evidently intended for sale, must be declared before examination when questioned by the examining officer, otherwise the articles will be confiscated and the owner may be fined.

Note. In case of any changes made in the rules existing in the Chinese Maritime Customs at the ports regarding luggage these will also be extended to the Chinese Customs established after the pattern of the latter at the terminal points of the railway.

Article 70.
The examination of passengers and their luggage arriving from Russia will be carried out by the Officers of the Chinese Customs in presence of a Russian Customs Official, and, if articles prohibited by the Russian law for exportation into China be discovered, such will be handed over to the Russian Customs to deal with.

The examination of passengers and their luggage proceeding from Manchuria into the Russian Empire will be carried out in the presence of an Officer of the Chinese Customs by the Russian Customs: should any articles prohibited to be exported from China be discovered, such will be handed over to the Chinese Customs to deal with.

Articles liable to Export duty will be charged duty on.

RULES REGARDING POSTAL PARCELS.

I. GENERAL RULES.

Article 71.
Postal parcels imported into, and exported from, China are, like other goods, subject to Customs examination and payment of duty, according to general rules.

Article 72.
All regulations relative to duty payment at reduced rate or exemption from duty are equally applicable to articles sent by postal parcels from within, or into, the station areas.

Article 73.
Postal parcels going in transit by railway are exempted from payment of Import and Export duties.

Article 74.
Postal parcels are beside Import and Export duties liable to Transit or Likin according to general rules.

Article 75.
Articles which are prohibited to be imported into, or exported from, China may neither be sent by postal parcels.

II. SPECIAL RULES.

A. PARCEL SENT TO CHINA.

Article 76.
Parcels addressed to places in China must be accompanied by Customs Declarations in duplicate on the lines given in the Parcel Post Rules of the Rome Convention [Detailed Regulations, Art. VI. 1.].

Article 77.
In the declarations must be given: place of despatch, denomination of contents, quantity, gross and net weight, value of contents, form of packing, place of destination and name of addressee.

Article 78.
On arrival of parcels at the Stations “Manchuria” and “Pogranitchnaya” the Postal department hands in to the Custom House a List of parcels in duplicate together with two copies of the corresponding declarations. In the list the parcels must be grouped together as far as possible according to their places of destination.
The Custom House either demands the presentation of all, or a part of, parcels for examination, or sends an officer to examine them at the Post Office, or, on the strength of declarations, pass the parcels without examination.

**Article 76.**

The amount of duty, if any is due will be marked on the declarations, and in the list, of each of which the Custom House retains one copy and returns the duplicate copies of the list and declarations to the Post Office.

**Article 76.**

Parcels not liable to duty will be marked in the list and on the declarations "duty free".

**Article 77.**

If addresses of parcels are in a place where there is a Custom House, they are to pay the duty to the Customs which issue receipts on the presentation of which the Post Office delivers the parcel. Duty may also be paid to the Post Office which in such cases transmits the sum collected to the Custom House.

The issue of parcels for which duty has been fixed by the Customs is not to take place before the presentation of the Customs receipt, or until the amount of duty has been paid to the Post Office.

**Article 78.**

Parcels addressed to other places in China where there are no other Custom Houses are to be sent to the Post Office nearest to the place of residence of the addressee accompanied by declarations and with a remark "duty free" or "duty amounting to ...........:cop. to be collected before delivery" (which resembles to Trade Charges for the amount of duty due).

**Article 79.**

Sum collected by the Post Offices from the addresses of parcels are to be remitted by them to the entering Customs or concerned or to the Harbin Custom House in full at the expense of receivers of parcels.

**Article 80.**

For the execution of such Customs formalities the Postal department has a right to exact from addressees a commissioner at the rate fixed by International or Russian postal regulations.

**Article 81.**

In case of a refusal of the addressee to pay the duty parcels will be dealt with in accordance with the existing postal regulations, but if it be decided to sell such parcels the duty assessed must be paid by the purchaser.

**Article 82.**

Parcels to be exported from Manchuria and despatched from the stations "Manchuria" and "Bagrannitshnaya" or from places where there is a Custom House must first be presented to the Customs for examination and payment of duty, whenever even is due, and to receive a permit without which the Post Office will not accept for parcels (transmission).

**Article 83.**

When conveying such duty-paid parcels through the Stations "Manchuria" and "Bagrannitshnaya" a list of parcels together with one copy of Customs declarations to be presented by the Postal department to the Custom House concerned. Parcels of this category must as far as possible be packed up separately from other parcels which have not paid duty. Such packages, at the option of the Customs, will travel under seals of the Custom House which levied duty on as far as the frontier station where the seals will be removed by the leaving Customs.

**Article 84.**

Whenever parcels are to be sent from places where there is no Custom House a Customs declaration in triplicate must simultaneously be handed in to the Post Office and duty paid at the rate of 8% on the value declared. The amount of duty is to be simultaneously forwarded to the leaving Customs at the expense of the sender.

**Articles 85.**