

## MENGT SZ.

1. TRADE.—The province has been very badly affected by a twofold fall in exchange. Firstly there was the gold-silver exchange, and secondly that of Yunnan paper money in relation to silver. The effect of the first was to render goods from gold-standard countries expensive and of the second to make goods from other provinces dear. It is true, on the other hand, that the fall in exchange was good for the tin-mining companies (on the success of whose operations a great deal of the well-being of the province depends), as their labour is paid in paper dollars, and it would also have aided exports in other lines could they only have been developed. Small farmers are in the majority, and the price of market commodities has not risen in proportion to the fall in exchange. Some imported commodities have risen to 18 times their former values in paper money during the last 10 years. Military campaigns hamper trade, draining the province of men and money, and an unsuccessful war is apt to cause a fall in exchange.

All goods destined for the interior away from the railroads are transported by caravan. In time of war, horses are commandeered and the breeders lose heart. Hence there is a dearth of horses, and the caravan rates are so high that the price of the already expensive goods is raised beyond the reach of the consumers. Further, when the troops are away, brigandage increases, so that caravans must pay for escorts. In some places the brigands themselves control the caravans, and, as they of course need no protection, they can undersell honest traders. It must, however, be noted that competition still exists between caravan and railway for small quantities of goods between places not far apart.

There is no actual demand for native goods as opposed to foreign imports. Whoever can sell suitable goods at the cheapest price will get the market. Much native cotton yarn is therefore bought, as were Japanese piece goods before the 1931 boycott. High freight charges, owing to the distance between Yunnan and the outside world, high taxes, and the diminished purchasing power of the people, are practically forcing the province either to make what it wants or else to do without it.

Boycott, a double-edged weapon, was resorted to fairly frequently during the decade, but only those boycotts against the Japanese were really serious from the point of view of the trade of the province. Owing to their cheapness, Japanese goods are in great demand. In February 1922 there was an anti-Japanese boycott under the auspices of the Yunnanfu Chamber of Commerce; in 1923 there was another, yet in the same year about \$3,000, collected by popular subscription, was handed over to the Japanese Consul for the victims of the catastrophe in Japan. In 1925 there was an attempt at starting a boycott against British and Japanese goods. In 1927 there was a small anti-British boycott, and in June the same year there was an attempt to start one against the Japanese and British. Finally, there was the anti-Japanese boycott of 1931, which, if it lasts much longer, will probably ruin many local merchants. The Japanese were evacuated and their shops were looted. These boycotts hardly affected the interior.

There is a great demand for electric torches of cylindrical type, batteries for which are assembled in Yunnanfu. This demand is due partly to the poorness of the electric light (where there is any) and partly to the fear of robbers. Kerosene-gas lamps have made their

appearance. They give a very bright light suitable for home, factory, or shop illumination, and are economical in use. In most big towns one can find tinned biscuits, other tinned foodstuffs and fruits, "Sunmaid" raisins, milk foods, etc. In the capital one finds modern-style sweaters, scarves, muffs, and so on. There are cheap gramophones, and electric lampshades of pleasing design. Many men wear felt hats. All these are of recent appearance.

Foreign wines, brandy, and first quality cigarettes have been driven from the market by high Customs duties and provincial taxes. Vegetable oil competes steadily against kerosene. A native handicraft of making carbide lamps (which can undersell the foreign article) out of kerosene tins has grown up. There is no great demand for foreign clothes. Woollen piece goods are now so dear that practically no one can buy them, and many cloth merchants are severely affected. Trade generally is not in a very good condition.

There has been no radical change in trade methods. Most imported goods are bought from Hongkong, but the Shanghai trade—cotton yarn and sundries by postal parcel—is developing. Foreign firms receiving orders from Chinese traders usually ask for a sample of what is required, and small firms giving small orders usually pay cash in advance. To get big orders the stock must be on hand, and credit is usually allowed. Small shops generally work on a credit system.

2. SHIPPING.—Steam-launch traffic developed on the Kunming Lake, near Yunnanfu, about 15 years ago. There are three iron launches, locally constructed, of the stern-paddle type, but only one is in working order. She plies daily between Yunnanfu, Kuan Yin Shan and Kunyang, carrying passengers and a small quantity of cargo.

The tourist body lost confidence in Yunnan after the troubles of 1927 and 1928. During the summer of 1922 there were (excluding fourth class tickets) 675 tickets issued from Hanoi and Haiphong to Yunnan by the Compagnie Française des Chemins de Fer de l'Indochine et du Yunnan. This figure rose to 819 in 1923 and then dropped slowly to 606 in 1926, falling the next year to 369. It rose the next year to 480, but confidence is only slowly being restored. Also, the traffic to Chapa, the Tonkin rival summer resort near Laokai, has been enormously facilitated by a bridge across the Red River. Yunnanfu is the tourist centre of the province. Few people come to Mengt sz, which now lacks gaiety and general amenities.

3. REVENUE.—Under the Sino-French Treaty of Tientsin, 1885, and the Convention of Tientsin, 1886, the import duties into Yunnan were four-fifths of the Import Tariff, and the export duties were two-thirds of the tariff rates. No reduction was made in *ad valorem* rates. On the 16th May 1929 the treaties expired and were not renewed.

After many delays, the Washington surtaxes went into operation on the 1st November 1927. They were abolished in February 1929. The gold unit system has helped importers from gold-standard countries, but most of the foreign goods are bought in Hongkong.

Owing to the varying forms of collection in the past, it is impossible to give really accurate comparisons of net revenue figures.

4. CURRENCY AND FINANCE.—At the beginning of the decade the Yunnan silver half-dollar began to disappear, and paper money was issued to a great extent, over 12 million dollars being put into circulation in 1924. In 1923 the Customs accepted these notes in

payment of duty. In 1926 the government started a currency reform and publicly burnt notes to the face value of some \$6,695,000 in 1926 and 1927. However, exchange did not improve, and of these paper dollars about 70 millions are now in circulation.

Apart from the government, there are two other concerns—the Koku Tin Trading Company and the Ko-Pi Railway—which issued bank-notes entitling bearer to so many Futien notes. The former issued paper dollars to the extent of 2½ millions in 1928, of which they have withdrawn 1½ millions; the latter company issued 2 millions in 1918 and a similar amount in 1926. Both have been requested by the government to withdraw their note issues. In 1930 and 1931 new silver coins of a lower silver content than those at present in use were minted, and in some districts trade was disorganised, as the peasants, distrusting both dollars and official exchange rate, would accept neither paper nor silver, and demanded all payments in copper. Even now, the new silver half-dollar is not in general circulation throughout the province.

There is one mint in Yunnanfu, capable of a daily output of \$4,000 in nickel 10-cent pieces and \$30,000 in silver half-dollars. It has ordered new machinery of local manufacture. No copper coins have been minted for about five years.

Foreign currencies are not much used except on the Sino-Tonkin frontier, where the Indo-China piastre is current. Merchants buy and sell in Yunnan paper dollars. Elsewhere, the silver piastre was used by merchants for purchases in the interior. Piastre notes are bought by those firms who wish to remit to other parts by insured post or merchants who have to pay Tonkin transit dues. The direct credit with the outer world is through the sale of tin in Hongkong, and it would seem that the piastre exchange depends on the cross-rate. Silver piales are also used by the tribesfolk for making ornaments. The piastre is now on a gold basis. The old coin has been withdrawn, and a smaller one issued.

Subsidiary coins are of two kinds. Nickel 10-cent pieces were first issued in 1923. Five years ago they were worth 88½ cents to the Yunnan paper dollar; now they are worth only 50 cents. At that time the paper dollar equalled 92 copper cents; now it is exchanged at 30 copper cents. The copper coins, which bear T'ang Chi-yao's portrait, are of 1-cent, 2-cent, and 5-cent denominations.

5. AGRICULTURE.—Generally speaking, the extremely mountainous nature of the country, necessitating narrow terraces for cultivation, which are only reached by mountain tracks, would seem to render impossible the use of modern machinery for the present. The provincial government have made efforts to promote agriculture. Under the Ministry of Mines and Agriculture there are the Agriculture Promoting Committee, the Seed Exchange Bureau, the Agricultural Exhibition Rooms, etc. There is a government experimental farm at Tapuchi, some 15 *li* from Yunnanfu, which was established in 1911. It uses a hydraulic pump, modern machines, American ploughs, etc. The farm is still in operation, and foreign advisers have been employed during the period under review. Agricultural produce cannot be exported without a special *huchao* from the provincial government. There has been a small and purely local attempt to improve the quality of chickens at Hokow, where the yellow-legged Laokai chicken is considered better for eating and sells for a higher price than the Hokow bird. The provincial government reports that the official breeding farm has been amalgamated with the experimental farm. It possesses Dutch milch cows, American sheep,

etc., and eight merino sheep and three Australian calves were imported in 1925. This department of the government is hampered by lack of funds. Tests with various fertilisers are being made in the experimental farm.

For the last 20 years or so trees have been cut down without any attempt at replanting being made. Wood is urgently required in this province, not only for ordinary purposes, such as building, making furniture, etc., but also for making charcoal, pit props, and other mining necessities. The government has taken this matter in hand, and a lot of work has been done. There is a regulation, it is said, to the effect that anyone who plants trees on bare places on the hills may have the land and also the timber he plants. Seeds or shoots may be obtained from the Ministry of Mines and Agriculture, which supplied 288,088 shoots and 275.29 piculs of seed in 1931. Trees are planted by the government and also by private concerns, such as tin-mining companies, who sow trees for charcoal and acacias, for pit-props, and the railway companies, who plant trees for holding sloping ground, etc.

The government has promulgated regulations for bringing waste land under cultivation. A guarantee of 10 cents a *mou* is required. Such ground, if cultivated, is free from taxation for three, six, or 10 years, depending upon whether it was originally grass, jungle, or barren land.

6. INDUSTRIAL DEVELOPMENT.—In Hokow living conditions have slightly improved, as rice is about 60 piastre cents cheaper a picul than it was 10 years ago, but elsewhere the price of rice has increased out of proportion to the rise in wages.

Piece-work for miners was established in 1921. Generally, the monthly wages for factory-fed unskilled labour are about *Hk.Tls.* 0.50 to *Hk.Tls.* 1.50 for children, *Hk.Tls.* 1 to *Hk.Tls.* 3 for women, and *Hk.Tls.* 2 to *Hk.Tls.* 8 for men.

It may be generally said that the main factories are of recent growth. They are not all using foreign-style machinery throughout, but inspection brought to light the fact that new or vastly improved machines and processes were being used.

Glass is only made in one factory (founded in 1928) from raw materials (Hsi Shan sand). Long covers for paper flowers, lamp-glasses, etc., are produced.

The principal soap factory is driving foreign washing soap from the market. Of the material used, 20 per cent. is imported. The soap is of two kinds—white, at *Hk.Tls.* 3 per case, and brown, at *Hk.Tls.* 2.40 per case. The labourers (90 per cent. male) are paid *Hk.Tls.* 3 to 5 a month and food. At the end of each year a bonus of 30 per cent. of the net profits is distributed. Medical attention is assured by the company. The factory, which was established in 1927, now has about 90 per cent. of the washing soap trade in the province, and its total output is 250 cases of 100 cakes of soap per day.

Cigarettes have been made in Yunnan since 1922, but the factory came under new management in 1930. The factory produces six brands. There are three cigarette-making machines, two Japanese (one is not used) and one American. The other machines are either Shanghai or locally made. The cardboard boxes are imported from Shanghai. The output of the factory is from 100,000 to 200,000 cigarettes a day. 33 men and from 30 to 40 women are employed. The working day is eight hours, and the women who pack cigarettes are paid one-seventh of a Yunnan cent for one box of 25 packets.

There are two kinds of matches manufactured, the better quality being made from imported sticks and the boxes from imported wood. The matches made from local wood are not put in the slat frames by machines, as the sticks are too irregular; the boxes are made from local wood. The factory produces about 300 packets a day. Woman and child labour is employed.

The machinery is almost entirely made in Yunnanfu and includes the engine, lathes, metal plane, etc. There is a furnace for melting small quantities of iron. Local ore and imported iron are used. Rice-hulling machines are made in Yunnanfu.

Electric batteries are assembled in Yunnanfu and sold locally. They are not of very good quality as yet.

The machines in the oil factory, including the electric motor, are French. The native-made machines are not considered so economical or the oil so pure. Oil is made from mustard seed, groundnuts, poppy seed, and beans. Groundnut oil sells for *Hk.Tls.* 0.30 a catty; the other oils cost *Hk.Tls.* 0.25 a catty.

In the towel factory, towels are woven on 70 collapsible wooden hand-loom, which are locally made. Female or child labour is employed. The output of the factory is about 160 dozens a day, the maximum daily output being 200 dozens.

Socks are either made by Shanghai-made hand machines or by American machines driven by shafting from an electric motor. The hand machines are considered more economical. Child or female labour is mostly employed. The price ranges from *Hk.Tls.* 0.35 to *Hk.Tls.* 0.07 per pair.

The leather manufactured here is not very good, but there is a large export of sheep and kid skins from Yunnanfu. Foreign-style saddles are also made, but the ironwork (buckles, etc.) is weak.

7. MINES AND MINERALS.—The beginning of the decade found the modern machinery of Kokuu unsuccessfully competing against native methods. The tin mines of Kokuu, which produce the most important export from the province, show the contrast of ancient and modern methods working side by side. The tin ore is worked in two districts. The northern district has only two working areas, Malaka and Kushan; the southern field has about 40 lode-mines and, it is said, about 200 open-pit workings which can only be operated in the rainy season. The southern lode-mines produce most of the ore. In the mine, the coolie still makes his way down the small hole to the working face four or five times a day and carries up his load of 40 to 60 catties; the ore is still laboriously washed by hand many times, and the tailings are preserved for further washing. The blindfolded pony still works the mill grinding the hard ore; the smelting furnaces are still made in the form of the cave in the Female Mountain (Lao Yin Shan); the molten metal is still released by sticks cut from the Lao Yang Shan (the Male Mountain); and the buffalo turns the heavy 8-foot vertical wheel, which crushes refuse from the furnaces in a circular trough.

In contrast, there is the modern factory of the Kokuu Tin Trading Company. First there is the new shaft, which is in the Malaka area and which was begun on the 1st January 1927. This shaft is to connect up with two lode-mines—the Hsin Tung and the Lao Tung. It has descended 570 out of 1,500 feet. There is a 50-foot head-frame and at 210 feet a ventilation adit. The working galleries are at 540 feet, where the adit branches into two galleries. The gallery to the New Mine (Hsin Tung) only is being worked at present. It is 130 feet long, while that to the Old Mine (Lao Tung) is 110 feet long. They are about 6 feet

high by 6 feet broad. In the shaft there are hoisting compartments 4 inches by 6 inches and a wooden ladderway with platforms at about 10-foot intervals. Steel channels and angles hold Oregon pine lagging where necessary; the shaft is in hard limestone, and there is no likelihood of fatal accidents due to soft ore cavings which occur in other mines. Sullivan sinkers and Chicago pneumatic drifters are employed. At the mine-head, there is the engine-house, staff quarters, blacksmith's shop, etc. There is an 80-h.p. 440-volt hoist engine and an air compressor for the drills, while in the blacksmith's shop there is a sharpener for the drill bits, a 10-h.p. engine, and an air-fan for the shaft. The ore is dumped into receiving bins and dropped into buckets on a wire ropeway about  $2\frac{1}{2}$  miles long, with a daily capacity of about 400 tons; one unsupported span over a valley measures about 4,200 feet. It leads to a station on a cliff high above the mill, whither it is conveyed by a "jigback." Both these wire ropeways are worked by gravity. From the jigback buckets the ore is dumped *via* bins into small cars on rails and passed through a "screen" 6 feet by 10 feet consisting of inclined iron bars about 1.5 inches apart. The larger lumps fall down the screen, where they are put in a small but powerful crusher set to 1 inch. The ore thus crushed and the finer ore which fell through the screen are then put in a Marcy mill and passed through a Dorr duplex classifier, where the finer material is slopped through a sieve and the heavier is taken back to be reground in the Marcy mill. The fine crushed ore is then taken to the tables (there are two kinds, Whilley and Deicer), which are slat-ridged and inclined in both planes so that the water washes the heaviest material (the concentrate) to the end, the less heavy (the middlings) to the centre, and the lightest (the tailings) to the other end. The tailings go to waste. On this floor are found the repair shops with separate engine and shafting, and also the old German steam-power engines which are no longer used. The middlings go to the (bucket) elevator funnel and stone bore mills to be reground and are sent to the lower tables, the middlings from which are again sent to the stone bore mills. The tailings are washed away. The concentrate is then washed to the concentrating ponds, and if the content is not high enough it is again washed by hand. The tailings are allowed to settle so that the water may be used again. One problem of the tin company is to reclaim economically the small quantity of tin lost in the tailings.

The ore is of two grades, high and low, and the two concentrates are differently treated. All smelting must be done in Kokuu. The high-grade ores are mixed together and smelted by native methods, as the old modern-style smelting furnaces are not satisfactory, and experts are now considering the question as to whether or not they should be pulled down. The result is refined by remelting and allowing the tin to pass under an iron cylinder in a kettle. The dross is left on the outside and the tin is ladled out and settled before being placed in the moulds. The resulting tin is 98 to 99 per cent. pure, and a great deal of it is exported to the United States. The low-grade concentrates are mixed together, smelted by native methods, settled, and cast. This low-grade tin is mainly for the Shanghai market. It has a tin content of 95 to 98 per cent. The dross (70 to 90 per cent.) from the high-grade tin is collected and refined from time to time in a pyrometrically controlled furnace, giving a fairly clean metal of from 98 to 99 per cent. The tin company are now trying to bring the tin up to "standard" (99.75 per cent.) and to reclaim the tin from the furnace dross.

The mill was overhauled in 1926-27 and re-equipped with Marcy roller mill, tables, and an electric-power plant, consisting of two 250-h.p. Babcock & Wilcox boilers with economisers and induced draught and a 300-kilowatt generator coupled direct to a Uniflow engine and equipped with condenser and feed-water heater. The power-plant supplies the mill with 440 volts alternating, Malaka with 2,200 volts, and the compound with 220 volts for lighting.

During the period under review 21 new mines were opened, of which five were iron and nine were coal mines. During the same period 18 were closed down, of which 11 were coal and four were iron mines. The silver mines at Nanan, Lutien, and Huayung are not working well on account of the low price of silver. Antimony mines cannot be profitably worked, and the foundry at Chihtsun is consequently falling into decay. Some of the iron mines in the region of Tunghai have been scarcely worked for the last five years on account of the bandits who infest the mining regions.

The tin mines of Kokuu are served by the Ko-Pi Railway, and a motor road is kept in repair by the Kokuu Tin Trading Company from the station to their compound for the transport of coal, etc. Mines in other districts have to use caravan routes to the Ko-Pi or the French Railway. The Niaoko coal mine is reported by the provincial government to have a road to the station at Tata, on the French Railway.

8. COMMUNICATIONS.—The Linan extension of the Ko-Pi Railway, which was begun in May 1921, was successfully completed and officially opened with suitable ceremonies on the 21st October 1928. This extension opens up a rich agricultural district. The line itself presented difficulties in construction. One-third of the entire line is on a gradient of about 2.2 per cent. There are five tunnels, of which the longest is 530 metres long. One of them runs for 220 metres under wet rice fields. There are 19 (masonry) major bridges and viaducts along the line. The Ko-Pi is now extending a line to Shihping, and about one-third of the work has already been finished. On the Pishihchai-Kokuu line, about one-third of the rails and also 100 turn-outs have been replaced. Over 15 engines of American make were imported, and the first class accommodation was improved.

The Compagnie Française de L'Indochine et du Yunnan has replaced 40 kilometres of line by heavier rails and is running 23 heavier engines. Tunnels have been lengthened; four bridges of reinforced concrete have been constructed; three viaducts, 24 river protection works, two new depots (1924), etc., have also been made. Four new stopping places and two new stations (1923-25) have been established and 212 new or modified wagons put into service. Weekly night trains have been established between Hanoi and Laokai. The Mengtsz agency was suppressed in 1931.

About 135 miles of dirt-faced motor roads have been built recently and comprise the following:—

Yanglin to Yunnanfu, 40 miles. This road has been continued to Tungchwan, about 80 li. To the west from Yunnanfu a road runs to within 80 li of Chuching.

Lufeng to Yunnanfu, 80 miles.

Huan Ch'eng road, encircling Yunnanfu, 3 miles. Motor-buses run on the completed sections.

Yunnanfu to Hsingsing. This road runs from Yunnanfu via Changkang to Kungyang, at the head of the Kunming Lake, and from there to Hsingsing. It is complete except for several culverts and ridges.

Mengtsz to Chihtsun, 10 miles, unfinished.

Lufeng to Talifu. Work has begun on this road, which will cover a distance of 338 miles.

The following 48 motor vehicles were running in Yunnan on the 31st December 1931: passenger cars, 11; motor-buses, 4; motor-trucks, 19; motor-cycles, 3; tractors, 11.

An aviation school was started with Cantonese instructors in 1922. The first aeroplane from Tonkin arrived in the same year. Various other aeroplanes were ordered, but at present only one is being used. There are landing grounds at Posi, Kaihwa, Chuching, Chushun, Tali, and Mengtsz. The only provincial aerodrome is at Yunnanfu. In the aviation school, which gives two-year courses, there are at present 50 in the pilot class and 54 in the mechanic class. Of these students, 12 are women.

The Post Office has suffered from the depreciated currency. Many stamps were bought in Yunnan at a reduced rate and sent to other provinces for use there. Matters got to such a pitch that stamps had to be surcharged so that they could not be used in other parts of China. The surcharged stamps were issued to the public on the 1st August 1926. Ordinary stamps are used for parcels. Surcharged stamps are sold at five to one (1 stamp dollar = 5 Yunnan paper dollars). In 1922 the length of the courier lines was 28,384 li, and in 1931 it was 27,052 li. Ordinary mail matter increased by about 200,000 letters a year, reaching a total of 2,899,700 letters in 1931. Registered mail matter decreased by about 100,000 articles, and insured mails increased from 400 in 1922 to 1,900. Parcels increased from 30,632 to 43,000. 21 new agencies were opened in the period under review, of which 10 were opened in November 1930. It is interesting to note that Kopaotsun—where the coal mines are situated—is on the list. 14 post offices were converted into agencies, and two sub-offices in Yunnanfu and one in Mengtsz were closed. The domestic money order service has grown enormously, as will be seen from the following figures:—

	1922.	1931.
	Yunnan \$	Yunnan \$
Issued . . . . .	562,808	3,177,418
Cashed . . . . .	280,819	2,456,483

There were 607 losses of mail matter through highway robbery. The worst years were 1925 and 1926, with 110 and 113 losses respectively; and the best years were 1929, 1930, and 1931, with 16, 21, and 22 losses respectively.

The telegraph service has been labouring under great difficulties during the last 10 years.

The wireless service of Yunnanfu efficiently communicates with the outside world. It was founded in 1920 and completed in 1924. There is a sub-station in Chaotung.

9. LIGHTS AND AIDS TO NAVIGATION.—No remarks.

10. ADMINISTRATION.—In order to understand the administration of the province, it is necessary briefly to recount its history for the last 10 years. In 1922 General T'ang Chi-yao invaded Yunnan, defeating General Ku P'in-chên after desperate fighting at Iliang. During the next few years attempts were made to put down brigandage and to raise money. On the installation of T'ang Chi-yao at Yunnanfu, a constitution was drawn up by which the Tuchunship (or Tsung Ssü-ling) was abolished, and he was appointed head of the government as Shêng Chang by "popular" vote. A "Provincial Assembly" was formed. In 1927 there was a change of government, and a committee of nine was appointed, who, on the 2nd March,

issued a new constitution of the province by which a Senate should be elected consisting of representatives from the Provincial Assembly, the Educational Association, the Chamber of Commerce, etc. This Senate then elected the committee of nine as the government and appointed five Censors. In the same year General Hu Jo-yü, by a *coup d'état*, took over the government, and General Lung Yün was finally installed as Governor of the province in August 1927. In 1931 various generals of his staff decided to expel Lung Yün, who calmly retired to his home estate, but as they could not carry on the government, they asked Lung Yün to return, which he did, after some hesitation. No disorder accompanied this change of government.

In the capital there are Commissioners for various departments, all of whom are appointed by the provincial government except the Commissioner of Foreign Affairs, who is appointed by Nanking. These departments are paid by the provincial government—about 2 per cent. of the provincial income goes to education, another 2 per cent. to justice, 4 per cent. to agricultural and mining expenses, and so on. The larger part—over 60 per cent.—goes to the upkeep of military in one form or other. In each city there is a Magistrate, who is in control of the police and the Court of First Instance. He usually pays the police himself at a fixed rate established by the government. He is responsible for law and order and civil cases generally. Under him there are usually sub-magistrates, and under them are village headmen. In the big towns there is also the commander of the troops and outlying garrisons, who is responsible for the peace of the district. He is appointed to the district, but he may be called upon to use his troops outside it. In addition to the military, there are the volunteers or *min-t'uan*, who are responsible for the defence of the town against bandits, rebel troops, etc. The railways are guarded by what are called "partisans," who are, strictly speaking, attached to the army, and the caravans are usually guarded by the merchants themselves.

Provincial taxes were in force long before the period under review. In 1924 there was a tax on cotton yarn of \$6 a bale, and a tax of 20 per cent. on cigars and cigarettes. In 1925 a new *likin* bureau was established at Hokow, and by 1930 the number of taxes had increased enormously. In that year the following were in force: amusement tax, land tax and surtax, *likin* (the collection amounting to about Yunnan \$220,000), wine and tobacco tax, cotton goods surtax (levied on cotton yarn, cotton piece goods, etc.), salt tax, opium fines, military tax, tin tax, kerosene and cosmetics surtax, sugar tax, and tax on Szechwan salt. There were also other purely local taxes—protection tax, road tax, volunteer tax, and so on. When the Nanking Government abolished *likin* by edict, suppression was immediately undertaken to such good effect that 44 stations had been closed by the 31st October 1931.

In 1931 the following main taxes were collected: the special consumption tax (which amounted to about 1½ million paper dollars in that year), the salt tax, wine and tobacco tax (which amounts to 175 per cent. on many cigarettes and which has driven the higher qualities from the market), revenue stamp tax, etc. The other taxes, such as land tax, slaughter tax, protection tax, etc., still continue. The abolition of *likin* has not lightened the burden of taxation. The Special Consumption Tax Bureau functions at the following places: Kunming, Kokiü, Chaotung, Suikiang, Niukai, Yenching, Likiang, Pishihchai, Iliang, Chenhsiung, Mengku, Mengsz, Hokow, and Amichow. The Puerh Consumption Tax Bureau has been suppressed.

11. JUSTICE AND POLICE.—No remarks.

12. MILITARY AND NAVAL CHANGES.—Besides the regular troops, there are the "independent regiments" or provincial defence troops, which are used on the frontiers. The latter are stationed at Hokow, Kwangnan, Fuchou, Puerh, Tengyueh, Yungchang, Atuntze, Suichang, and Yungshan. Besides these, there are the military bands, which total three companies of about 60 men. It may be remarked that brigand chiefs have, in the past, been incorporated into the regular army, given an official rank, and their bands put under them as an official command.

There is another form of military, the *min-t'uan*, which plays a large part in provincial country life. Theoretically, it is the village or town guard, but actually it combines the functions of police, guard, military police (against disorderly soldiers), and general preserver of the peace. It is an old-established institution, and its actual form and power varies from place to place, but its basic principles remain unchanged. It is paid and officered by the locality which it defends.

13. HEALTH AND SANITATION.—There is a small French hospital at Mengsz and a large one at Yunnanfu. There is a Chinese hospital at Hokow, a British hospital with 50 beds in Yunnanfu (which had 7,833 out-patients in 1923 and 45,290 in 1931), and two hospitals in the interior—one at Chaotung and the other at Huili. The French hospital at Kokiü was closed in June 1924 owing to lack of funds and was taken over as a private practice by a foreign-trained doctor. A hospital was built by the Kokiü Tin Trading Company in 1928, but difficulty is found in getting doctors, also owing to lack of funds. At present this hospital has three employees practising modern medicine. Besides the doctors in the foreign hospitals in Yunnanfu, there are about 12 qualified men practising modern medicine in the capital. There is one private doctor at Kokiü, one at Mengsz, and one at Amichow, the two latter being also employed by the French Railway. There was formerly one man practising modern dentistry in the province, a Japanese, but he has departed. There are no qualified oculists or opticians.

Inoculation is practised where modern medical practitioners are found. In Mengsz vaccination is more popular than at Kokiü, where the miners nearly always have to undergo this treatment on arrival. At Yunnanfu the people do not take kindly to vaccination. It should be remarked, however, that the Hokow authorities, on an outbreak of smallpox in 1925, immediately ordered 5,000 doses of vaccine from Tonkin, and everybody was promptly vaccinated.

The year 1922 was notorious for the terrible epidemic which ravaged the province. It was said to be diphtheria combined with virulent scarlet fever, against which ordinary serum was useless. It is estimated that 40,000 people died before the scourge passed with the rains of April. There was a severe outbreak of dysentery in 1925, and relapsing fever was noticed for the first time. In 1927 over 10 cases of sleepy sickness (*encephalitis lethargica*) were recorded as exhibiting very definite symptoms of Parkinsonianism. Early in 1928 there was an epidemic of smallpox in Yunnanfu. Other diseases which are epidemic in this province are malignant malaria, which is common in the south, especially in the neighbourhood of Hokow; typhoid, smallpox, trachoma, and goitre, the last-mentioned being very noticeable.

In industry, lung diseases are found among the miners and anthrax in the fur and bristle trades.

There are no inclusive statistics of infant mortality, but the rate is considered to be about 30 per cent.

Street-widening is a fairly recent activity, and it applies only to the capital, where the roads have been much-improved. In 1924 a road was extended as far as the old Custom House. Now it forms part of a circular road around the city. In 1926 there were only 400 rickshaws in the city. Now there are over a thousand. In 1931 the Yunnanfu main street was widened by 10 feet on either side.

14. EDUCATION.—The standard of education in this province is not very high, and Yunnanese find difficulty in entering colleges in other parts of China—Nanking, Shanghai, Peiping, or Hongkong. This is mainly due to the low salaries paid to teachers; in 1931 some were only getting \$12 to \$15 a month. As a result, no teachers will come from other provinces. However, it is gratifying to see that some progress has been made. In 1923 the Tung Lu University was founded in Yunnanfu.

There is not much real communism in the province. The average "communist" in this province is merely a revolutionary, and has no idea at all of the most elementary principles of the doctrine to which he professes to adhere. In 1927 several school-teachers in Yunnanfu were arrested for upholding communistic doctrines, the ringleaders being imprisoned, and in 1928 some 400 people were arrested for the same reason.

15. LITERATURE.—Several newspapers are published in the province, of which the following are the most important. The "Republican News," which gives news, light literature, and general knowledge in quasi-scientific form; "The Balance," which gives news only; the "South-western Daily News," which is printed at the government printing office, and which gives news and light literature; the "Evening News," printed at the Chih Ming Press, which gives news and light literature; the "Justice Echo," which gives news only; the "Yunnan News," which gives news and a little light literature; and the "New Social News," which gives mainly news. All these papers are printed from type and contain advertisements. There is also a sheet of telegrams issued by the Kunming News Agency, which is a lithographic production and bears no advertisements. Other daily papers published in Yunnanfu are the "Ming Shêng Jih Pao," the "Fu Tan Jih Pao," and the "Ta Wu Wei Pao." The daily papers, either single or double sheets, each have a daily circulation of about 600 copies, and show a marked advance.

There is no increase in the number of printing presses. There are three in Yunnanfu using lead type (one Government-owned) and many others using lithographic stones. The press in Koku was destroyed during the bandit trouble of 1927.

News is distributed by the Kuo-min-tang by means of written notices, and advertising is done in a similar way. Nearly all pamphlets are printed in other parts of China. A large percentage of the population cannot read.

16. POPULATION.—Of the tribes of Yunnan, there are some who look rather like the gypsies of Europe, while there are others whose faces are entirely flat. They are called, without any particular ethnical division, Lolo or Miao. The tribesmen of the plains have naturally become more absorbed by the Chinese than those of the hills. The average Chinese will not take a Lolo as legal wife, and in consequence, where Lolo groups are small, there is inbreeding. Nowadays many Lolos are being educated in Yunnanfu, where they marry Chinese wives and do not return to their own districts, calling themselves Chinese. Many of the famous men in this province have sprung from tribal stock, which is, on the whole, strong and healthy.

No trustworthy statistics regarding emigration, immigration, and migration exist for the years prior to 1927. In that year, according to records available, 121 Annamites entered Yunnan; the number rose from 536 in 1928 and 495 in 1929 to 821 in 1930, but fell to 392 in 1931. The figures of Annamites returning to Tonkin show that 500 have remained in Yunnan since 1927. Of the Chinese, the only figures available show that 4,952 emigrated in 1930 and 5,420 in 1931, and Chinese immigration for the same years shows 3,952 and 3,595 persons respectively.

In 1924 there was practically no rain until June. The tin miners had difficulty in finding enough water to wash their ore, and the price of rice soared. After June heavy rain fell and interrupted the French Railway many times, more especially above Pishihchai. As soon as normal communications were restored all available wagons were employed in bringing rice into the province, especially to Yunnanfu. The scarcity continued in 1925, although the tin industry had a good year and quantities of rice and flour were imported to the exclusion of other imports. There was a drought in Pishihchai in 1926, but fortunately there was a very good harvest in the autumn of 1927. There was another drought in 1930-31, but it did not assume serious proportions.

In 1924 there was a fire in Yunnanfu and 307 houses were burnt, causing a loss of 1½ million paper dollars. In the same year, owing to floods, the French Railway was interrupted near Koukaitsz; a tunnel partly caved in and a tributary of the Tachwang River overflowed, and sampans were used on that part of the line instead of trains. Between the 15th and 17th March 1925 there was a severe earthquake at Talifu, followed by cold winds and famine, and it is estimated that 7,000 people perished. In 1928 floods occurred in Yunnanfu, and several kilometres of the French Railway line were under water. In June 1929 there was a gunpowder explosion in Yunnanfu, which destroyed much property and killed thousands of people.

17. CIVIL DISORDER.—There was no smuggling at the beginning of the decade, as the duty rates, both import and export, were so low that it was not worth while. On the abolition of special duty rates for this province and the introduction of higher tariffs, smuggling became profitable, and it has now reached formidable dimensions in regard to certain goods. Fortunately, this province is protected to a large extent by Tonkin, and it is clearly not profitable to smuggle goods if the Tonkin import duty plus smuggling expenses are more than the Chinese import duty plus Tonkin transit dues. The main commodities at present smuggled are condensed milk and kerosene oil. The necessary steps are being taken by the authorities to check this loss to the revenue, which damages the trade of honest merchants; but the remedy is slow to take effect, as the country is difficult and the frontier is long.

This province has been very unfortunate in regard to piracy and banditry, which increased greatly, especially in 1927 and 1928. Subsequently the provincial government took drastic measures to suppress the law-breakers, and although some of the more powerful bandits could not be touched owing to the impregnable nature of their strongholds, the minor bands were swept away. As a whole, the plateau of Yunnanfu and the southern regions have remained free from this scourge, while the district between Amichow, Chihsun, Koku, and Linan has been the most-troublesome.

In 1922 there was looting in Iliang, Linan, and Hsinheing. In 1923 Chaotung was looted, while in the next year the village of Pishihchai, the junction between the Ko-Pi and French Railways, built a surrounding wall for protection. Between the 22nd July and the 2nd August of the same year no passenger trains ran between Hokow and Chihtsun owing to fear of attack. In 1926 Koku was unsuccessfully attacked by about 3,000 bandits, while in the next year the French train was held up for two days at Hsierh, and Japanese copper ingots had to be imported as the copper mines at Tungchwan could not be worked owing to terrorism.

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F. DE P. M. P. MARTI,  
*Commissioner of Customs.*

YUNNANFU OFFICE OF THE  
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