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CHAPTER XVII.

THE ANNALS OF CHINA.

The Chinese Empire became the Chinese Republic on February 12, 1912. Nearly one-fourth of the population of the globe is concentrated in this one nation. China occupies the east and central part of Asia. Its western area is mountainous highland, and sparsely populated. The eastern area is densely populated lowland. This eastern section is divided into three large river basins, the Hwang Ho or Yellow River in the north, the Yangtze in the center, and the Si Kiang or West River in the south.

Accurate statistics concerning the area and population of China have never been compiled. The following estimates have been made for China proper, which does not include Mongolia, Chinese Turkestan, and Tibet. In 1922, the population was estimated to be 444,973,-829 persons.¹ The corresponding area in 1924 was estimated to be 1,896,500 square miles,² which would be more than doubled, were the outlying territories included. Consequently the density of population within the area of China proper is 234 persons per square mile. Of this population, 80 per cent is rural and two-thirds live along the coast or in the river valleys, in one-third of the area.

China is essentially an agricultural country. An estimate is offered by the *China Year Book* that 85 per cent of the population is engaged in agriculture. In the northern provinces, wheat, barley, and maize are the chief crops. In the south, rice predominates. The growth of cotton is being rapidly developed, and tea and silk culture have always been important industries.

It is probable that China has rich mineral resources. At present, coal is its most important mineral product, and has been the basis for active competition for concessions among foreign nations.

¹ China Maritime Customs, Statistical Series: Nos. 3 to 5, *Foreign Trade of China, 1924*, part I, pp. 156, 157. Shanghai, 1925. This figure is the sum of the "Chinese population" and the "foreign population in China". It is presumably highly inaccurate.

² Same figure given in United States Department of Commerce, *Commerce Yearbook, 1923*. Washington, 1924, and *China Year Book, 1924-25*. London, 1925.

There has been little development along the lines of modern industry. A small number of factories, especially in the textile industry, have been established. In 1922, there were 7,700 miles of railroad capable of operation, of which 60 per cent were government owned. Though China is as yet an agricultural rather than a manufacturing country, the possibilities for an extensive industrial development are there. Almost every form of raw material known to commerce is produced in China, and labor is plentiful and cheap.

Chinese foreign trade has been hampered by the slow opening of ports to foreign commerce. Even after the opening of ports, the markets have been restricted to the coast districts by the limitations of transportation. Consequently, the growth of foreign trade has been slow. The chief articles of export are silk and food products; of import, cotton goods, metal products, rice, and kerosene.

The currency of China is on a silver basis. It is by no means standardized, various units of value being used among the different provinces. There has been little development along lines of modern banking until very recently, the facilities necessary for foreign trade being provided by branches of foreign banks. References in the annals to the rate of foreign exchange are based on London rates before 1914 and New York rates thereafter.

The annals here given for China are based chiefly on conditions in provinces which are active in international commerce, particularly those along the coast. Conditions in interior provinces are noted only when their isolation is broken by famine or disaster, necessitating external assistance. Because of the size and wide difference between the conditions of its various provinces, it is probably true that any year will offer prosperous conditions in certain districts of China and depression in others.

The Chinese annals begin in 1890 with trade and industry in a state of mild depression. The boom which had followed the war with France, ending in 1885, came to an end in 1888 because of declining exchange rates, severe floods, and two years of crop failures.

1890 Mild depression.

Marked decline in tea, opium, and cotton industries; foreign trade depressed.

Money very tight; improvement in foreign exchange to September, then rapid decline.

Excellent cotton, poor silk yields.

Severe floods, Chihli; opium growing legalized.

- 1891 Mild depression.
Internal trade disorganized; improvement in foreign trade, but very small profits.
Money continues tight, easing late in year; bank failures; prolonged fall in exchange begins.
Good tea, silk, and cotton crops.
Various anti-missionary riots and attacks on foreigners require intervention by foreign Governments.
- 1892 Depression deepens.
Stagnation; foreign trade severely depressed.
Financial crisis in spring; bank failures; rapid drop in exchange.
Cereal crop failures; silk and tea yields small.
Yellow River floods; severe famines, Mongolia and Shantung.
- 1893 Depression.
Dullness continues; foreign trade depressed.
Exchange fall continues.
Internal disturbances; Yellow River floods and famine, Shantung.
- 1894 Depression.
War causes some activity in internal trade; volume of foreign trade reaches low point, restricted by blockade and uncertainty.
Exchange fall continues at accelerated pace.
Crop failures, except silk.
Korea rebellion, March; war with Japan, July; continued defeats and fall of Port Arthur, November; outbreak of plague, Hongkong; famines, Mongolia and Shantung.
- 1895 Depression; revival.
Activity with peace, April; foreign trade increases rapidly.
Money very easy; fall in exchange checked.
Peace restored, April, with large indemnity required; Japan forced to return Liaotung by foreign powers; right to import machinery granted.
- 1896 Prosperity.
General activity and evidences of boom; many manufacturing enterprises organized; silk speculation; large increase in imports.
Exchange steady; internal trade hampered by scarcity of minor copper coins.
Poor silk yield with high price.
Imperial Post Office opened.

1897 Gradual recession.

Continued activity and expansion hampered by monetary conditions; many failures late in year; decline in imports with expansion of exports.

Money tight; exchange declines rapidly, July to September.

Small silk yield with high price.

Political unrest; Germans occupy Kiaochow; West River opened to foreign trade.

1898 Mild depression.

Internal trade dull despite influx of foreign capital; extensive railroad construction undertaken and active promotion of mining enterprises; foreign trade quiet.

Money very tight; severe scarcity of copper and minor coins; exchange decline continues.

Rapid succession of reform edicts, June to September, checked by *coup d'état* returning Empress Dowager to power; foreign governments strive for concessions, Russia obtaining Port Arthur, England obtaining Wei-hai-wei and Hongkong, and France obtaining Kwangchow-wan; internal disorder; Yellow River floods.

1899 Revival; prosperity.

General activity and expansion; new railroads open up large districts; record year in volume of foreign trade with large profits.

Exchange steady and higher.

Poor wheat crop, abundant rice; prosperous year for silk industry.

Increased brigandage and piracy; United States Secretary of State Hay announces the "Open Door Policy", September.

1900 Prosperity; recession; depression.

Continued activity and foreign trade brisk to Boxer uprising, May; depression, last half-year; active foreign trade suspended with uprising.

Foreign exchange steady.

Good silk crop, low price.

Boxer uprising, May; legations attacked, June; Allies occupy Peking, August; southern rebellion suppressed; severe famine in Shensi.

1901 Depression; revival.

Gradual return to normal conditions; rapid recovery in foreign trade, especially imports.

Exchange collapses, July.

Improvement in silk industry.

Famine; foreign occupation continues; gradual withdrawal of troops; large indemnity; serious floods in Yangtze Valley; tariff increased.

- 1902 Mild prosperity.
Conditions quiet; slow expansion in foreign trade.
Heavy fall in exchange.
Deficient crops; small silk yield.
Droughts followed by floods; severe outbreak of cholera.
- 1903 Mild prosperity.
Continued quietness; small expansion in foreign trade.
Money very tight; price of silver reaches low point in January and then rises rapidly.
Abundant harvests; silk yield failure; excellent tea year.
Tariff increased.
- 1904 Mild prosperity.
Increasing activity hampered by tight money market and Russian-Japanese War; large increase in volume of foreign trade.
Severe monetary stringency.
Silk industry prosperous, tea depressed.
Treaty regulating entrance of Chinese into the United States terminates.
- 1905 Mild prosperity.
Rapid expansion in activity retarded by boycott on American goods; manufacturing prosperous; speculation; large increase in imports.
Foreign exchange erratic, but rising; Imperial Bank opened, September.
Excellent crops; poor silk yield.
United States passes exclusion law; floods; typhoon, September.
- 1906 Recession.
Many natural calamities check internal trade; active speculation; foreign trade continues active, especially imports.
Money tight; gradually rising exchange.
Crop failures; fair silk yield.
Drought; floods; famine; political difficulties in North; Imperial edict provides for complete elimination of poppy-growing, November.
- 1907 Depression.
Internal trade dull; food prices very high; rapid decline in foreign trade late in year.
Exchange steady, but drops severely, last quarter; financial panic.
Crops fair or excellent.
Many local uprisings; severe famine in interior provinces.

1908 Depression.

Continued dullness; progress made in formation of new manufacturing companies; great reduction in volume of foreign trade.

Continuous fall in exchange to December.

Excellent harvests; rice price falls from high level; small silk yield, price advances.

Deaths of Emperor and Empress Dowager; United States remits Boxer indemnity payment.

1909 Revival.

Gradual increase in activity; beginning of period of development of industry; some activity in foreign trade, especially exports.

Low and steady exchange.

Poor wheat crop, tea and silk exceptionally abundant; bumper rice crop.

First meeting of Provincial Assemblies, October.

1910 Recession.

Internal trade hampered by financial stringency; rubber boom ends disastrously, June; widespread speculation in opium; foreign trade very active.

Financial stringency, summer, causes many bank failures; money very tight; exchange steady, rising in October.

Poor crops and high prices; rice exports prohibited; good silk and tea yields with low prices.

Famine; widespread civil unrest; National Assembly meets, October; pneumonic plague breaks out, October.

1911 Depression.

Dullness continues; railroad construction halted; foreign trade active until late in year.

Bank failures continue; exchange declines, but rises, end of year.

Poor crops.

Severe famines; plague spreads rapidly, spring; Yangtze flood, autumn; serious riotings, August; revolution, October; Emperor abdicates, December.

1912 Depression.

Internal trade dull; large increase in volume of foreign trade.

Money market disorganized with suspension of credit and banking facilities; extensive issue of paper money by provinces; exchange rate rises; Bank of China formed, February.

Excellent harvests; large tea crop; good silk yield; resumption of poppy planting in many districts.

Chinese Republic established; continual civil unrest throughout year; troops mutiny, Peking, February.

- 1913 Depression.
Poor internal trade; conditions unsettled; record foreign trade.
Money very tight; exchange slowly falls with slight temporary recovery, spring; financial distress late in year.
Good harvests, except tea.
First Presidential election held; United States recognizes the Republic, May; unrest continues.
- 1914 Depression.
Internal trade continues unsettled; foreign trade falls off, April.
Financial stringency with moratorium at outbreak of war; exchange drops to lower level, July.
Fair crops; silk yield small, price collapses with war.
Brigandage rife; severe floods in Kwangtung; Japan seizes Kiao-chow, November.
- 1915 Depression.
Continued dullness with temporary improvement, summer; shipping shortage; imports greatly restricted, revival in exports.
Steadily rising foreign exchange.
Good crops, except silk.
Japan submits "Twenty-one Demands", January; China yields to modified demands, May; extensive anti-Japanese agitation; attempt to reestablish monarchy fails, summer.
- 1916 Revival; prosperity.
Gradual revival in internal trade; marked rise in commodity prices; foreign trade active.
Exchange rises sharply, despite brief setback, July; specie payments suspended by both national banks, May.
Good crops.
Anarchy in provinces; insurrection in South.
- 1917 Uneven prosperity.
General activity, hampered in certain areas by political strife; foreign trade boom.
Rising exchange.
Poor crops.
Disorder and revolts; flood in Chihli; unsuccessful attempt to replace Emperor on throne, July; war declared against Germany, August; opium smoking prohibited.

- 1918 Uneven prosperity.
Increased internal strife hampers internal trade in large areas; foreign trade continues to expand.
Exchange rises to September, and then falls.
Crops abundant.
Continued disorder; Southern provinces secede and set up own government; tariff revised; plague.
- 1919 Prosperity.
General improvement in internal conditions; foreign trade boom continues.
Exchange falls to March and then rises rapidly.
Excellent crops; embargo on export of cereals lifted.
Relative calm in political and military activity; decreased brigandage; boycott of Japanese goods; tariff revised, August.
- 1920 Prosperity; recession; depression.
Great activity, speculation, and commodity price rise; decline sets in, mid-year; stagnation; many failures; foreign trade very active, first half-year, declining in autumn, especially exports.
Money very tight; exchange reaches peak, February; rapid fall, autumn.
Poor crops; disastrous silk and tea year.
Severe drought and famine in five provinces; earthquake; political strife renewed between Northern and Southern Governments.
- 1921 Depression.
Internal stagnation; commodity prices very high; seamen's strike for two months, Hongkong; foreign trade volume greatly reduced.
Money eases, summer; foreign exchange reaches low point, March, and slowly recovers; government finances desperate.
Improved crops; higher silk and tea prices.
Political chaos with continued civil war and inter-provincial difficulties; organized brigandage; Yangtze flood; famine.
- 1922 Depression.
Continued inactivity; commodity prices fall sharply, spring, but rise, fourth quarter; shipping strike, Hongkong; slight revival in exports, further decline in imports.
Exchange falls after temporary rise in spring.
Good crops.
Continued internal disquiet; nine-power treaty relating to Chinese territorial integrity and independence signed, February; Shantung controversy with Japan settled, December; tariff increased.

1923 Depression.

Continued dullness; wide commodity price fluctuations; failures; temporary activity arising from Japanese earthquake; further decline in imports and increase in exports.

Money plentiful; exchange steady except for temporary boom, spring.

Good crops, except wheat; revival of tea industry.

Continued warfare with combination of North and South against Central Government; President driven out of Peking, June; new constitution promulgated, October; Linching bandit outrage against foreigners, summer.

1924 Depression.

Deepening depression; commodity prices reach highest point in February, and fall sharply; increased foreign trade, especially imports.

Money tightens; exchange improves, autumn.

Poor crops; severe famine in northern provinces; very poor tea yield.

Outbreak of civil war, August; capture of Peking, October, by Northern Government; overthrow of President and establishment of Provisional Government; heavy floods, summer.

1925 Depression.

Domestic trade dull; commodity prices steady on high level; disorganized railroads threaten defaults; strikes, especially that of Shanghai cotton mill workers, first quarter; increased foreign trade.

Money very tight; foreign exchange steady, declining to April, rising to September, and then declining again.

Drought reduces crops; rice yield large, Kwantung, and failure, Kiangsi.

Severe earthquake, Yunan, March; after period of lessened hostilities, civil war resumed, last half-year; progressive disintegration of centralized authority; anti-British boycott; student riots, April and June, Shanghai; tariff autonomy gained, November.