

CHAPTER FOUR

CHINESE ECONOMY

DURING a trip in Honan and Shensi we had gone one evening into an unassuming little inn of the little country village of Sui Shih by the great road which leads from Honanfu west toward Shensi. The darkness had already fallen, and I was walking in the courtyard while I waited for our belated servants and baggage animals.

Suddenly a coolie came gliding silently in through the door, carrying on his pole two burdens of equal size and weight. My curiosity was excited by their smallness in contrast with the evident difficulty which the coolie had in moving under the pressure of his stick. With that came another and still another, five in all, who, familiar with the lay of the land, went into a little room, laid down their burdens, drank a bowl of warm water and lighted their pipes.

I could not forbear calling my assistant, Mr. Cheng, and asking him to inform me as to the errand of these wayfarers. I then learned that these coolies came from Sianfu in Shensi and were bound for Honanfu, a distance of two hundred and fifty kilometers. Their burdens consisted of "cash", that is to say the old Chinese brass coins, and the purpose of their long journey was to exchange, or rather sell, these masses of coins for their value in silver. By a lucky chance I had some days before gotten an insight which

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made me at once understand the connection. Because of the increased price of copper in the great war, some clever Japanese had discovered that it would be good business to buy up the Chinese brass cash and get out the copper. In that way was started a considerable export of cash to Japan, a traffic which finally took on such dimensions that the Chinese Ministry of Finance found it advisable to begin likewise collecting and extracting copper from the cash.

But let us go back to our coolies. According to the information supplied by Mr. Cheng the two packages carried by each coolie represented a value of about four dollars and fifty cents, in Swedish money about seventeen crowns. In other words it pays in China to buy cash cheap in one place, carry a burden worth ten dollars a distance of two hundred and fifty kilometers, and sell it. The rate for the trip between the buying and the selling places could not at best come to more than a few crowns for each man's load, and for this price the coolie had to find himself on a ten days' trip to and fro and still have sufficient to pay for his work. Probably, moreover, it was not the coolie who undertook the matter, he was only the bearer for a business man at Sianfu, who sold the cash to another in Honanfu, in which case the former would get a good share of the profits in the transaction.

This example, to which I could add many similar, gives an idea of the small wages given a Chinese laborer as well as of his extremely modest standard of living.

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As to the use of a medium of exchange, the cash, which is in many places the only one in use, with a value of about one thirty-fifth of a cent, gives an interesting insight into the simplicity of Chinese retail transactions.

A daily wage of five and a half to seven cents is gladly accepted if the employer is Chinese, whereas the inexperienced foreigner is happily surprised at getting a bearer or helper for seventeen to twenty-two cents.

If we consider that the first-named, more normal wage has to provide not only for the coolie himself but for his family, including usually a large troop of children, it is plain that these people's way of life must be practically inconceivable to, for instance, an American laborer.

Meat is a luxury that occurs only on great yearly festivals, especially New Year. The conception that the Chinaman stuffs himself unstintedly with rice every day we must also relinquish, as far as the population of northern China is concerned. Rice is there the rich man's food, the poor folk nourishing themselves on millet, maize, *kaoliang*, divers beans, cabbage and onions. The leaves of trees even are at times the principal ingredient of their vegetable soup. Despite its extreme cheapness this diet must be quite satisfactory from the point of view of nourishment. I have, to be sure, in some places seen children with their stomachs bloated by hunger, but as a rule the men are wiry and sturdy, the women strong and broad of shoulder, the children plump, bright and clear-eyed.

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The country population have no need of bought goods for their simple existence. In the mountain villages of southern Shansi the farmers produce nearly all they require except salt¹ and a small amount of ironware. If these contented and, under normal conditions, good-natured folk were not continually troubled by the fear of robbers and tax collectors, their lives would be very happy in spite of grasshoppers, drought and violent floods.

A natural phase of the Chinaman's domestic economy is the utilization of all waste to a degree of which we Europeans can hardly dream. Ashes such as are cast out of the rich man's house on the dump are rooted over by small dusty boys, who pick out the unconsumed particles. The rag-collector's trade is of great importance and is practised especially by women, who often walk serenely along with a rag pack on their back and a nursing child at the breast.

A prime object in the Chinaman's passion for saving is very reasonably natural manure. One cannot travel long on the roads in the province of Chihli before one notices a peculiar sort of rest and tribute place for the passing beasts of burden. This is simply a rectangular excavation a foot deep in the very roadway, taking up its entire width and long enough to hold a mule. This excavation is filled with *kao-liang* straw or a similar substance, which partly by its softness persuades the reflectively plodding animal that this is the right place, and partly serves to collect the passing deposit. After a mule, an ass or a

¹ Salt is covered by a State tax which is at least ten times the cost of production.

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pony has consecrated the institution, every successor must by the force of an irresistible social instinct stand and do likewise. Suppose the traveler to be proceeding with a caravan of, say, ten beasts, which in turn pay their toll, and it must be evident that the system is a tax not only on the beasts but also on the time of the traveler. One may, however, console himself, as the growing pile of odorous compost at the road edge bears witness that the offering is not in vain.

A foreigner, whose testimony was not perhaps wholly reliable, told me once that at Chinese feasts in the old times it was a matter of good form to repay the hospitality of the host by going into the back yard. However this was, it is a fact that the collection of dung is a profession in equally high repute with the rag collector's, though in contrast with that it is preferably a man's work, adopted not only by boys and graybeards but by men in the prime of life. The equipment is a wooden vessel the shape of a truncated cone, which is carried on the back together with a little spade, with which the deposits of the streets or roads are handily gathered and deftly thrown over the shoulder into the receptacle. Contributions not only from the genus *equus* but likewise from the genera *canis*, *sus* and *homo* are represented, thanks to the circumstance that men as well as beasts live to a large degree literally on the street or road.

That the business is lucrative is shown by the fact that in Peking a barrow-load of a certain sort of



THE MANURE COLLECTOR PUTS THE SMALL BOYS TO FLIGHT. (*Drawing by the Artist Li*)

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manure brings the dazzling price of about twelve cents. In the mountain village of Chai T'ang I chanced to discover behind a temple a little boy stealing from a manure pile to fill his basket, and his guilty face was comical to see.

In no department is this eager collecting more noteworthy than where it concerns the obtaining of fuel. Nothing combustible is passed over, and children go out from the villages to collect twigs and dry plants. They preserve not only the coarse straw of the *kaio-liang*, which grows to twice the height of a man; I have seen them digging up sod to shake out the earth and use the remainder for burning.

But this industrious toil for subsistence has its dark side. In many places where they gather twigs and grass for burning there is splendid anthracite coal only a few miles away, but the poor roads, together with the lack of purchasing power, restrict the coal to local consumption. What is still worse, in the mountains the people build fires of wretched twigs, while the mountains are treeless since the time when the primeval forests were cut down, and every tree shoot is mercilessly cropped by the little fuel collectors. Where the temples have groves that may not be devastated, or the cliffs are inaccessible, one sees that woods can grow on these now pitifully naked mountains. Forestry is the magic word which sometime in the future will transform the landscape and create new sources of life in wide stretches of the northern mountain regions of China. But it will take a will power of steel to produce any important

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result, for the task is gigantic, especially in view of the drought prevailing from September to June.

The lack of proper roads is an unpleasant surprise for the traveling foreigner. In the last decades China has built a by no means contemptible network of railways, but the great problem of country roads does not yet seem to have become vital to the government chiefs. The country is traversed by a great number of very old highways, on some parts of which the traffic of the present day is so intense as to be very picturesque to any one accustomed to our comparatively well-built but empty roads. But these great arteries, which swarm day and night with wayfarers, beasts of burden, riders, two-wheeled vehicles, wheelbarrows, and carriers, are not built artificially except where a steep mountain pass or a watercourse has made some local intervention unavoidable. Otherwise these famous imperial roads go on over plain and through mountains with many small deviations and in continual conflict with the cultivated land. The fact that these shapeless roads are allowed to find new ways across the tilled land is an interesting evidence of the Chinese peasant's easy-going tolerance, which is satisfied with digging a few shallow circuitous holes in the new roadway, whereas in a similar case a European or American would turn to the protection of the law or, if that was unavailable, to barbed wire and shotguns.

A distinguishing, one might well say dominating, trait of Western life is the effort by simplifying

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coinage and measures, breaking down tax barriers and eliminating middlemen, to bring producer and consumer into easy and cheap communication. In China the tendency seems to be the direct contrary.

One needs only a little practical acquaintance with the monetary system of the country to see this. The subject is so incredibly complex that we can only touch on it lightly.

The customary standard of exchange in Peking and the cities generally is the Mexican silver dollar (about forty-eight cents). This dollar is nominally divided into one hundred cents, and each cent into ten cash: but the copper cent has so declined in value that one gets in change for a dollar from one hundred ten to one hundred thirty cents, according to the broker's sharpness. If, on the contrary, I should go into a shop to buy something that cost thirty cents and was so inexperienced or thoughtless as not to have the change, I should get back only seventy cents; in other words the shopman would make an extra profit of ten to thirty cents.

Or, to take another case, if I were to undertake a three days' railroad trip to Tientsin and try to pay my bill at the Imperial Hotel with a bank note stamped Peking, it would be taken only at a certain discount, which means that wherever an exchange is made one must be prepared to lose a greater or less amount of the principal. This is a regular procedure by which small profits are extracted everywhere from the circulating currency.

Every newly arrived foreigner is astonished at

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this labyrinthine caprice and demands a monetary reform, but after closer study he finds that the Chinaman's immense interest in profit is strongly opposed to such action. It seems to me that it would be easier to clothe the barren mountains with green forests than to reform the Chinese money system.

If I should wish to rent a house, it is commonly impossible to come to speech with the owner himself, who is invisible. Instead, a middleman appears to arrange the matter. But when everything is clear, he informs me that one and one-half to two months' rent extra must be paid as a commission to him and three or four other gentlemen whom I have never seen but who are somehow connected with the transaction. If I get angry, the middleman smiles apologetically at my ignorance. I shall soon find that this curious arrangement is an established custom and act accordingly.

This creation of unproductive profits is, to be sure, one of the many means of giving a livelihood to the surplus population. Other methods of subsistence, which though not legalized are very widespread and flourishing, are banditry and bribery.

Banditry in China — what a rich and fascinating field for sociological study! I lack, however, both the requisite experience and space, so that I must be content with a couple of observations.

Banditry is a phenomenon which cannot be dismissed after a realistic description of burned villages, surprised caravans, punitive expeditions and other technical refinements. The Chinaman, who is

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by nature peaceable and by instinct a farmer and tradesman, must have strong reasons for striking out on a profession which is a deadly foe to these two modes of life.

During a trip in Shansi a little episode took place which may throw some light on this question. We had been entertained by the magistrate at Wen Hsi Hsien with the most wonderful stories about a robber band which was said to harry the mountain trails whither we were going. We were practically held as prisoners, since the magistrate would assume no responsibility for our further procedure.

It had long been dry. The situation was very bad for farming, and after appealing in vain to the "Dragon King", the patron deity of water, the community finally caught at the last straw and implored the foreign missionaries to pray to their God for rain.

We had a long conference with the magistrate and finally promised to wait a day, but no more. When we awoke on the following morning, the rain was pouring outside the window, and my assistant, Mr. Cheng, saluted me with a glad shout: "Now there will be no more robbery, now they'll have to go home and farm!"

This conception of banditry as a supplementary trade, a seasonal occupation to be turned to in time of need, has much to be said for it. In October, 1915, Professor Nyström and I engaged on Hungshan Mountain in northern China some fifty coolies for excavation work, and I was then told that many of

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these fine fellows, in their leisure hours and in default of better work, engaged in robbery.

On continuing the Shansi trip we had with us as commander of our escort a young, unusually agreeable police officer, who had shot down a considerable number of robbers with his own hand and had furthermore a large fund of information about them. On my question as to the origin of banditry he assured me that only about ten per cent. of the robbers became so from a propensity for the trade, the ninety per cent. being poor devils who were driven to it by necessity.

But although banditry might be combated by peaceful methods, social reforms and the opening of new fields of employment; it would do no harm if more severe measures were used against bribery than are now in practice.

The system is venerable in its antiquity. A young Chinese with a fine Western education informed me recently that the most distinguished grafter in history was a prime minister under the Emperor Chien Lung, China's *roi soleil*, under whose reign China had its last great blossoming time. Corruption under the last of the Manchus has become proverbial, and a large number of the drastic penalties instituted by Yuan Shih Kai indicate that the custom did not die out with the Manchu dynasty.

But in this field as well we must be prepared for paradoxical experiences. It appears that the system of exacting commissions up to a moderate limit is upheld by ancient usage, and that to break this

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down would be even more difficult than a monetary reform. For my own small part I have entirely resigned myself to it.

During my first months in Peking I was visited by a nice, neat little student who went around in his holidays selling silk embroidery, which I then thought extremely pretty but have since found to be rather mediocre. I bought some, which totaled quite a considerable price. When he was paid and was about to go, he asked me to follow him out through the door, as otherwise the porter would squeeze him for a percentage of his profits. Indignant at such a possibility, I did as he requested and saw that he got to the street undisturbed.

But since then I have so far advanced in knowledge of life that I realize how on that occasion I let out a thief through my door and robbed my own servants of their rightful property.