

and they are especially adept in the plugging of coin. They will bore holes in a silver dollar and insert other metal which will make it weigh the same as a good dollar, and they are willing to chip an atom of silver off of a large number of coins in order to make good wages out of the sale of the dust. The other day an American got a silver dollar in trade at Hankow, and attempted to pass it at the bank there. He was told it was not good, and upon his questioning the matter the Chinese cashier sent for a candle and lit it. He then held the coin over it, and, lo! in a moment it began to melt. The sides fell off, and in the center there was a piece of copper. The counterfeiters had split a genuine coin and had hollowed out the two pieces on the inside so that the copper could be fitted into them. They were then patched together so neatly that only the experienced ear of the Chinese shroff could detect the fraud.

Silver dollars will not pass in Interior China, and outside of ports silver is taken entirely by weight. The only coin current in the empire is the copper cash, of which it takes 1,000 to make a dollar in silver. A thousand cash will weigh about nine pounds, and ten of our dollars changed into cash would weigh nearly one hundred pounds, and would form a fair wheelbarrow load of money. I see lots of money carried on wheelbarrows through these Chinese cities, and a common sight is a coolie going out to market with strings of these copper coins slung over his shoulder. The cash are about the size and shape of our old red cents, save that they have square holes of about the size of the tip of your little finger running through them. They are strung in strings of one thousand on ropes of twisted straw and at the end of every hundred a knot is tied in the string to mark the count. These cash are made at all of the provincial capitals, and the viceroys are expected to turn them out. They cost at the present time more than their face value to make, and copper of this kind is, in fact, here dearer than gold. I saw such coins being made some years ago at the big mint at Canton, and I watched a new machine turning them out at the rate of seventy a minute at the Kiangan Arsenal the other day. The copper went into the machine in the shape of a hoop, of about the width of the iron hoops which we use on cider barrels, and stamps which worked through holes in a plate cut the metal into round disks, stamped the characters upon them and cut out the central hole in each coin all at a single stroke of the machine. It was worked by steam, but even at this rate of seventy per minute it turned out only about four dollars' worth of coins an hour. It is even worse at the older Chinese mints, where the coins are cast, and the copper and the labor make the production of them a loss to the men who are told by the government or the viceroys that they must furnish so many cash within a certain date. The result is that these cash are often made of spurious metal, and I have seen some of them which were so poor that I could break them in two with my fingers. At the present rates of exchange I could buy two thousand of these coins for one of our dollars; and it would take twenty to equal the value of a little American red cent, and you could buy a pound of them for a nickle. I sent my Chinese

servant for ten dollars' worth of these cash today, and he came back loaded. His hands were full and his shoulders were covered with strings of cash. The picture was so curious that I had my photographer snap his camera on him as I helped him unload.

The banking system of China is the oldest known to man. According to Chinese records there were banks of discount and deposit here as far back as 2600 B. C., and the interest laws of China were made long before Columbus discovered America. There were Shylocks here a thousand years before the real Shylock was born in the mind of Shakespeare, and nowhere on earth among civilized people will you find higher rates of interest paid, more money borrowed and more debts conscientiously paid. The legal rate of interest in many of the provinces of China is 30 per cent and in others it is 36 per cent. Still millions are lent, I am told, in the shape of call loans in the seaport towns at 5 and 6 per cent, and all sorts of money transactions are entered into. China had a system of building and loan associations long before we began to exist as a nation, and all over the empire there are associations for the loaning of money, in which the different members pay so much a month on the joint capital is passed from one member to another from year to year, so that each gets a chance to use it for a part of the ten years during which such associations usually run. There is no place in the world where capital combines more readily than in China. The bankers have their guilds or associations, which fix all their rates of credit and interest. Every city has its clearing house, which settles up the business between the banks at the close of each day, and the native banks issue circular letters of credit to travelers going through the empire. There are big banks who push Chinese patent medicines, and little ones who loan out sums which we Americans would hardly think worth while borrowing. There are trades unions of all sorts and even the beggars club together and are bound by the rules of their union. Farmers combine together to buy cattle, peddlers buy and sell the custom of particular streets to their fellows, and a man who wants to get married and has perhaps not enough money to buy a wife will go into one of these loan associations to get it.

I tried to buy some pictures at Kiukiang, but found the dealer's store shut and was told that he was closed until he could get enough money from his friends to pay his last year's debts. All firms here have to settle up at the close of the year, and it is the greatest disgrace to go into bankruptcy. Bankrupts often commit suicide, and the son feels bound to pay his father's debts. It is the same with other relatives. The debts of any member of a family are a disgrace to the whole family, and rich men having failed will go to work at the most menial occupations in order to pay up. Big failures are always punished by law. If the amount is from \$1,500 to \$5,000 the bankrupt is banished, and if it runs above that amount his head is taken off. There is not much discussion about the matter and the law is that the bankrupt who becomes such from unavoidable circumstances is decapitated just the same as the fraudulent one. There are

no lawyers and no juries and the judges or officials of the town pass the sentences. Sometimes the bankrupts carry heavy chains for weeks through the streets. At others they are put in the cangue, and not infrequently they lose their heads. If, however, the bankrupt can save enough out of the failure he can sometimes buy off the judges and thus save his head. In many cases the creditors forgive their customers their debts, and many a man at the annual settlement day, which always comes at the close of the year, has his friends come together and start him anew clear of debt.

If he cannot clear himself in some way his shop is kept shut until he announces his failure or gets the funds to continue. This prevents there ever being a great panic in China. The actual standings of the different merchants and business men are known at least every twelve months, and there is no chance for a man to continue a long career of fraud and failure. The pride which the Chinese take in keeping up the reputation of their towns, their business and their families is very remarkable. I met at Canton one of the richest men in China. His name was Houqua, and he is said to be worth fifty millions of dollars. He has big investments in America and other foreign securities, and he supports about four hundred of his poor relatives. This man's father was the Jay Gould of Canton. At the time that the British gunboats came before the city they demanded an indemnity of six millions of dollars. They threatened to bombard the city if this amount was not paid in forty-eight hours. A subscription paper was passed around among the Canton capitalists, and Houqua put down his name for \$1,000,000 and paid it over to the collectors. In the donation he said he "gave \$200,000 of it in token of his affection for his beloved wife, \$800,000 as a thank offering for the prosperity which had attended him in business and \$100,000 in recognition of the fidelity of his son."

Frank G. Carpenter

"INDUSTRIALISTS" IN UTAH.

OGDEN, May 15.

A detachment of the army of industrialists from Sacramento, under the command of Captain A. Ellison, arrived in Ogden yesterday afternoon. They were cared for by Chief Davenport last night and the city has made arrangements to look after them today. Nearly all of them are tradesmen. The captain stated to a News representative that they were a portion of the company which left Sacramento and of which one Colonel Paisley was shot and killed. Said he, "We have been treated very well along the road, being ill-treated but once and that was when our colonel was killed at Rockwell. I expect the main body of this division will arrive in Ogden in a few days. We will make an attempt to pull out of Ogden today and will go to Washington. We hope to get through without any trouble as we are all law-abiding citizens."

OGDEN, Utah, May 16.—The seventy-five industrialists who came in on Tuesday night seized a through fruit train at the Union Pacific yards at 6 o'clock this morning and attempted to make