

China Year Book

1938-39

COMMUNICATION AND TRANSPORTATION SYSTEMS

Adaptation of the China Merchants' Steam Navigation Co. to War Needs.—The China Merchants' Steam Navigation Co. is the largest shipping concern in China. As soon as the Lukouchiao Incident broke out, all its ships on the North China waters were diverted to South China and the Yangtze. Thanks to the efficient management, almost all of its ships were ready to steam into the Yangtze River when the boom at Kiangyin was erected on the eve of the Shanghai fighting.

One of the important measures adopted by the company to cope with the critical situation has been the organization of the Yangtze Shipping Administration Office. With the concentration of its ships on the Yangtze, it was found necessary to establish a local office,—the head office being still situated in Shanghai—to control efficiently all the ships and the branch offices along the great waterway. For this purpose the Yangtze Shipping Administration Office has been established with the authority to decide locally on all business and navigation matters except the most important ones, which must be referred to the head office for instruction. The office is composed of four sections: (1) general affairs, (2) business, (3) shipping, and (4) accounting. There has been a marked improvement in the efficiency of the administration of the company's Yangtze shipping since the establishment of this office. The company has also concentrated its attention on the development of shipping business on the inland waters. The coastal shipping business had been suspended on account of hostilities but the war has caused,

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capable not only of undertaking the repair of its own ships, but also those of other shipping companies to their entire satisfaction. Plans have been made to enlarge its equipment and factory in order to meet the urgent need for repairing facilities in the interior.

Encouragement of Shipbuilding and Repairing in War Time.—The Ordinance of Shipbuilding Subsidy was put in force on July 1, 1937. It was drafted by the Ministry of Communications and promulgated by the National Government, and its contents were listed on p. 960 of the third issue of this publication. This ordinance is still in effect, and in addition to it other measures for the encouragement of shipbuilding and repairing to meet the national emergency have since then been adopted.

For the repairing of steamers in the inland waters, it was felt that adequate facilities must be available in the interior. Therefore, the Bureau of Navigation in Shanghai was ordered to encourage the removal of the shipyards there to Central China. All the bureaus of navigation and Inland Shipping Merchants Associations were instructed to contribute their share of assistance by dispatching all available vessels for the transport of machinery and equipment. A special office has also been established at Hankow, known as the Joint Office for the Removal of Shanghai Shipyards, to coordinate the work of moving these shipyards, such as the San Pei Shipyard, the Ho Hsin Shipyard, the Yuan Ta Iron Works, and the Shun Kee Machine Factory, which have all been safely removed to the interior.

The original shipyards and repair

shops along the Yangtze River were all very small in scale and equipment, so it was found impossible for them to undertake major repairs, not to mention the building of large vessels. Through the various bureaus of navigation, these shipyards have been encouraged to amalgamate themselves with a view to increasing their capacity for construction and repairing. The bureaus have also investigated the number of steamers requiring repairs, their names and owners, and their conditions of damage for the purpose of directing their respective owners to undertake immediate repairs. According to the reports submitted by the various bureaus of navigation, the number of vessels waiting for repairing at Wuchang-Hankow, Kiukiang, Changsha, Ichang, and other ports total more than one hundred.

Recognizing the financial plight of the shipowners caused by the hostilities, the Ministry of Communications has appropriated a sum of money as a loan fund to those shipowners who are in need of financial assistance. And the Bureau of Navigation at Hankow has drafted a set of regulations governing the grant of such loans. The following is a summary of the regulations:

- 1. Shipowners whose vessels have been inspected by the authorized representatives of this Bureau and found needing repair may, if their financial condition so warrants, apply to this Bureau for a repairing loan.
2. The shipowner applying for a repairing loan shall submit to this Bureau for its consideration and approval an application bearing the seal of the shipyard in which the repair is to be effected.
3. The amount of each loan shall be determined by this Bureau in accordance with the financial condition of the owner, the size of the vessel,

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CHAPTER XXII—SHIPPING

Customs. Certain dues are also levied in connection with conservancy work. A schedule of all dues is obtained from the Chinese Maritime Customs.

For cargo-landing procedure at Shanghai and Hongkong see *China Year Book*, 1926 p. 819.

For details of harbours, rivers, pilotage etc., see Chapter VI.

Shipping

The world total of mercantile tonnage under construction at the close of 1933 was 3,110,900 tons; this figure fell to 757,300 tons for 1933, stood at 2,251,200 tons at the end of 1936, and rose to 2,900,200 tons in the year 1937. Mercantile shipping launches in 1930 totalled 2,889,500 tons, fell to 489,400 tons in 1933, recovered to 2,117,900 tons in 1936, and to 2,648,700 tons in 1937. Average shipping launched for the period 1926-2 was 2,363,000 tons, so that, even allowing for the intensification of naval construction the figures for mercantile launching have a but recovered to pre-depression levels. With a reduction in the volume of tonnage actual total tonnage for the year ending June, 1937, was 66,286,000 tons as compared with 65,063,600 tons at the end of June 1936. According to the *Economist* index of freight rates based on 1913=100, the average level of freight rates improved from 80.5 in January, 1936, to 110.2 for December 1936. For the year 1937 the figures were 116.5 in January and 108.6 in December.

The total tonnage entered at the 15 leading ports of the world during 1936, the last year for which comprehensive figures are available is shown hereunder:—

	Tons
New York	35,489,210
London	30,868,381
Kobe	28,986,489
Rotterdam	23,247,489
Osaka	20,632,819
Philadelphia	19,111,766
Hongkong	18,964,435
Hamburg	18,922,431
Antwerp	18,805,376
Shanghai (1936)	18,826,779
Shanghai (1937)	13,254,437
Liverpool	17,055,293
Marseilles	16,544,728
San Francisco	15,801,076
Singapore	15,179,220
Los Angeles	12,593,785

In connection with the figure 13,254,437 given above for the total tonnage entered at Shanghai during the year 1937, it should be

† Customs Report, 1937.

The Municipal balance sheet showed a surplus of assets of \$174,196,922.08 over liabilities.

Municipal Services

The strength of the *Police Force* in 1938 was 2,202, comprising 161 French, 53 other foreigners (mainly Russian), 504 Tonkinese, 1,357 Chinese, and an auxiliary company of 127.

The *Fire Brigade* has a strength of 173 (9 Europeans, 35 auxiliaries, and 129 Chinese).

Municipal Schools include the College Municipal Français, Ecole Municipale Française, and Ecole Franco-Annamite, for foreign children, with an enrolment of 878, and the Ecole Municipal Franco-Chinoise, Ecole Primaire Chapsal, and Ecole Primaire de Lagrené, with an enrolment of 2,520 Chinese children.

Municipal Administration

The Commission Provisoire d'Administration Municipale de la Concession Française de Changhai consists of:—

- MM. M. Baudet (*Consul-General, President*), M. Duval (*Consul-Adjoint*), and H. Bar, Chang Siau Ling, de Courseulles, J. Cocbet, J. Donne, P. Dupuy, Ed. Egle, H. Laffond, E. J. Lloyd, Rev. Père E. Mouis, MM. R. Pontet, J. Sauvyre, H. J. Sheridan, Tchang Yi-tchou, Tchien Yung-ming, Tchou Sin Lan, Tsi Tche, and E. S. Wilkinson (*Members of the Commission*).

Director General: J. Brediam.

Director Administratif: L. des Courtis.

Director Technique: P. Baillie.

Public Utilities

The *Compagnie Française de Tramways et d'Éclairage Électriques de Shanghai* operates 29,466 kilometres of track, with 94 trams and trailers, and in 1936 carried 35,785,115 passengers. The Company also operated 18 railways over routes of 9,742 kilometres which carried 8,596,907 passengers.

The number of public motor-buses was 19, operating over routes amounting to 14,040 kilometres. The buses, in 1936, transported 3,642,351 passengers.

The same Company also supplies electricity to the area. The output, in kilowatt hours, in 1936, was 51,271,443.

The *Usine des Eaux de Ton-Ka-Doz*, situated on the river front, furnishes the water-supply of the Concession. The installation includes slow and rapid filters, and the supply is conveyed to various parts of the area by four mains, two of 400 mm., one of 600 mm. and one of 800 mm. The consumption of water in 1936 was 16,191,229 cubic metres.

Income and Expenditure

The principal headings of ordinary expenditure in 1937 were:—

Police	.. \$3,100,563.98
Public Works	.. 1,562,657.11
Interest on and amortization of loans	.. 1,947,025.72
Education	.. 638,171.36
Public Health and Hygiene	.. 524,465.56

The total Municipal ordinary revenues for 1938 were \$11,791,007.92.

The total Loan issues outstanding at the end of 1938 amounted to \$26,053,986.03.

The general provisions with regard to extraterritoriality govern the relations between the law of China and oceanic shipping. In most countries, inland navigation is reserved to natives of the country. In China, however, the inland waterways are open to foreign navigation. The Inland Steam Navigation Regulations of 1898 provided that vessels engaged in land navigation must register at treaty ports and that they must report their movements to Customs officials. No unregistered vessel may ply inland. Special regulations were issued in August, 1898, by the Shanghai Commissioner of Customs governing Yangtze navigation.

The merchant vessels of the Treaty Powers were authorized to trade at certain specified treaty ports and to land and ship goods in accordance with special regulations at certain enumerated non-treaty ports. Shipment or discharge of cargo at other points on the river was prohibited. However, it was provided that passengers and their baggage might be landed or shipped at any of the regular passenger stations—the baggage, however, upon pain of confiscation, not to contain articles subject to duty.

A revision of the Inland Navigation Rules followed the signing of the Sino-British Treaty of 1902. By these regulations

British (and therefore other foreign) steamship owners are to have the right to lease warehouses and jetties on the banks of waterways for terms not exceeding twenty-five years, with option of renewal on terms to be mutually agreed upon. Such jetties, however, are not to be erected in such position as to obstruct the inland waterway or interfere with navigation. The sanction of the nearest Commissioner of Customs is to be obtained, which sanction is not to be arbitrarily withheld. Foreign merchants are to pay taxes and contributions on these warehouses and jetties on the same footing as Chinese owners of similar properties.

The main object of the British Government, it is declared, in desiring to see the inland waterways of China opened to steam navigation being to afford facilities for the rapid transport of both foreign and native merchandise, they undertake to offer no impediment to the transfer to a Chinese company and the Chinese flag of any British steamer which may now or hereafter be employed on the inland waters of China, should the owner be willing to make the transfer. In the event of a Chinese company registered under the Chinese law being formed to run steamers on the inland waters of China, the fact of a British subject holding shares in such company shall not entitle the steamers to fly the British flag.* Registered steamers are forbidden to carry contraband.

In all ports, vessels are required to pay various dues to the harbour master, who is under the control of the Chinese Maritime

* Willoughby, "Foreign Rights and Interests in China."

pointed out that of this total 12,094,723 tons were entered during the period January to August, with tonnage for the period September to December amounting to 1,159,714 tons only due to the outbreak of hostilities. Further, it may be mentioned that the tonnage entered for the half-year January to June was 9,693,530 tons, so that, had the year continued normally, Shanghai's total tonnage entered during 1937 should have amounted approximately to 19,387,060 tons, giving the port of Shanghai third place in world tonnage on the basis of the 1936 figures.

In regard to shipping generally in China, affected—as was Shanghai—by hostilities and the Japanese blockade of the China coast, reference to the shipping tables shows that total entries and clearances at Chinese ports amounted to 90 million tons only as compared with 145 million tons during 1936. By flags, the order of importance was: British shipping, 36.1 million tons; Chinese shipping (excluding junks), 21.6 million tons; Japanese shipping, 12.8 million tons; Norwegian shipping, 4.2 million tons; American shipping, 2.1 million tons; German shipping, 2.1 million tons; and French shipping, 1.4 million tons. Of the reduced total of 90 million tons of shipping entered and cleared, 35.4 million tons were entered from and cleared to foreign ports as against 45.2 million tons during 1936, while 54.6 million tons as compared with 99.8 million tons for 1936 were entered and cleared coastwise. These figures do not include the tonnage of vessels plying under Inland Waters Steam Navigation Regulations. In regard to shipping with abroad, the leading ports in China were: Shanghai, with 31.94 per cent of the total tonnage; Canton, with 12.78 per cent; Swatow, with 8.39 per cent; Tsingtao, with 7.55 per cent; Tientsin, with 5.73 per cent; Amoy, with 5.17 per cent; Chinwangtao, with 4.08 per cent; and Kowloon, with 4 per cent.

Further analysis of the shipping trade shows the percentage share of the total clearances and clearances taken by the leading flags during the year under review:—

	Foreign trade	Domestic trade	Total trade
	Per cent	Per cent	Per cent
British	36.51	4.24	40.10
Chinese (including junks)	8.32	34.15	23.98
Japanese	19.18	11.02	14.23
Norwegian	5.33	4.24	4.67
German	4.48	0.92	2.32
American	4.69	0.73	2.29
Netherlands	3.27	1.55	2.22

In view of the increase in operating costs, freight rates on the China coast were raised 10 per cent as from May 1, 1937.

TRANSPACIFIC FREIGHTS

During the year rates of freight on a number of articles from China to ports on the Pacific coast were subjected to two increases, amounting approximately to 15 per cent on each occasion. Following the outbreak of Sino-Japanese hostilities, direct sailings from Shanghai to Pacific coast ports, with but one exception, were entirely suspended until the close of the year. A certain amount of cargo was, nevertheless, moved during this period, being forwarded to Hongkong or Kobe for transshipment there to ocean carriers loading for the Pacific coast. The total quantity was, however, very small in comparison with that which had been shipped direct during the first seven months of the year. The items listed below, taken from the Shanghai Transpacific Freight Tariff, showing the rates in effect on December 31, 1936, and December 31, 1937, embrace all the more important commodities customarily exported from, or transhipped at, Shanghai to Pacific coast ports, contract rates for deliveries on the coast being quoted in each case per 40 cubic feet unless otherwise stated:—

Commodity	Rate		In-crate
	Dec. 31, 1936	Dec. 31, 1937	
	U.S. \$ U.S. \$ U.S. \$		
Bambooware, rattanware, straw-ware, etc.	6.00	7.00	1.00
Brassware	15.00	18.00	3.00
China-ware, etc.	14.00	16.75	2.75
Cotton dry goods	14.50	20.00	5.50
Eggs or egg products: ordinary stowage	11.50	15.00	3.50
refrigerator	27.00	31.00	4.00
Furniture, woodenware	17.00	17.00	N/L
General cargo, not otherwise indicated by name (40 cu. feet or 2,000 lb.)	19.00	22.00	3.00
Groundnuts: with shells (in bags) (2,000 lb.)	5.00	7.50	2.50
without shells in bags (2,000 lb.)	3.50	5.50	2.00
without shells (in cases)	3.50	5.50	2.00
Hides, skins, and furs:— buffalo hides, dry	11.00	14.00	3.00
deer, dog, goat, kid, and sheep-skins: dry	11.00	15.00	4.00
skins and furs (all other kinds):	11.00	16.00	5.00
dry, in bales	15.00	19.00	4.00
dry, in cases	20.00	22.00	2.00
Linen and linen lace goods	8.00	10.00	2.00
Oils, in bulk (2,000 lb.)	8.00	10.00	2.00
" barrels, casks, or drums (2,000 lb.)	8.00	10.00	2.00
Seeds, sesamum (2,000 lb.)	4.00	5.50	1.50
" (all kinds, except sesamum) (2,000 lb.)	6.50	7.50	1.00
Sesamum seed or cotton seed-cake, or cake meal (2,000 lb.)	5.00	6.00	1.00
Silk: dupion, raw, tussah, wild (100 lb.)	2.00	2.00	N/L
Silk goods, silk or fancy piece goods, silk pongees	33.00	13.00	N/L
Tea	6.00	7.00	1.00
Vegetables: canned, pickled, preserved, salted	6.00	6.00	N/L
	11.00	15.00	4.00

being very satisfactory from owners' point of view.

The market maintained its upward tendency in March and remained firm in April despite a decline in rice freights as an outcome of action by the Food Controlling Committee in Canton in regulating and apportioning the importation of rice and paddy.

Quieter conditions prevailed in May and June but the volume of tonnage which could be had for trips was still very light and owners were able to insist upon fairly remunerative rates from trip-charterers.

Hostilities between China and Japan in North China in the early days of July led to the diversion to Hong Kong of many vessels formerly engaged in North China trade. There was just enough business to satisfy the requirements of the numerous British liners from North China, but little could be done with Chinese vessels, which were either laid up in Yangtze ports or transferred to foreign flags.

South China Hostilities

In the early days of September the Sino-Japanese hostilities spread to South China. The destruction of Chinese cargo-lighters and fishing junks in the Canton river delta necessitated cargoes being carried by steamers direct to Whampoa and Canton. Time-charterers were then required by owners to pay premiums to enable them to insure their vessels against war risk when they called at Chinese ports for loading or discharging. Charterers were not keen on taking further tonnage on time-charter. Their rice, coal and general cargoes, which had for some time been accumulating in warehouses and time-chartered steamers here, had first to be disposed of, and for this purpose British liners were sufficient to cope with the situation in September. Hong Kong/Canton freights, though insignificant, were now the most plentiful and profitable. The junk traffic in the Canton river delta ceased to exist.

The Chinese Government in the early days of October closed the Canton river completely. Several time-chartered steamers which were then discharging rice, salt and coal in Canton were detained there. For a period of about 10 days the port was closed for navigation. Meanwhile, steamers arrived at Hong Kong with salt on board from Hainan Island for Whampoa, or loaded with rice at Hong Kong for Canton, had to discharge all their cargoes here. Heavy demurrage was incurred in all instances. It was on October 11 that the river was reopened for navigation. Since then steamers with a draught of not exceeding 7 foot 6 inches could enter the port of Canton. There was but little chartering business transacted in early October. The only direction which was in urgent need of ton-

FREIGHTS VIA SUEZ

All Conference rates of freight per ton by the Suez route were increased by 10 per cent on February 18, 1937, with the exception of rates on silks, oils, bristles, and removals (household effects). A further increase was made on a number of commodities on September 30, 1937, in addition to which on the same date the Conference decided that all cargo (except oils in bulk) loaded at Shanghai, or any temporary loading place in the neighbourhood of Shanghai, should pay a 10 per cent surcharge. The result has been that the increases during 1937 vary considerably on different classes of commodities, the principal increases per ton being as follows: general cargo, 90s. to 110s.; hides, 77s. to 100s.; raw cotton 65s. to 72s. 6d.; cotton waste, 42s. to 50s.; tobacco, 66s. to 72s. 6d.; cotton lacc, 114s. (or 2½ per cent) to 120s. (or 2½ per cent); antimony regulus, 46s. to 65s.; antimony oxide, 66s. to 90s.; antimony, crude, 46s. to 65s.; beans, 36s. to 55s.; cotton seed-cake, 42s. to 60s. 6d.; feathers, 81s. to 100s.; nutgalls, 100s. to 105s.; wood oil, in bulk, 96s. to 107s.; sesamum seed, 48s. to 60s.; skins and furs, 150s. to 192s. 6d. The base rate on tea was maintained at 70s. The "open" rate on groundnut kernels fluctuated throughout the year, rates quoted being as low as 40s. and as high as 55s. per ton of 20 cwt. Groundnuts in shell followed proportionately. The rates of freight on raw silk were maintained.

HONG KONG SHIPPING AND FREIGHT IN 1937

The freight market during the year 1937 was an exceptionally good one for owners, scarcity of tonnage and plenty of enquiries resulting in freight rates being paid which exceeded those recorded as the highest in past years. A moderate volume of business was done in January. The absence of rice freights was not felt. Salt trips from Hainan Island and coal trips from Tonkin to South China coast ports provided owners with sufficient employment for the very few steamers which were still available, the shortage of tonnage being due to the withdrawal of several Norwegian steamers from this coast. The market remained steady, though quiet, during the first half of February, but by the end of February rates had improved considerably.

Improvement in Spring

In March news was received that the Chinese Government intended to allow the importation of 2,000,000 piculs of paddy and 2,000,000 piculs of rice to South China free of import duty. This led to an active demand by charterers for rice tonnage, rates obtained

* From Messrs. George Grimble & Co.'s report.

Moller & Co. Roosevelt S. S. Co.
 Nippon Yusen Kaisha Shire Line
 Nishin Kisen Kaisha Showa Shipping Co.
 Norddeutscher Lloyd Silver Line
 Ocean Steamship Co. South Manchuria Ry. Co.
 Oceanic and Oriental S. S. Co. Soviet Mercantile Fleet
 Osaka Shosen Kaisha Standard Oil Co.
 P. & O. S. N. Co. Swedish East Asiatic Co., Ltd.
 Pacific Steam Navigation Co. Tacoma Oriental S. S. Co.
 Prince and Silver Line With. Wilhelmen (Norwegian Africa & Australia Line)
 Rickmers Linie

Shipping: Vessels Entered and Cleared, 1936 to 1938

Flag	1936			1937*			1938††		
	No.	Tons	No.	Tons	No.	Tons	No.	Tons	
American	3,973	3,771,479	2,726	2,059,246	1,306	425,342			
Belgian	..	..	..	..	..	..	..	..
British	48,154	57,345,515	35,232	36,105,795	23,398	28,403,147			
Chilean	{ 73,497	39,353,516	54,435	21,593,194	14,276	5,364,917			
Chinese (excl. Junks)	{ 75,327	4,816,296	78,958	3,995,544	51,215	1,451,363			
Chinese Junks	..	1,202,416	383	988,024	414	1,098,859			
Danish	..	..	..	..	..	..	..	..
French	1,048	1,597,598	792	1,434,503	762	1,355,167			
German	527	2,024,498	415	2,088,823	829	2,645,852			
Greek	46	151,397	514	86,057	201	286,709			
Italian	511	378,577	511	943,019	876	1,734,353			
Japanese	17,911	21,913,576	10,133	12,813,014	7,242	8,743,975			
Netherlands	635	2,590,691	632	2,003,924	7,749	1,646,809			
Norwegian	2,100	4,547,727	2,132	4,207,393	2,009	3,571,352			
Panamaian	12	63,894	30	90,400	96	194,705			
Portuguese	4,162	1,038,898	4,442	1,241,540	5,197	1,519,350			
Swedish	36	320,256	67	256,990	46	164,350			
U.S.S.R. (Russian)	..	..	..	..	..	..	..	..
Others	..	..	..	..	..	..	..	..
Total	228,818	445,019,018	191,399	90,037,738	109,103	58,814,758			

Shipping Returns, 1938: By Flags

Flag	Foreign Trade			Domestic Trade ††			
	Entered	Cleared	Total	Entered	Cleared	Total	
American	412	166,233	406	250	47,591	238	48,831
Belgian
British	4,568	6,188,147	4,487	6,162,180	76	7,114	
Chinese (excl. Junks)	954	399,312	956	7,229	8,058,067	2	7,994,753
Chinese Junks	25,620	724,127	23,595	6,176	2,306,157	6,190	2,266,800
Danish
French	81	501,525	80	504,414	117	235,823	
German	139	722,338	111	726,273	302	176,523	
Greek
Italian	75	364,367	70	361,484	89	114,626	
Japanese	2,764	3,278,803	2,709	3,205,817	864	1,102,089	
Netherlands	313	515,657	283	482,120	72	311,530	
Norwegian	470	932,599	443	896,493	540	841,954	
Panamaian	17	36,719	13	29,467	32	62,610	
Portuguese	1,832	479,453	1,791	474,111	797	281,929	
Swedish	14	50,948	15	52,930	9	31,227	
Others	194	91,185	190	92,907	17	9,916	
Total	37,584	14,812,920	37,309	14,616,918	17,154	14,689,142	

* Domestic shipping figures for Wuhu, Nanking, Chinkiang, and Soochow not obtainable owing to local hostilities.
 † Domestic shipping figures for Changsha, Kiukiang, and Wuchow not obtainable owing to local hostilities.
 †† Excluding domestic movements of Chinese junks.

Europe appeared to be easier, and owners, who had withdrawn their vessels from this coast, began to invite offers for them on time-charter with forward delivery in the Far East.

Reviewing the year as a whole it should be noted that although freight rates appeared to be lucrative, owners had to overcome several difficulties. They were required to meet a higher portage bill. They had to refit their steamers with Fung Kong Government passenger licences to comply with the requirements of the Simla Convention for the Safety of Life at Sea. If their vessels were not on time-charter, they had to pay higher prices for bunker coals and war risk insurance premiums. The upkeep of their steamers was more costly. But nevertheless, freights earned still left them with a fair return for their outlays and they were able to make up the deficiency of past years.

MARITIME LAW CODE

A Code of Maritime Law (or Law of Maritime Commerce) was promulgated on December 30, 1929, and is supposed to have been enforced from January 1, 1931.

A translation of this Code, by John McNeill, Barrister-at-Law, and Dr. Wei Wen-han, Attorney and Counselor-at-Law, has been published by the *China Law Journal*, Shanghai. It is divided into eight chapters, dealing respectively with: General Principles; The Ship; Ownership, Priorities and Mortgages; Master and Crew; Contracts of Carriage (Goods, Passengers and Tows); Collisions; Salvage and Assistance; General Average; and Marine Insurance.

FOREIGN SHIPPING IN CHINA

Regular Lines, Cargo and/or Passenger
 American Pioneer Line
 American President Line
 Australian-Oriental Line
 Barber-Wilhelmsen Line
 "Ben" Line
 Blue Funnel Line
 British India S. N. Co.
 Burns Philp Line
 Canadian Pacific Steamships, Ltd.
 China Import & Export Lumber Co., Ltd.
 China Mutual S. N. Co., Ltd. (Blue Funnel Line)
 China Navigation Co., Ltd.
 Dalren Kisen Kaisha
 Dowell Line (James Chambers & Co.)
 Eastern Asiatic Co. of Copenhagen
 Eastern and Australasian S. S. Co.
 Glen & Shire Lines
 Hamburg-America Linie
 Holland Ost Azie Lijn
 Hongkong, Canton & Macao S. S. Co.
 Indo-China S. S. Co.
 Japanese S. S. Lines
 Jardine, Matheson
 Java-China-Japan Lijn
 Kaikan Mining Administration
 K. P. M. Line
 Lloyd Triestino
 Maersk Line
 Messageries Maritimes
 Messageries Orientales

age, for trip or "time" was from Japan, but such business could not in most instances be entertained for steamers with Chinese crews on board. Norwegian steamers, unless their owners chose to accept lower rates for short period time-charters, had to be satisfied with coal and salt trips on the termination of their time-charters.

The supply of bunker coals to steamers began to claim the attention of time-charterers, who were not protected by coal contracts. The price of good steam coal for bunkers advanced from \$17 to \$20 per ton f.o.b., t.i.b., in October.
 The scanty supply of rice cargoes from Saigon and Bangkok to Hong Kong resulted in a heavy decline in the berth rates. It was reported that nothing better than 20 cents per picul could be earned by Saigon/Hong Kong liners in October. Several steamers terminated their time-charters in early November and were redelivered to owners. Owners however firmly believed that by adopting a waiting policy still higher time-charter rates could be obtained.

End of Year Situation

Conditions in Shanghai having improved slightly, rice and coal importers once more appeared in the market for prompt steamers from Saigon or Hongkong to Shanghai, quoting 17/6 to 19/6d. per ton for rice and 10/- per ton for coal. These freights came to the rescue of time-charterers when they were experiencing difficulty in providing their steamers with rice cargoes for Hong Kong. The number of steamers available was now so limited that neither could coal merchants get owners to entertain consecutive trips from Samarinda to Hong Kong nor could Bangkok millers induce owners to accept fair rates for 3 or 6 months time-charters.

December set in with a fair number of trips still offering in the market. The demand for Saigon/Shanghai had abated and owners were inclined to come down slightly in their rates for time-charters. A slight improvement in the berth rate from Saigon to Hong Kong was recorded and liners were able to get shippers to supply them with part cargoes at 30/35 cents per picul. The berth rate Bangkok/Hong Kong also advanced from 50 to 65 cents per picul, at the latter figure time-chartered steamers were loaded with full cargoes for this port.

The price of good steam-coal for bunkers, by the end of December, was quoted at \$22 per ton, f.o.b., t.i.b. Two Norwegian steamers were fixed on time-charter for the Samarinda coal trade. \$30,000 per month was paid by Saigon charterers for the Danish str. *Gustav Diedericksen* for a period of three months. The time-charter rate seemed now

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Yunnan route, the Szechuen-Kweichow route, the Szechuen-Shensi route, the Kansu-Sinkiang route and the Sinkiang route. These five main routes were controlled by five administrative districts. Besides these five administrative districts was the Chungking Stage Transportation Service. The total mileage in operation is as follows:—main routes, 6,689 kilometers; auxiliary routes, 2,481 kilometers. The following table shows the starting points and the termini and mileage of the most important stage routes in operation.

Main routes	Sze-chuen-Yunnan	Sze-chuen-Kweichow	Sze-chuen-Shensi	Kansu-Sinkiang	Sinkiang	Chungking	Total
From	Luhsten	Chungking, Luhsien, Tushan, Chungking	Kwangyuan	Lanchow	Singsing-sha	Chungking	
To	Kunming, Chengtu	Tienschui, Paoki, Chengtu	Singsing-sha	Hoerh-kwosze	Paimuchen		
Distance in kilometers (main lines)	1,378	937	1,738	1,548	847	241	6,689
Distance in kilometers (auxiliary lines)	110	705	155	321	1,166	24	2,481

Up to June 1944, branch lines were in operation in 12 provinces. Distance covered by main and auxiliary lines total 21,319 and 12,934 kilometers respectively. The provincial Government is responsible for the administration of

Name of route	Sinkiang-India	Sikang-Tibet-India	Total
From	Yehcheng	Kangting	
To	Liehcheng	Korenpu via Lhasa	
Distance in kilometers	1,005	2,501	3,506

The Directorate-General of Stage Transportation was incorporated with the War Transportation Board in January 1945.

B. Stage Transportation In The Northwest.—The Northwest Stage Transportation Service Station operates from Kwangyuan to

goes, pilot services have been established along important rivers in Szechuen, Hupeh, and Hunan. Most creditable is the pilot service rendered at Chuankiang, Chingtan, and Sehtan where vessels up to 3,000 tons may be safely towed.

To encourage private steamship companies to repair old vessels in order to increase the capacity of water traffic, the Ministry of Communications has petitioned the Government to subsidize the Minsung Steamship Company to a sum of \$182,300,000. The Minsung Company expects to complete repairing eight river steamers before the end of September 1945.

B. Water and Air Transportation Service.—Between Chungking, Suifu and Tingkians, an important international water and air transportation service has been inaugurated. The China Merchants Steam Navigation Company and the China National Aviation Corporation are jointly responsible for handling all goods coming in and out of China. The volume of goods handled in 1945 shows an increase of 50 percent over that 1944. A new airfield has recently been built in Luhsien where the China National Aviation Corporation has set up an oil depot, a hangar and a hostel. The China Merchants Steam Navigation Company has also set up warehouses, wharves and lighters to facilitate air and water transportation.

C. Training of Navigation Personnel.—Attention has been paid to the training of navigation personnel to meet wartime and postwar demands. Apart from

Hami, a distance of 2,322 kilometers. Local provincial Governments are responsible for the maintenance of sub-stations, and efforts are made to provide food and lodging for passengers.

V. WATER TRANSPORTATION
Since beginning of the Sino-Japanese War, the blockade of the sea coast and the disruption of road traffic have placed an added burden on inland water traffic. To meet wartime demands, much attention has been paid by the Government to build new ships and to repair old ones and to fasten river navigation by encouraging private enterprises and to train naval personnel.

A. Building and Repair.—The China Merchants Steam Navigation Company was ordered by the Ministry of Communications in 1945 to repair and put into commission with the least delay six large river steamers, namely, the Kiangshun, Kiangan, Kiangsin, Kianghan, Kianghua, and the Kiangchien. Repair work is expected to be completed by October 1945. River steamers, now in use, include the Kiangchi, Chengping, and the Anhua. As soon as all of the six vessels are repaired, river traffic is expected to be greatly increased.

At present in Szechuen along, 4,529 kilometers of waterways is navigable by wooden vessels while 1,229 kilometers is navigable by river steamers, and there are 313 steamers in service.

The up river regions are abound in rapids and sandbanks. To ensure the safety of passengers and car-