

Transport in Transition

THE EVOLUTION OF TRADITIONAL
SHIPPING IN CHINA

Translated by Andrew Watson

UNIVERSITY OF MICHIGAN
CENTER FOR CHINESE STUDIES

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MICHIGAN ABSTRACTS OF CHINESE AND
JAPANESE WORKS ON CHINESE HISTORY

Mark Elvin, Editor

Ann Arbor, Michigan

TO MY PARENTS

TRANSPORT IN TRANSITION

The evolution of traditional shipping in China

Translations by Andrew Watson

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Contents

Editor's Foreword	i
Translator's Introduction	iii
The Operation of Chinese Junks, by Koizumi Teizō	1
I. General	1
II. The Importance of Junks in Chinese Shipping	2
III. The Operation of Junks	6
IV. The Subordination of the Junk Industry to the Shipping Brokers	8
V. Conclusion	12
Shipping Brokers in North China, by Nakamura Yoshio	15
I. The Junk Trade and Shipping Brokers	15
II. The History of Shipping Brokers	15
1. Ch'in and Han Dynasties	
2. Sui, T'ang and Sung Dynasties	
3. Yuan, Ming and Ch'ing Dynasties	
III. The Functions of Shipping Brokers	19
1. General Outline	
2. Middleman Services for Travelling Merchants	
i. Acting as Brokers for Trading	
ii. Providing Lodgings	
iii. Buying and Selling on Behalf of Travelling Merchants	
iv. Acting as Agents for Collecting Duties	
v. Collecting Money for Travelling Merchants	
3. Customs Reporting Agents	
i. Origins	
ii. Operations	
4. The Hiring of Junks	
5. Storage and Warehousing	
IV. The Capital and Structure of Shipping Broker Firms	25
1. Capital Structure	
2. The Nature of Partnerships	
3. The Management Structure	
V. The Numbers and Amount of Capital of Shipping Brokers in Selected Ports in North China	33

The Shipping Brokers and Transport Companies of Soochow, by Hayashi Tokumura	35
I. Historical Background and Present Conditions	35
II. Shipping Brokers in Soochow	37
1. Capital and Finance	
2. Organization	
3. Functions	
i. Acting as Transport Intermediaries	
ii. Goods Handled by Brokers	
iii. Method of Obtaining Business	
iv. Shipping Tickets	
v. Brokers' Fees	
vi. Acting as Intermediary in the Sale of Junks	
4. Responsibilities	
5. Brokers' Same-Trade Association	
III. Transport Companies in Soochow	44
1. Capital and Finance	
2. Organization	
i. Personnel and Duties	
ii. Relationship between Employees and Companies	
iii. Equipment	
A. Means of Transport	
B. Wharves	
C. Warehousing	
D. Relations between Main and Branch Offices	
3. Functions	
i. Providing Transport	
ii. Transport Contracts	
iii. Transport Fees	
4. Responsibilities	
5. The Bill of Lading	
6. The Transport Companies Association	
Junk Ownership and Operation in North China, by Kōsaka Torizō and Nakamura Yoshio	53
I. The Commercial Role of the Junk	53
II. Junk Owners and Operators	54
III. Junk Crews	55
Junk Crews in Soochow, by Teshima Masaki and Arai Yoshio	57
I. Scope of Investigation	57
II. Comparative Information	58

III. The Characteristics of Junk Crews	59
1. General	
2. Places of Origin	
3. Class Origin	
IV. The Nature of Labor	62
V. Income and Expenditure	66
1. Income	
2. Expenditure	
Junk Ownership in Soochow, by Nagasaka Hajime	71
I. General	71
II. Owner Operation	74
III. Junk Chartering	75
1. Bare-boat Charters	
2. Charters	
3. Charter Fees	
4. Charter Contracts	
5. Relationship between Chartering and Junk Size	

REFERENCES

Glossary of Chinese Terms	81
Glossary of Japanese Terms	93

A translation of the Boat Agreement which appears on the back cover will be found at the end of the book.

Editor's Foreward

It has long been apparent to teachers of Chinese history at universities that a major obstacle in the way of creating a balanced syllabus is the uneven coverage of the subject-matter provided by secondary works in the English language. At the same time there has existed for many decades a rich and important secondary literature in Chinese and Japanese, and one that is constantly growing. The language barrier is such as to make this literature almost inaccessible to undergraduates and still difficult for students at the post-graduate level, while the cost of making full and accurate translations, in terms of the few scholars qualified to do so, is prohibitive. The present series is designed to find a way around this impasse, in the belief that if the major results of this Chinese and Japanese secondary literature can be made widely available to those studying Chinese history at universities, this will raise the level of knowledge and understanding with a speed possible in no other way.

The approach we have adopted is that of the long summary, more substantial than the customary abstract, but still confining itself only to essentials and stripped of critical apparatus and notes. It approximates to the working notes that one makes when reading an important Chinese or Japanese secondary work for the first time, and the immediate historical precursor of the series is of course the exchange of such notes which has long been customary among colleagues working in this particularly exacting field. A primary advantage of a condensation of this kind is that it is much less demanding of a contributor's time than a full-dress translation would be, while omitting little if anything of significance to the general student or reader.

The course which I teach on the economic and social history of China at the University of Glasgow has shown the great value of abstracted translations such as the present one for undergraduates. Hopefully, they may also prove of help to research students who need to read around the edges of their main area of concentration, to maturer scholars working in areas of Chinese studies relatively remote from the subject of a given abstract but anxious to fill in the background for the purposes of teaching or general interest, and to those pursuing comparative cross-cultural studies in the social sciences at large.

The present volume, by Andrew Watson of the Department of International Economic Studies at Glasgow, breaks new ground for the series in presenting summarized translations of a number of scholarly articles

grouped around a central theme. We hope to extend the use of this approach in the future on other important topics where there is no single volume sufficiently good to merit translation on its own.

The series as a whole owes its existence to the generosity and vision of Professor Rhoads Murphey and Professor Albert Feuerwerker of the Center for Chinese Studies at the University of Michigan. I should like to acknowledge with gratitude their continuing enthusiasm and support.

Mark Elvin
Series Editor

Translator's Introduction

The great extent of the empire of China, the vast multitude of its inhabitants, the variety of climate, and consequently of productions in its different provinces, and the ease of communication by means of water carriage between the greater part of them render the home market of that country so great in extent, as to be alone sufficient to support very considerable subdivisions of labor.

Book IV, Chapter IX.

Through the greater part of Europe too the expense of land-carriage increases very much both the real and the nominal price of most manufactures. . . . In China and Indostan the extent and variety of inland navigations save the greater part of this labor, and consequently of this money, and thereby reduce still lower both the real and the nominal price of the greater part of their manufactures.

Book I, Chapter XI.

Adam Smith, An Inquiry into the Nature and Causes of the Wealth of Nations (1776)

Adam Smith can have had little detailed knowledge of the extent and nature of water transport in China. Yet, by emphasizing its magnitude and comparative efficiency, he showed a remarkably acute understanding of a major feature of the traditional Chinese economy which scholars, with the notable exception of the Japanese, have all too often since ignored. We cannot hope to gain any real conception of how the Chinese economy worked in the past, or works now, until we have a clearer picture of the circulation of men and commodities. In this circulation, water transport has been and is of crucial importance. The two previous books in this series have both in different ways contributed to our knowledge of Chinese shipping. Shiba's Commerce and Society in Sung China has described the evolution of techniques and organization at a crucial stage in China's economic growth. Hoshi's Ming Tribute Grain System has shown the remarkable strength and capacity of traditional shipping in the particular form of the government grain supply system. It is the purpose of this selection of Japanese articles to throw some light on the evolution of traditional junk shipping during a key transitional phase, 1900-1940, when it was absorbing the influences of various forms of modernization and on the eve of its major organizational transformation under the direction of the Communist Party.

The articles chosen concentrate on two main themes: the institutional organization of the shipping business, and the forms of ownership and operation. They should be of value to business historians and economic sociologists generally as well as to economic historians interested in transport.

Several features of the Chinese economy are sharply illuminated. Most striking is the extent of regional variation. North and central Chinese shipping are shown to have differed both in their methods of operation and organization. Moreover, modernizing influences, technological and institutional, can be seen to have provoked differing responses in these two areas. Another aspect is the enduring strength of some traditional features of shipping operation and business practice. When the general structure described in these pages is compared to that of Sung dynasty shipping as presented by Shiba, there are a remarkable number of similar features as well as many disparities. There is clearly a need for work on the developments in the unexplored centuries between.¹ An unexpected feature of this endurance was the strength of traditional shipping in the face of steady competition from all forms of modern transport and from reputedly more efficient forms of business management. While change was inevitable, these articles show that in some ways the traditional structure was stimulated rather than depressed by competition from more modern forms. A further important aspect of the description of this traditional/modern interaction is the help it gives in defining a transitional economy. Junk shipping was not only influenced by modernization: it worked alongside it and was a means of spreading it over the country. Developing economies must, to a greater or lesser extent, go through a phase in which various levels of technology and various methods of operation are found side by side, sometimes in harmony and sometimes in conflict. We have here an illustration of these processes.

1) Apart from special studies such as Hoshi's (including his new volume, Min-Shin jidai kōtsū shi no kenkyū (Researches into the History of Communications in Ming and Ch'ing Times) (Tokyo, 1971) and H. C. Hinton's The Grain Tribute System of China (1845-1911) (Cambridge, Mass.: Harvard, 1956), little work has been done on junk shipping. Professor Katō Shigeru in an article, "Shindai Fukken Kōso no sen'an ni tsuite" (On the Shipping Brokers of Fukien and Kiangsu during the Ch'ing Dynasty) (Shirin, XIV, 4 (1929), pp 529-537) quotes Ch'ing documents to show that shipping brokers had for some time practised a form of transport insurance and that officials had encouraged the expansion of this commercial system. He suggests it may have originated in the Sung dynasty. The intervening period remains all but unknown.

How useful this descriptive material can be to an analytical historian is shown by C. D. Sheldon's use of Koizumi's piece in his article "Some reasons for the Marked Contrast in Japanese and Chinese Modernization."² There are many other areas in which the data in these articles can furnish valuable insights. One obvious application is in work on the development of the Chinese transport system as a whole, where junk shipping has to be related to the expansion of railways and modern roads. Simple ton-kilometer cost comparisons need to be supplemented by a consideration of the types of goods carried and the average total distance travelled by these types. The material presented here also throws light on the more sociological aspects of Chinese business practice and organization. Before we begin to investigate how such factors may have influenced contemporary Chinese approaches to organization, we need to know more about their nature in this transitional period. Many detailed questions arise for further study. Why had bare-boat chartering become so unprofitable by this time? What further regional variations can be found in other places? Were shipping brokers and transport companies always complementary or were there areas of sharp competition?

Perhaps the most interesting problem is to find out how the system evolved after 1949. My present work indicates that water transport, including junks, has continued to play a vital role and has indeed been greatly expanded. In his report on the draft of the 1960 economic plan, Li Fu-ch'un stated that the total volume of goods transported in 1959 was 2,212 million tons and that, of this, only just over 800 million tons were carried by the modern transport sector.³ Sun Ching-chih in his Economic Geography of Central China states of Hunan that

Water transport ranks first in the volume carried by various means of transport (it accounted for over eighty per cent of the total cargo volume of the province in 1957). The future development of Hunan's communications and transport industry will still be centered principally on water transport.⁴

2) Kyoto University Economic Review, XXIII, 2 (October 1953), pp. 30-60.

3) People's Daily, 31 March 1960, pp. 2-3. Although little reliance can be placed in the absolute accuracy of these figures, there is no reason to doubt the ratios implied.

4) Op. cit., Peking, 1958. Translated by Joint Publications and Research Services, no. 2227-N, 10 February 1960.

Such quantitative considerations apart, institutional developments are likely to prove of great interest. The high level of mutual trust and co-operation in pre-Liberation days superficially suggests a good foundation for local collective organization, and the central role of the brokers probably proved a useful key for imposing centralized control. However, efforts at rationalization during the Japanese occupation showed that the heart of the system was its organic and flexible nature. It was not susceptible to precise command and management. Have the Communists been more successful? The next stage of my work is designed to discover to what extent these factors have affected the process of change under the present leadership.

In one respect the present volume is a departure from previous books in the series. The articles of which it consists are not finished pieces of scholarship but are much nearer to being the raw materials for further study. They lack polish and leave gaps that a complete work would not. However, they are the best that are available in an area that is both neglected and important. All studies of post-1949 Chinese transport virtually ignore the traditional sector, and even the pioneering work by Herold Wiens, "Riverine and Coastal Junks in China's Commerce"⁵ is shown here to have underestimated the importance of the junk. It is to be hoped that the translation of these articles will at least make such neglect impossible in the future.

Two features of the context in which they were written should be borne in mind. First, the authors have a tendency to classify any business organization or operation which does not match their concept of modernity as 'feudal' or 'semi-feudal'. The reader should take such words to indicate 'traditional' in a loose sense. Second, these pieces grew out of a wartime situation. The junk business they describe was in many ways depressed. Trade was restricted, and some routes were either not open or blocked by wrecks and felled bridges. Repair costs were higher than normal because of the difficulty in obtaining materials. Unfavorable response by junk operators to Japanese initiatives to stimulate shipping may in part have represented resistance to foreign invaders. Moreover, Japanese economic 'cooperation' meant in fact Japanese exploitation. Their entire effort in organizing various shipping companies, and in studying and using junks, was both a recognition of the importance of the junk in the Chinese economy and an attempt to use them as a means of controlling commercial operation. The system described was not one that was functioning under optimal conditions.

The reader who wants further information on the technical features

5) Economic Geography, XXXI (1955), pp. 248-264.

of junks will find much of interest in G. R. G. Worcester, Sail and Sweep in China (Her Majesty's Stationary Office: London, 1966) and in his earlier works, The Junks and Sampans of the Yangtze (2 volumes: Shanghai, 1947) and Junks and Sampans of the Upper Yangtze (Shanghai, 1940)⁶, as well as in L. Audemard, Les Jonques Chinoises (8 volumes, Museum Voor Land- en Volkenkunde en het Martitiem Museum Prins Hendrik: Rotterdam, 1957-1965). An historical account of the development of junk techniques is found in J. R. Needham, Science and Civilization in China, IV, 3 (Cambridge University Press: Cambridge, 1971).

In the style and presentation of these summary translations, I have tried to adhere to the manner of the previous books in the series. Repe- titions have been edited out so far as possible, and so has some of the more detailed raw material in the Soochow studies. Every attempt has been made, however, to preserve the major outlines of the authors' works and their general conclusions. Glossaries of all important Chinese and Japanese terms used appear at the end of the book. A great debt is owed to Mark Elvin for his constant encouragement and for his many and helpful comments on the final draft of the translation. His suggestions have done much to clarify obscure points or raw translation.

A. J. W.

6) Worcester's works, including material published in other sources, have now been republished by the United States Naval Institute Press as The Junks and Sampans of the Yangtze (1971).

The Operation of Chinese Junks

Koizumi Teizō

I. General

The term 'junk' (min-ch'uan) is used to refer to the wooden boats found on the inland waters of China, and along the coasts of China and southeast Asia. Although mainly sailing boats, they also derive motive power from oars, and haulage by human beings, water buffalo, etc. They vary widely in construction, shape and capacity, and are extremely important to the traditional Chinese economy.

Although there are some regional variations in the generic term for a junk, such as the use of 'wind boat' (feng-ch'uan) in the Canton Delta, the most common term is 'commoners' boat' (min-ch'uan). The latter has two senses. On the one hand, it is used by the Ministry of Communications of the Chinese Government to refer to all sailing, sculling, and rowing boats as opposed to steam ships, as well as to distinguish between officially owned boats (kuan-ch'uan) and the boats owned by the people. On the other hand, it is a term reflecting the close relationship between junks and the economic life of the ordinary people. The origin of the English term 'junk' is variously suggested as a corruption of the Portuguese 'janco' or the Malay 'djong' or 'sjong', all of which mean 'boat', or an intentional application of the English slang term for rubbish.

Junks can be divided into two broad classes: riverine junks and sea-going junks. They can also be divided geographically into northern, southern, and Yangtze River types, with names derived from their point of origin such as 'Shantung Junk', 'Chou-chou Junk', 'Fukien Junk', and 'Ning-po Junk'. In addition they have individual type names such as li-tzu (profit-maker?), mu-ch'uan (wood boat), hsiao-mu-ch'uan (little wood boat), po-ch'uan (wharf boat), shan-ch'uan (sampan), and sha-ch'uan (sand boat, or Kiangsu trader). Some junks are known by two or three such names, and often the differences between junks bearing different names are minimal. Over the whole range, however, their design varies enormously, depending on the locality where they are built and the natural conditions of the route to be navigated. Their carrying capacity ranges from 5 - 6 tons for small junks to 200-300 tons for large ones. Deadweight tonnage ranges from 1-2 tons to 300-400 tons.

The large number of junks and the developed form of the junk industry point to the special and important role the junks play in the traditional

sector of the Chinese economy. It is well known that in China water transport is much more developed than land transport and that along their routes junks are able to carry out all the functions of lorries, carts, and wheelbarrows. Using the well developed network of waterways, they can transport to and from central markets the agricultural, aquatic, animal, and handicraft products and raw materials of the hinterland. Even in the slightest depth of water, the shallow-draft, flat-bottomed boats can freely use all harbors, rivers, creeks, and wharves. They need no diesel fuel and are cheap to run. On the other hand, reliance on natural sources of motive power means that schedules, speed, and safety are uncertain; and they are less able to carry large quantities of heavy bulk goods such as lime, ores, and machinery.

II. The Importance of Junks in Chinese Shipping

It is striking that even today a primitive and so-called undeveloped means of communication occupies the dominant position in China. In 1927, Karl Wittfogel described this dominance as follows:

The penetration of the steamship dealt a blow to China's water communications, both at sea and inland. Nevertheless, like other old ways in other fields, old-style shipping has stoutly defended itself against machine competition. One example will be sufficient to set thinking all those who expect an easy victory for mechanization. In 1927, in the coastal region of Chekiang, an area closely associated with Shanghai and other partially modern ports, the income of old-style transport companies far exceeded that of the modern transport companies of the province.*

In his Examination of the Process of Grain Transport in the Provinces of Anhwei, Kiangsu, Chekiang, and Kiangsi,** T'ang Hsiung-chieh made the following observation:

In the present scientific age, despite the fact that means of transport are daily improving and old-fashioned means are being overwhelmed by the new, the state of grain transport in the four provinces of Anhwei, Kiangsu, Chekiang, and Kiangsi is quite the opposite. Not only are the old-fashioned junks not being overwhelmed, they are actually strengthening their position.

In his work, The Agricultural Economy of China*** Amano Motonosuke refers to the preponderance of junks as follows:

*"Means of Communication in Chekiang", Chinese Economic Journal, Vol. I (January 1927), p. 123.

**Chiao-tung tsa-chih, (Communications Journal) 1932, Nos. 5, 6, 7.

*** Shina Nōgyō Keizai Ron, 2 vols., (1941, 1942).

In areas where land and water transport are in competition, it is only in short distance transport that the railways overwhelm the junks. For example, in 1934 in the Kiangnan Delta, of the 27,300 bundles of dried silk cocoons transported from Chia-hsing to Shanghai, 27,000 went by junk and 300 went by rail.

He also says:

If we take rice, between 1930 and 1934 the volume transported into Shanghai by land transport was only 18 per cent of that transported by water. The highest percentage was 31 per cent in 1930, and the lowest was 8 per cent in 1932.

The above examples illustrate the importance and dominance of the junk industry.

One reason why junks can maintain their position is the condition of other forms of communication, and it is necessary to make a brief comparison here of their economics and function. Railways in China were developed as the result of concessions to foreign powers and did not answer China's economic needs as well as they might have done. Because of the localized nature of construction, they are poorly interconnected and, even more critically, they do not have a standard gauge. Their safety and reliability are poor because of corrupt management, damage done to rolling stock and other equipment, and the depredations of the warlords. They are also expensive. Although motor transport has been developing quickly, it is still limited to such modern cities as Shanghai, Canton, Nanking, Peking, Tientsin, Tsinghuangtao and Hankow. Even in these areas only about one third of all public roads can be used by motorized transport and their quality is very poor. It is thus too early to talk of the role of motor transport in China. As for steamships, most of them are under foreign control and they are limited to the major coastal ports and river routes, besides being restricted by the lack of port facilities. Thus the three modern forms of transport are unable to fulfil the transport roles needed by the Chinese economy.

In contrast, the junks play an essential role with their great ease of intercommunication along the extensive network of waterways. According to the Soviet Encyclopedia the total length of waterways in China is not less than 66,500 kilometers, and of these some 46,500 kilometers can be navigated by junks. In his Economic Rivalries in China,* Grover Clark estimates the total length of canals to be 54,000 kilometers and the routes open to shallow-draft boats to total more than 100,000 kilometers. However, neither of these estimates takes account of the countless thousands of kilometers in the various creek networks.

* New Haven: 1932.

Although not perhaps quite as safe as other means of transport, in terms of cost the junks are not merely cheap, they are much cheaper. Various Japanese estimates give the following equivalent costs per kilometer:*

Junk	1.2	Japanese cents	
Railway	2.0	"	"
Narrow Gauge Railway, Donkey or Horse	2.4	"	"
Wheelbarrow	19.0	"	"
Motor Vehicle	30.0	"	"
Porters	34.0	"	"

Another report gives the following comparative costs per ton kilometer: wheelbarrows, 9 times more expensive than junks; donkeys and horses, 10 times more expensive; lorries, from 13 to 26 times more expensive; and railways from 2 to 9 times more expensive. These estimates give some idea of how cheap junks are and explain why they are so attractive as a form of transport. **

Theoretically junks should be slower than trains. In practice, in China, they are frequently faster. One reason for this is that the railways lack rolling stock and are thus very unreliable in making up trains on time, and in loading and despatching goods. In addition, the business of taking goods from the shipper to the station and loading them into goods wagons, and unloading them at their destination and transporting them to the receiver, is handled through specialized trans-shipping companies (yun-chuan kung-ssu) which are not reliable, and this gives rise to more delays. In contrast, although junks are slow, they are easily loaded and unloaded, and the dense network of subsidiary waterways afford them great ease of intercommunication, which means that they can usually reach their destination first. Perishable agricultural goods need rapid transport, but slowness is no great hindrance to the transport of goods like rice and silk cocoons. As regards reliability, emphasis is put on trusting an honest captain (ch'u'an-chang) with a good reputation.

The junk is important not only as a means of transport but also as a means of distribution. As is well known, most markets in China are of a primitive kind. For example, there are periodic markets, called chi-shih or chi-ch'ang in north China, and hsü-shih in the south, which meet on every third or fifth day in county capitals (hsien) and market

* Unit of weight not stated. Transl.

** J. L. Buck, Land Utilization in China, Nanking, (1937), p. 353, gives the following costs per ton mile for short-distance transport: junk 0.39 yuan, carts 0.44, mule 0.58, steamboat 0.69, wheelbarrow 0.73, donkey 0.79, horse 1.05, carrying pole 1.24, and truck 2.31. Transl.

towns (chen, shih). Except on market days, there is no exchange of goods in the countryside. From ancient times, the markets have been controlled by licensed brokers (ya-hang), merchants' warehousemen (k'o-chan), licensed warehousemen (hang-chan), and customs reporting agents (pao-kuan-hang). * These persons serve as the organs of distribution, and, being important parts of the market structure, they have absolute control of the markets. They function by forming close links with a specific means of transport and maintaining a precisely delimited commercial domain. As will be described below, junks are closely bound to these unique Chinese commercial organizations, and they thus also act as a means of distribution.

In north China, where natural conditions restrict water transport and junks are fewer, the number of junks under the aegis of the Japanese-run North China Shipping Association (Kahoku Kōgyō Sōkōkai) in 1940 was 17,233, with a gross tonnage of 188,134 tons. According to an investigation made by the Japanese-run Kiangsu-Chekiang-Anhwei Junk Association (Su-Che-Wan Minsen Sōkōkai) in the same year, the number of riverine junks of the lower Yangtze under the Association was 100,045, with a gross tonnage of 758,104 tons, and the number of sea-going junks was 13,800, with a gross tonnage of 183,194 tons. The combined total of the latter was 113,845 craft of 941,298 tons gross. It must also be noted that since the investigation around 3,000 junks per month have joined the Association. Unfortunately there are no accurate statistics for south China but the number of junks in the region must exceed 100,000, with a gross tonnage of around one million tons, allowing an average tonnage of ten tons. The total number of junks in China can therefore be estimated at between 220,000 and 300,000, with a gross tonnage of not less than two million tons.

These statistics have been gathered since the war began. It is estimated that in the pre-war period there were some 300,000 junks in the lower Yangtze alone, with a gross tonnage around three million tons, and perhaps a total of 500,000 junks for the whole of China, with a gross tonnage of around five million tons. When this is compared to the pre-war steamship tonnage of about one million tons for steamers of all countries, the importance of junks in Chinese water transport can be clearly seen.

The junks in north China make up between two and four per cent of the junks of the whole country. Although less important than those of central China, their role in local coastal traffic linking together the non-treaty ports is by no means slight. In an investigation of fourteen north

* These were a modern development of the ya-hang. See below p. 22. Transl.

China ports in 1940, it was found that the volume of goods imported carried by junks amounted to 225,740 tons and the volume of goods exported carried by junks amounted to 185,862 tons, making a total of 411,602 tons. Allowing for double counting at a rate of two-fifths, the actual total of goods carried is estimated at about 250,000 tons. Since for various reasons these figures probably undercount by between ten and twenty per cent, the total annual figure may be nearer 320,000 to 330,000 tons. In comparison, an investigation of the goods carried by small steamers at eight north China ports showed a total of 108,173 tons imported and 99,729 tons exported, a total of 207,903 tons. Since double counting accounts for over half of this, the real figure is probably around 100,000 tons. When this figure is compared to that for junks, the overwhelming importance of the latter in coastal trade alone is very clear. Moreover, if the figure for the volume of goods carried in junks on short runs such as that across Chiao-chou Bay in Shantung were included, the total for junks would be multiplied by several times. Small junks are continually criss-crossing this bay and if, for example, the figure for salt carried were added, then the total volume of goods carried in junks along the coasts of north China in the year 1940 would be in the region of 700,000 to 800,000 tons.

In central China the total volume of goods moved per annum is around ten million tons. It is estimated that of this eighty-five per cent is carried by junks, eight per cent by steamers, five per cent by trains, and two per cent by other means.

III. The Operation of Junks

For the sake of discussion, the operation of junks may be separated into two parts: the operation of the junks themselves, and their subordinate relationship to the shipping brokers.

In general, the operation of junks as a means of communication can be divided into the following four categories:

- 1) Operation by the owner (ch'uan-chu) chartering out his junk (yung-ch'uan) to another for a chartering fee (yung-ch'uan-liao);
- 2) Operation by providing a transport service as distinct from just owning or hiring out a junk. There are a very few examples of this and it is usually carried out in conjunction with the following;
- 3) Operation of a junk for trading purposes as a commercial unit in itself. In this case the owner carries his own goods in his own junk, and thus the junk serves as a means of distribution;
- 4) Operation of the junk for fishing. In this case junks are used to transport the fish and aquatic products to the place of sale and to return bearing daily necessities purchased with the proceeds.

Simple operation under one of the above headings is very rare. Combined operations are most common, the majority being a union of 2) and 3). In such instances the owner or captain (and sometimes the 'gang boss' (pa-t'ou) on whom see below) buys local products at his own risk and transports them elsewhere for sale. With the proceeds, he buys products of other places and again transports them for sale. At the same time he carries goods for others and passengers, as a subsidiary occupation. This type of operation is the focal point of this study.

As stated above, the most common form of junk operation is a combination of its use as a means of distribution and as a means of transport. In general there are only two forms of enterprise for such junk operation: individual enterprises and partnerships, the latter making up ninety per cent of the whole. * In individual enterprises the owner is usually also the captain and he makes a small living out of his junk. In partnerships, several shareholders own junks in common and hire an able and experienced manager to run the business under unified control. Generally they own ten or more medium and large junks.

The form of management varies according to whether the enterprise belongs to an individual or to a partnership. In the former case, the owner can be both a captain and a fisherman. While buying and selling various products, he sometimes provides a transport service and sometimes does some fishing. In north China, the families of junk crews (ch'uan-yuan) usually stay in the countryside working as peasants. In part this is due to the dangers of navigation off the north China coast. In contrast, on inland waters and particularly in central China, where natural hazards are fewer, families often live on the junks. In the case of partnerships, control of the junks is vested in a manager who is completely responsible for their operation. Where there are a large number of junks, the manager may hire a 'gang boss' (pa-t'ou) to control one junk or a group of several junks, and delegate some of his responsibility to the latter. Otherwise, a separate captain may be hired for each junk. Generally both the 'gang boss' and captains are hired on the basis of family relationships, that is, they are selected from people who can be trusted because of family relationships or long acquaintance. The captain also hires his crew** from local peasants and fishermen. These latter

* Here Koizumi is basing his conclusion on information from north China. The situation in central China was almost the reverse. See below p. 74. Transl.

** The author uses two terms to refer to the crew here, ch'uan-yuan and the Japanese term norikumi-in. It is possible that the former term is being used to refer to ship's officers and the latter to ordinary deck hands. However, such a distinction could only be made for larger sea-going vessels. Transl.

have a low social position, being equal in rank to coolies, and are of course quite illiterate. The 'gang boss' is responsible to the owner for everything. Since he hires and fires the crew, and controls the sailing, mooring, and collection of cargoes, the amount of profit also depends entirely on him. Although sometimes the owners or their managers secure goods for their boats to carry directly from shippers, most goods come through the hands of shipping agents as described below.

In the case of individual enterprises the handling of profits is straightforward. In the case of partnerships, profits are distributed on a percentage basis between the owners (including the manager and 'gang bosses') and the crew of the junk (including the captain).*

In the last analysis it is quite clear that the operation of junks, the operation of partnerships, the method of hiring based on family or personal relationships, and the method of proportional distribution of profits, all have a 'feudal'** character and are part of an undeveloped environment. Proof of how deeply rooted this system is is provided by the failure of the Water Transport Section of the North China Transport Company Ltd. (Kahoku Kōtsū Kabushiki Kaisha) to reform it after 1937. The company bought up large numbers of junks but was unable to operate them with modern methods. Because of the difficulty of supervising so many junks from a shore-based office, the lack of care and maintenance on the part of the crew, and the increase in desertion and pilfering, the enterprise was found to be uneconomical and inefficient. A more recent example has been this company's attempt to employ at sea the method used on inland rivers of hiring junks at a standard fee and operating them in flotillas. Because of the reliance on unmechanized mechanized means of propulsion reliable schedules could not be established and it was found to be unprofitable.

IV. The Subordinate Relationship of the Junk Industry to the Shipping Brokers

Shipping Brokers (ch'uan-hang), a unique feature of Chinese commerce, dominate the junk industry. They must be considered together with the shipping associations (ch'uan-pang), which are organized by junk operators and related to a particular shipping broker, and with the merchant associations (k'o-pang), which are organized by the merchants of a particular locality.

* Koizumi here quotes the method of profit distribution described by Nakamura Yoshio, see below p.56. Transl.

** The situation described is in no way 'feudal' and the word is used here in a very loose sense. Transl.

Shipping brokers are found wherever there are junks. They provide a commercial organization carrying out a many-sided, un-specialized business. For simplicity they might be called 'junk wholesalers' (minsén donya). Basically they buy and sell local products. At the same time they trade in such products for others, operate as warehousemen, run a forwarding business, provide insurance, act as customs clearance agents, and run a lodging service. Their precise name varies through the different regions of China. They may be known as 'warehousemen' (chan-fang), 'shipping dealers' (ch'uan-tien), 'brokers' (chien-t'ou), and 'licensed warehousemen' (hang-chan). While all these terms refer to shipping brokers, their differences reflect the many different facets of their business.

Although occasionally run by individuals, the great majority of shipping brokers' firms are owned and run by partnerships.* Their capital is usually 30,000 to 50,000 yuan, with the largest having around 500,000 yuan. The number of employees ranges from 10 to 30. The shipping brokers both own junks and provide a shipping service, and act as intermediaries between merchants and junks.

The junk operators rely on the manager of a shipping broker's firm and depend in all their affairs on his good faith as an intermediary. On his side, the manager pays great attention to the interests of the junk operators. He guides them as to what to buy and where to go, helping them with his specialized knowledge. The junk operators and travelling merchants (k'o-shang) follow his advice completely. The direction of business policy apart, they even consult the brokers over their personal affairs, treating them as members of the same family. For these reasons, junk operators and travelling merchants gather at shipping brokers' firms run by trustworthy and kindly managers. As a result their respective operations are closely linked. However, because of their central position in the markets, the brokers exercise absolute, practical control, and the junk operators' and merchants' relationship is less one of mutual interdependence than of subordination to the brokers.

In what follows, the operations of the shipping brokers will be examined in detail under five main headings:

- 1) The buying and selling of special local products.

* Evidence suggests that by the twentieth century this may only have been true of brokers dealing in marine transport in north China. As Tokumura shows below, the brokers of Soochow in 1941 were all independent. Koizumi's entire discussion of brokers is based on information from north China. Transl.

Each junk operator works in the area where he was born and with whose geographic and economic characteristics he is familiar. He buys local products from a shipping broker in one port and loads them into his junk to transport to the next port where he again sells them to a shipping broker. In the same way the local merchants use junks to ship their local products to the shipping brokers. The brokers unload the merchants' goods and store them in their own warehouses. They either buy them at the current price themselves or try to sell them as the merchants require. If the market price is unsettled, they hold the goods in their warehouse and provide the merchant with the necessary financing to buy up other local products as required for sending back. Naturally they take a percentage of the price of the goods handled as a commission and also charge for loading, unloading and transport.

2) Acting as agents for local distribution.

The junk operators and local merchants do not merely play a role in buying and selling goods produced by the localities, but also in distributing daily necessities to the peasants. They buy such goods as coarse cloth, kerosene, flour, and paper from the shipping brokers and supply them to the customers along their routes. Some brokers become specialists in these major commodities and foreign firms who use them as compradors (mai-pan) form close ties with them in order to widen their commercial network. For example, a foreign kerosene firm might entrust the sale of its product to one particular shipping broker, and the junks and merchants associated with the latter would carry it to the retail outlets.

3) Acting as agents for government offices and other organizations.

The brokers act as agents for the junk operators in all the formalities connected with government offices and other organizations. For example they handle reports to government offices and to the Supervisor of Shipping (ch'uan-p'o chien-tu-kuan), inspection of boats, customs formalities and payment of tariffs, and payment of government fees. They also handle such things as payments to and liaison with the shipping associations and the brokers' associations (ch'uan-hang tsu-ho). The sums advanced and the fees for handling are subtracted by the shipping brokers when settling accounts.

4) Providing warehousing and lodging services.

The brokers use their warehouses to store the goods brought by junks and the goods in which they deal as wholesalers. The situation is very like the handling of goods by the trading firms of southern European cities such as Venice in the twelfth and thirteenth centuries. The brokerage firm is usually situated in a square building of stone or

brick. The lower floor is used for storage and the upper floor for lodgings and living quarters, while the inner court is for trading. Lodgings for the junk operators and travelling merchants may be either free of charge or for a fee; and there is no better way of attracting freight and passengers. When free, both lodging and food are provided for a large number of men together. When a charge is made, there are special rooms with two men per room. Here they are free to carry out their business without worries.

Because of locality and family relations between the suppliers of finance (ts'ai-tung) and their managers, the broker's firms used to form a kind of group in the usual self-regulating Chinese manner. However, their mutual relations were little more than organizational liaison and cooperation. Gradually increasing competition between those in the same business has, together with political factors, given rise to smuggling. After 1937 the problem of control of shipping brokers became pressing, and they have been made to join shipping brokers' associations. At present (1943), the Japanese are using the brokers as compradors to buy up various commodities.

5) Hiring junks.

To hire a junk for the transport of goods, traders and travelling merchants must go through shipping brokers. They do not have the knowledge to hire one independently, nor can they fill a junk with their own goods. The broker is constantly dealing with junks and can combine several cargoes to fill one junk.

Modern-style transport operators have recently been established in central China and the shipping brokers are gradually losing their former status. However, this development is limited to small areas in the environs of modern cities. It is not clear what changes this growth will bring about in the relationship between the brokers and the junks. The junk operators themselves are not able to accumulate commercial capital. To promote the accumulation of commercial capital it would be best to get rid of the independent shipping brokers and promote the establishment of modern-style transport operators.

To complete the picture of junk operation, it is now necessary to deal with the shipping associations (ch'uan-pang) and merchant associations (k'o-pang). The merchant associations are organizations of travelling merchants from the same locality, who form a group which deals through a particular shipping broker. Although travelling merchants sometimes own shops, they usually earn their living by travelling from the localities which produce the products in which they deal to places

where there are shipping brokers, lodging at a broker's firm run by a man from their own locality, and using him as an intermediary through whom to conduct trade. They hire junks for transport, and usually accompany their goods themselves. In these undertakings they use the services of the shipping brokers to get the right junk. Because of the deep mutual trust which grows up between the brokers and the travelling merchants, based on ties of common locality origin and of friendship, the brokers at times entrust their own goods to the merchants for sale, or advance capital to them for the purchase of commodities.

Shipping associations are formed by groups of junk operators who center on a shipping broker coming from the same locality as they do themselves. A shipping association is rather like a branch of the shipping broker's firm. They are found wherever junks operate and they take their names from their locality, such as the Ning-po Association, Wen-chou Association and so forth. Each association may be joined by several tens to several hundreds of junks and is led by an association head (pang-t'ou). He administers the collection of freight and the disposal of goods, and controls the relations between the crew and the junk owners. The owners, captains, and crews make the association headquarters the center of their activity, and it usually serves as both an office and a teashop. The association holds meeting here to register new members introduced by the shipping brokers, to settle disputes and so forth, all of these acts being recorded by a clerk. An owner who joins the association provides documents concerning the registration, origin, and age of his junk, receives a membership number, and is given a licence in accordance with the rules of the organization. Most but not all headquarters are located in a different building from that in which the shipping broker has his offices.

V. Conclusion

The above is a very general description of the operation of junks in China and from it the following conclusions can be drawn:

i) Junk operation is based on family or locality relationships. This is very 'feudal' and backward.

ii) Junks play a major economic role in the Chinese economy but they rely on non-mechanical means of propulsion and their carrying capacity is limited.

iii) The junk industry is subordinate to a similarly backward agriculture and fishing industry, and to a backward commercial system exemplified by the shipping brokers.

iv) Although primarily a means of transportation, junks are also a means of distribution. Their subordination to commercial capital means that their profits enlarge commercial capital but not transport capital.

Their economic function is not specialized.

These conclusions clearly indicate the pre-capitalist, 'semi-feudal' nature of the Chinese economy.

Shipping Brokers in North China

Nakamura Yoshio

I. The Junk Trade and Shipping Brokers

Junk operators earn their living either by carrying goods for others or by carrying their own goods for sale in suitable markets, or both. For this they need the services of shipping brokers. Shipping brokers usually carry out diverse activities, including licensed warehousing (hang-chan-yeh), acting as customs reporting agents (pao-kuan-hang), transporting (chuan-yun-yeh), storage (ts'ang-k'u-yeh) and so forth. When a junk arrives in a market, its operator relies on a broker to serve as his agent for selling and buying goods, finding and unloading cargoes, and everything else that has to be done. During the Ming and Ch'ing dynasties brokers had to obtain a broker's licence (ya-t'ieh), and this limited the control of the junk trade to those with licences. When junks reached a harbor, they would report to a licensed broker (ya-hang) for checking and the payment of duty. It is not difficult to imagine how unscrupulous brokers may have used their absolute control to exploit the junk operators. However as such exploitation would lead to a decline in business, it is not very prevalent today.

It is virtually impossible for a junk operator to dispense with the services of brokers. Continuously on the move and with no fixed offices like a steamship company, he would be unable without them to obtain cargoes for transport. Because most of his time is spent sailing, he does not know the market situation. His profit depends on a quick turnaround, so he must dispose of his goods as soon as possible. Selling under such pressures can easily be unprofitable, and it is much simpler for him to rely on a trustworthy broker to act as his agent. At the same time, a merchant who does not know about the intricacies of water transport is glad to rely on a broker for hiring a junk. By leaving a cargo with a broker and immediately taking another, the turnaround efficiency of a junk is greatly raised. Those junk operators who carry their own goods also rely on brokers for selling and buying, so increasing the speed of their operations. In this way the junks are completely controlled by the brokers.

II. The History of Shipping Brokers

1. Ch'in and Han Dynasties (BC 221 - AD 221)

China was one of the first ancient cultures to develop water transport. Tso's Chronicle tells how in BC 648 grain was moved from the state of Ch'in to the state of Chin by conscripted sailing boats. When

the state of Yueh fought the state of Wu, the Yueh commander, Fan Li, commanded the army to go by sea to Huai and cut the rear lines of Wu.

By Han times, communications between China and Japan had definitely been established. Such trade, which was with the lower reaches of the Yangtze, was carried out in simple vessels and on an intermittent basis. There was also trading across the south Asian seas. The Monograph on the Southern Barbarians (Yi-man chuan) of the Sung History (Sung Shu) records its rise and large scale, despite the extreme difficulties of navigating to India and the Roman world.

The Ch'in and Han capitals of Hsien-yang, Ch'ang-an and Lo-yang were supplied each year with several million piculs (shih)* of tribute grain transported from Shantung by boat. There is clear historical proof that licensed brokers originated in this trade as warehousemen and agents who helped to store, buy and sell in cities where merchants and junks congregated. However, junk trading was still small in scale with no fixed itineraries and essentially in the form of owners carrying their own goods.

2. Sui, T'ang and Sung Dynasties (AD 589 - 1279)

After the unification of the country under the Sui and T'ang, movement along internal water routes increased. The opening of the Grand Canal, connecting the basins of the Yellow and Yangtze rivers, marked a new era in communications. It stimulated the growth of water transport in the east and south of the country, greatly influencing agriculture and commerce, and became a key prop for the central government. By the middle of the T'ang dynasty, cutting it would have had serious consequences for the army at the capital. It is recorded that each year in this period six million piculs of tribute grain moved along the Pien Canal, 620,000 piculs along the Kuang-chi Canal and 600,000 piculs along the Hui-min Canal. During the Southern Sung Dynasty the role of the Grand Canal declined, with the Sung and Chin courts confronting each other across the Huai River. The waterway itself fell into disrepair and was only revived in somewhat different form a hundred years later under the Yuan Dynasty.

During the T'ang Dynasty two kinds of merchants may be distinguished: resident traders (ku) and travelling merchants (shang). The former operated from fixed residences in the cities, and the latter either toured the periodic markets or visited households at fixed periods. The most

* Various authorities give a conversion value of a little over twenty-one kilograms or almost twenty liters in volumetric terms. Transl.

famous travelling merchants were those who took tea north from the banks of the Yangtze, and those who took salt and rice from Huainan to the northwest. Storehouses (ti) and shops (tien) grew up at those places where goods were concentrated. In 770 an imperial edict ordered the levying of taxes on these storehouses and shops. The controller of the market issued a seal or ivory marker (ya-tzu) to applicants, much like the broker's licence system of today. In T'ang times foreigners were also allowed to run shops. These precursors of the shipping brokers offered such services as trade brokerage, lodging and storage.

Foreign and coastal trade also developed. The largest sea-going vessels of the period had a carrying capacity of 300,000 catties.* Although most such ships were operated by foreigners, there were quite a few operated by Chinese. According to Chu YU's Talks from P'ing-chou (P'ing-chou k'o-t'an) written in 1119:

On the very largest junks, the travelling merchants load their goods one after another, at night sleeping with their cargo. Their goods, even earthenware, are packed close together. The junks are so large that the waves seem small and only large hidden reefs are feared. If the junk hits a shoal or reef so that it is holed and fills with water, then it cannot be saved. If it stays on the reef then the bravest sailors (kuei-nu) take strong ropes into the sea and mend it from the outside. They are marvellous swimmers and don't close their eyes in the water. The junk is steered by the stars at night and the sun by day. In overcast weather the compass (chih-nan-chen) is used.

3. Yuan, Ming and Ch'ing Dynasties (AD 1280-1911)

By the Yuan, Ming and Ch'ing Dynasties, water transport had developed sufficiently to become the major form of communication. For national political reasons the importance of sea transport was greater than previously and it equalled the importance of the Grand Canal under the preceding dynasties. The vast empire of the Yuan dynasty led to a rapid growth in trading and, therefore, sea transport. It marked a new era in the junk trade, which was greatly stimulated by the new policy of moving tribute rice from Kiangnan to the capital at Peking by the sea route, begun in 1283 on the advice of Bayan, the Mongol Chancellor of State. In 1276

* This may well be an underestimate. The T'ang writer, Wang Tang, refers to junks carrying up to 9,000 piculs (900,000 catties). For a discussion of this point see J. Needham, Science and Civilization in China, Vol. IV: 3, (1971) p. 452. Transl.

he had captured Lin-an (Hangchow) from the Sung rulers and, because the latter still controlled the area east of the Huai river, had sent books north for safe-keeping by the sea route from Tsung-ming chou to Ku (Tientsin). After pacification had been completed, he decided to send tribute rice north by sea to save the expenses and complications of transport by inland waterway. In 1283 the first shipment of 40,600 piculs was made, rising to 578,500 piculs in the following year. By the period 1324 to 1329 the amount shipped annually by sea ranged from 2.1 million piculs to 3.5 million piculs. Sea transport of tribute grain came to an end in 1419, shortly after the reconstruction of the northern part of the Grand Canal.

Until 1825, the Ch'ing Dynasty used inland waterways to transport its tribute rice north. However, because official transport (kuan-yun) was expensive and it needed a lot of effort to maintain navigation routes, the superiority of private junks* was recognized and the transport of grain entrusted to commercial transport (shang-yun). The yearly amount of tribute rice shipped north during the Ch'ing Dynasty was roughly 1.6 million piculs.**

The Ming and Ch'ing Dynasties, following 'feudal' principles, laid emphasis on agriculture and neglected commerce, limiting it in many ways.*** The Ming rulers set up licensed brokers in prefectural capitals (fu), department capitals (chou), county capitals (hsien), rural areas (hsiang), villages (ts'un), and market towns (chen) to act as intermediaries in trade. Officials selected wealthy people for the task and issued them with credentials (yin-hsin) and a register (wen-pu). The brokers noted details of travelling merchants, their goods, the route to be followed, the boatmen, the registration and origin of the junk and so forth, all of which were reported to the officials. Their functions were more or less the same under the Ch'ing. These were:

- a) acting as intermediaries in buying and selling for travelling merchants;
- b) providing lodgings for travelling merchants;
- c) acting as buyers and sellers on behalf of travelling merchants;

* The term min-ch'uan is used here in opposition to kuan-ch'uan, 'official junks'. Transl.

** Grain transport under the Ming Dynasty is fully examined in The Ming Tribute Grain System by Hoshi Ayao, translated by Mark Elvin, Michigan Abstracts No. 1, (1969).

*** This statement would now be regarded as too sweeping for the Ch'ing Dynasty. The example quoted by Professor Katō Shigeru (see note page iii of the introduction) is just one instance of Ch'ing officials giving active support to commercial activity. Transl.

- d) acting as agents for collecting likin* transit duty;
- e) collecting money for travelling merchants;
- f) controlling market prices;
- g) organizing transport of goods on behalf of travelling merchants and resident traders;
- h) providing storage or acting as intermediaries for the storage of goods of travelling merchants.

Although strictly controlled and licensed, their functions clearly gave them great economic power. However the advent of foreign powers caused them to lose some of their authority, and by the time of the establishment of the Republic they had lost their unquestioned control. Moreover, with the opening of treaty ports, the advent of steamers, and the establishment of the Imperial Maritime Customs in 1858, there was a growth of competing customs reporting agents to help travelling merchants with the various formalities for internal and external trade.

III. The Functions of Shipping Brokers

1. General Outline

The term used for shipping brokers varies throughout the country. In the northeast they are called 'the big rooms' (ta-wu-tzu) and 'wholesalers' (fa-hang-chia). In south China they are called 'ninety-eight agents' (chiu-pa-hang) because they charge two per cent commission, 'wharf controlling agents' (p'ing-ma-hang), 'south and north agents' (nan-pei hang), etc. In central China they are also commonly called 'licensed warehousemen' (hang-chan), indicating that they also run a storage business. However, whatever the name, they mainly act as brokers for travelling merchants.

Travelling merchants (k'o-shang) are chiefly local merchants who take local products to markets for sale and return with other products for local consumption. They do not usually own shops and are not very familiar with market conditions, so they rely on a licensed broker originating from their own locality as an intermediary. Often they form merchant associations (k'o-pang) which are closely related to the brokers through whom they trade.

When assisting the travelling merchants, the brokers charge a commission (k'ou-ch'ien). This varies according to the place and the type of goods, but is usually about two per cent of the selling price, and is mainly charged to the seller.

* An internal transit duty first established by the Ch'ing Dynasty in 1853. It was intended to help finance the war against the Taipings. Transl.

Not all of the services performed by shipping brokers are performed by any one broker. Individual shipping brokers may offer only a few of them though, in general, they all carry out a wide range of diversified activities.

The range of activities performed, the close relationship built up with merchants and junk operators, and the vital commercial role they play make them a necessary part of the commercial structure and explain both their continued existence and why it is difficult to replace them.

2. Middleman Services for Travelling Merchants

i) Acting as Brokers for Trading

Local merchants know the strong points of local products and take them to the market for sale. They either return from the market with other goods to sell in the locality, or simply travel back to purchase a fresh consignment. In a country like China, where particular goods are sold in a particular market at a particular time, merchants have to meet these specific conditions of time and place. Some of these merchants will have their own branch in the market concerned, or have an agent, or rent premises. However the small scale of most of their operations usually prevents this. Faced with the need to buy and sell within a limited time period, and not knowing market conditions, they call upon the assistance of a shipping broker, who arranges sales and fixes prices in return for a commission of between two and three per cent of the selling price. To do this he must have full knowledge of the state of the market and enjoy the complete confidence of the travelling merchants.

Traditionally in Chinese commerce, the emphasis on mutual trust has exceeded calculations of profit. In the case of a shipping broker, the key factor in his operations is not the amount of commission he charges but whether he can win the trust of the travelling merchants. This is the only restriction preventing him from exploiting the travelling merchants' ignorance.

ii) Providing Lodgings

Usually travelling merchants lodge with a shipping broker each time they go to a market. Sometimes a local merchant sends an agent to live with a broker for extended periods of several years to buy and sell and keep him informed of the market situation. In general, the travelling merchants staying with a particular broker are either from the same locality or dealing in the same goods. This leads to very close contacts between the broker and the group of

merchants who often set up some kind of organization based on shared locality of origin at the broker's lodging house. The result is a very close-knit, trusting atmosphere among merchants and between merchants and brokers within which to do business. The merchants' associations (k'o-pang) so formed have full members (cheng-pang) and associate members (yeh-pang). The former either live at the brokers for extended periods or visit it regularly. The latter are occasional visitors. The main aim of the broker in providing lodgings is to promote business and he doesn't make a profit from it. Including food, cost price is usually around fifty to sixty cash per day.

iii) Buying and Selling on behalf of Travelling Merchants

On occasions when a local merchant cannot get to a market, he sends his goods to the broker and entrusts them to the latter for sale. Sometimes he also commissions the broker to buy goods. In this case the merchant sometimes sends the money to the broker first, or the merchant and the broker agree a date for settling accounts, or the merchant sends a money order on receipt of goods. Buying and selling by money order is a common form of transaction between merchants in outlying localities and travelling merchants and the brokers in the towns. When the local merchant pays by money order, interest on the commission and other expenses are charged at the current market rate until the date of the arrival of the money order. When selling on behalf of a local merchant, the broker, acting in accordance with his instructions, finds a customer and disposes of the goods. He sends the money to the merchant by money order after deducting his commission and miscellaneous expenses. If his instructions do not match market conditions, he informs the merchant and awaits further directions.

iv) Acting as Agents for Collecting Duties

The traditionally approved policy for government in China is to reduce taxation and lighten the burden on the people. In fact, the poverty of governments has frequently meant the exaction of many heavy taxes. In preference to direct taxation, which is difficult to levy and unpopular, indirect taxation has been chiefly employed such as the transport tax (chiao-t'ung-shui), transit tax (chuan-k'ou-shui), relief tax (chen-sun-shui), embankment tax (t'i-fang-shui), dredging tax (chün-tieh-shui), charity tax (tz'u-shan-shui), and so forth. The most common form of such taxation has been on the movement of goods. Such complexity, together with the extortion practised by tax officials, could greatly retard commerce. However it is mitigated by the fact that all taxes are collected in one payment by the brokers

who also issue the transit permit (lu-yin) and the receipt (chiao-tan) to the boatmen.

v) Collecting Money for Travelling Merchants

When local merchants who lodge with a broker have to return to their home locality before they have collected all the money from their sales, the brokers collect it on their behalf at the appropriate time and send it to them.

3. Customs Reporting Agents

i) Origins

Although some agents make the reporting of customs duties their chief business, this function is usually combined with other shipping broker operations. Customs reporting agents first appeared after the establishment of the Imperial Maritime Customs, which was under English control and employed the English language. Although the Native Customs still used Chinese, a knowledge of English became necessary, and the formalities became more complicated. Customs reporting agents grew up to overcome these difficulties; and to make tax collection easier from the point of view of the officials, trusted merchants were appointed to run such agencies. In addition they also assisted in dealing with foreign steamship companies.

ii) Operations

With occasional minor variations from one port to another customs reporting agents offer the following services:

- a) For a fee, they manage customs formalities for travelling merchants.
- b) On behalf of travelling merchants they act as intermediaries with steamship companies, and assist in the loading and unloading of goods. After the payment of customs duties they also act as agents for further river or sea transport.
- c) On those inland waterways and other places where steam shipping cannot be relied upon, they act as intermediaries for inland or marine junk transport.
- d) For the above work they employ people who know English and are acquainted with the formalities of the customs and steamship companies.
- e) Because of their position in marine transport, they have a good relationship with the steamship companies, and pay transport fees to them on the basis of a system of periodic accounting. A similar close relationship exists with ordin-

- ary shipping brokers and junkmen.
- f) They advance money to travelling merchants for the payment of duty and transport fees. This is usually done for good customers, with repayment by periodic settlement or deduction after sale of goods.
 - g) Their fee can be charged in three ways. It can be a total of three charges, a customs handling charge calculated in proportion to the goods, a commission on transport, and miscellaneous expenses. It can be arranged after customs formalities to include transport of goods. It can also be a commission of from three to six per cent on the cost of the transport of goods. The latter method is most common.
 - h) On behalf of travelling merchants they also arrange for the import and export of goods and the movement of goods from coastal to internal ports. Their commission is either based on the cost of steamship transport or on the quantity and value of goods. In general, the former method is used for import-export and the latter for inland river transport.

Although customs reporting agents have some operations similar to those of Japanese and western shipping agencies (kaisōdonya), their variety of subsidiary undertakings in the manner of shipping brokers make them quite different.

4. The Hiring of Junks

All traders and travelling merchants who want to hire junks for the transport of goods must go through the hands of a shipping broker. Their ignorance of shipping practice and navigation routes, their inability to fill a junk completely and the problem of ensuring the timely movement of goods, all combine to make it inconvenient and unprofitable for them to hire a junk independently. In contrast, the broker is always dealing with junks and has built up relationships of mutual trust with junkmen and merchants. He can fill a junk with goods from many customers and is thus essential to both the owner of the goods and the junk owner (ch'uan-chu).*

In general, when acting as an intermediary for the hire of a junk, the broker is in the position of a guarantor, but the owner of the goods must bear the risk of loss through accident. Therefore, in most cases, he sends an employee along with the goods to look after them. When the owner of the goods requires a full guarantee, there is the system of convoy junks (?piao-ch'uan). At present in

* The term is probably being used here in the loose sense of 'junk operator'. Transl.

Tsingtao, the brokers will insure goods at a charge of five yuan per hundred.

A typical shipping contract (ch'uan-tan, or ku-ch'uan ch'i-yueh, or chien-ch'i) issued by the shipping broker to the hirer of a junk is as follows:

Shipping Contract

Tai Yu-t'ing, owner of a hsiao-shen-po junk at present at Tsingtao, hereby contracts through the undermentioned shipping broker to take Master Wang, the head of a foreign firm and two others with cases and luggage to Shih-tao and to discharge there. The price decided this day in the presence of the undermentioned shipping broker is three yuan in national currency. All expenses are included in the fee. This shipping contract should be preserved against possible complaints.

Year Month Day
Through the shipping broker's office
Heng Feng Firm

The shipping broker informs the broker concerned at the port of destination of the type and owner of the junk, the amount of goods carried and the anticipated time of arrival. Partial payment of transport charges is made on the conclusion of the contract and the rest after the arrival of the junk. When there is spoilage by water or pilfering en route, compensation is paid at the market price in accordance with the shipping contract, which also serves as the basis for the settlement of disputes between the hirer and the hired. A typical invoice (fa-p'iao) for this purpose is as follows:

Tsingtao, Heng Feng Firm, Invoice

Hereby the junk owned by is loaded with the following goods:

The total freight charges for the above goods are foreign dollars.* Of this has already been paid at Tsingtao. The remainder is foreign dollars.

It is contracted to transport the goods to and

* Probably referring to Mexican silver dollars. Transl.

to tie up at If the goods unloaded from the junk correspond to the above, then the freight charges will be fully paid. If there is damage by water or loss of goods then they will be compensated for from the junk fee at the market prices of the port of destination. Customs duties are to be paid by the merchant. In the event of natural disasters or events beyond control, the above provisions do not apply. This document should be retained as proof.

Examined and received by the above firm
Issued on

5. Storage and Warehousing

The terms 'licensed warehousemen' (hang-chan) and 'warehousemen' (chan-fang) refer to the provision of storage facilities, and most shipping brokers provide this service for travelling merchants. Since the merchants conduct most of their business when lodging with a broker, and usually have with them quantities of goods which have to be stored, the brokers provide one or two large storerooms and make a small storage charge. Because this charge is small, they don't offer any security or compensation for loss. Moreover, advances of money cannot be obtained on the basis of goods left with the broker. When travelling merchants do get such advances it is on the basis of mutual trust and not on the security of goods deposited. This contrasts with the practice of banks (yin-hang). The latter operate in modern style and will make advances on goods deposited in their warehouses. Most Chinese banks operate a warehouse for this purpose whereas the shipping brokers do so for the convenience of the travelling merchants with whom they deal.

Although most junk operators carry their own goods for sale, they usually don't unload them into warehouses but trade directly from their junks. This is particularly true in the Yangtze area where the junk industry is highly developed. The reason the shipping brokers of Shanghai provide no storage facilities is because the junks themselves are floating warehouses and also because the modern warehousing business there is well developed.

IV. The Capital and Structure of Shipping Brokers Firms

1. Capital Structure

In common with most other small businesses in China, operation by individuals is rare and the great majority of shipping broker

firms in north China, perhaps as many as ninety-nine per cent, are operated by partnerships with joint capital. Most partnerships consist of ten to thirty people. Although the precise organization varies, partnerships are very similar for all kinds of undertakings. The following model contract (ch'i-yueh-cheng) serves to illustrate the principal features:

Contract

The following contractors, A, B, and C, hereby unani-
mously agree to organize a firm under the name of
..... In this connection the following items have been
agreed upon:

- Item: The firm under the name of is estab-
lished at for the purpose of carrying
out business.
- Item: The total capital of the firm is which
is divided into shares (ku) of each.
- Item: A receives ... shares, B receives ... shares,
and C receives ... shares.
- Item: Each year interest (kuan-li or li-hsi) of
will be paid on capital. (Or, a monthly in-
terest of will be paid at the end of the
year).
- Item: Net profit (ch'un-i) will be divided in the fol-
lowing manner; thirty per cent will go as a
bonus to the manager and employees, divided
in accordance with status; ten per cent will be
accumulated for reserves; sixty per cent will
be divided among the shareholders in accord-
ance with the number of shares held. (Or,
after the payment of interest, the remainder
will be divided into twenty parts. Of these,
twelve parts will be divided among the share-
holders, one and a half parts will go to the
manager and three and a half parts will be
divided among the employees. The remainder
will be kept in reserve).
- Item: In the event of a loss, liability will be held by
the shareholders in proportion to the number of
shares held.
- Item: The account register will be made up at the end
of each month and a general accounting will be

- made at the end of each year. A report of the general accounting will be issued to the shareholders. The shareholders have the right to examine all financial records at any time.
- Item: Interest and profit will be distributed on the following dates each year
- Item: A manager will be engaged in accordance with the majority decision of the shareholders. The management of the firm, use of funds, and control of staff will all be planned and decided by the manager. If the manager neglects his duties or has shortcomings, he may be replaced after a meeting of shareholders to discuss the matter.
- Item: The manager and employees may not use the firm's funds to carry out private transactions. Such activities will be punished.
- Item: It is forbidden for shareholders or any other to misappropriate the assets of the firm, or to ask for interest at other times than on the set days. In particular the firm's name may not be used to raise loans or as a guarantee.
- Item: Changes in the operation of the firm or in the amount of capital can only be made in accordance with the wishes of the majority of the shareholders.
- Item: After the establishment of the firm and its going into operation, detailed rulings will be decided by the majority of the shareholders. These will be given to the manager who bears the responsibility of implementing them. Thereafter, shareholders' meetings will be held when necessary.
- Item: When all the shareholders have paid up their shares and signed this document, the contract is established. It can only be altered or dissolved by agreement of the majority of shareholders.
- Item: A copy of this contract is issued to each shareholder and the manager.

Dated x year x month x day of the
Republic of China.

Signed by the shareholders A, B, C

Witnessed by

Written by

Such partnerships are formed among people who are related or old friends. Most of them have capital but lack business experience. Some have commercial talent but don't wish to have the responsibility of running their own business. In most cases the manager (ching-li, tsung ching-li, or tsung-ssu-li) comes from among their number, though sometimes he is an employee. Recently there has been an increase in the number of managers coming from among the shareholders. Various terms used for a shareholder are ku-tung, ku-chu, ku-yuan, and ku-huo. Managers may be known as tung-shih, ling-tung, tung-chia, and chia-chang, and in various localities as chang-kuei, kuan-shih, tang-shih, ching-shih, chih-shih, ssu-shih, tsai-shih, etc. Often the shareholder/manager is the originator of the whole undertaking and he persuades the other shareholders to put up capital. He bears full responsibility for the growth or decline of the undertaking.

When paying for shares, the usual principle followed is for all payments to be made at one time. However payment in several installments is also used. In the case of shipping broker partnerships, sometimes one initial payment is made, sometimes it takes the form of two installments, one before and one after establishment, and sometimes it is one payment after establishment. Payment can be in the form of currency, goods or other moveable assets, or even by promissory notes. Some shares are 'real stocks' and some are 'bonus stocks'. The former are called ch'ien-ku, ch'ien-fen, yin-ku, and tung-ku. They are issued in return for real capital and their holders have unlimited liability. The latter are called k'ung-ku, fou-ku, yin-ku, shen-fen, li-fen, jen-ku, and hsi-ku. They are given as a bonus to people like the manager. They cannot exceed a given level, and their owners are not shareholders and cannot attend shareholders' meetings. Moreover they only bear limited liability. There are also shares held anonymously (an-ku) and guaranteed interest shares (hsi-ku). Extension of capital or the resignation of a shareholder must be determined through a shareholders' meeting. The procedure in the case of inheritance of shares is not clear.

2. The Nature of Partnerships

The partners have no say in the running of the firm, the responsibility resting with the manager. They must also make a clear distinction between their own business and assets and those of the partnership. Although they have unlimited liability, it is not a joint responsibility but is in proportion to the amount of shares owned, the largest shareholder bearing the largest percentage of the liability.

Recently there has been a tendency for these partnerships to become joint-stock corporations with limited liability, which reflects a decline in public trust. However most partnership business is based on trust. This makes it possible to handle large volumes of business with a low working capital and also to obtain loans from traditional-style banks (ch'ien-chuang).

In general, the Chinese commercial year follows the lunar calendar, though occasionally partnerships reckon the year from the date of establishment. The usual dates for settling accounts are the fifth of the fifth month (the Dragon Boat Festival) (tuan-wu), the fifteenth of the eighth month (the Mid-Autumn Festival) (chung-ch'iu), and New Year's Eve (ch'u-hsi). Of these, the last is the most important and failure to settle accounts on that day can prevent business continuing in the New Year. As stated in the rules, the account book (chang-pu) is checked at the end of each month at the minor accounting (hsiao-chieh), and also at the so-called 'red accounting' (hung-chang) at the Dragon Boat Festival and the 'harvest accounting' (shou-chang) or 'adjusting accounting' (ch'i-chang) at the Mid-Autumn Festival. But the clearing of accounts (ta-ch'ieh or ta-ch'ing-chang) is at the end of the year, when losses and gains are distributed. Sometimes, however, the distribution of profits is only done every three years.

It is Chinese commercial practice to pay interest on shares regardless of whether the business has made a profit or not. It is usually paid at a rate of six to eight per cent and is distinguished from profits, which are known as the surplus (yi-li) or profit (hung-li). This guaranteed interest payment has in the past been an inducement for rich Chinese to invest in partnerships, but in recent times the nature of partnerships has begun to change. Thus, the shipping brokers of Tsingtao do not have this kind of interest system, but simply a distribution of profits.

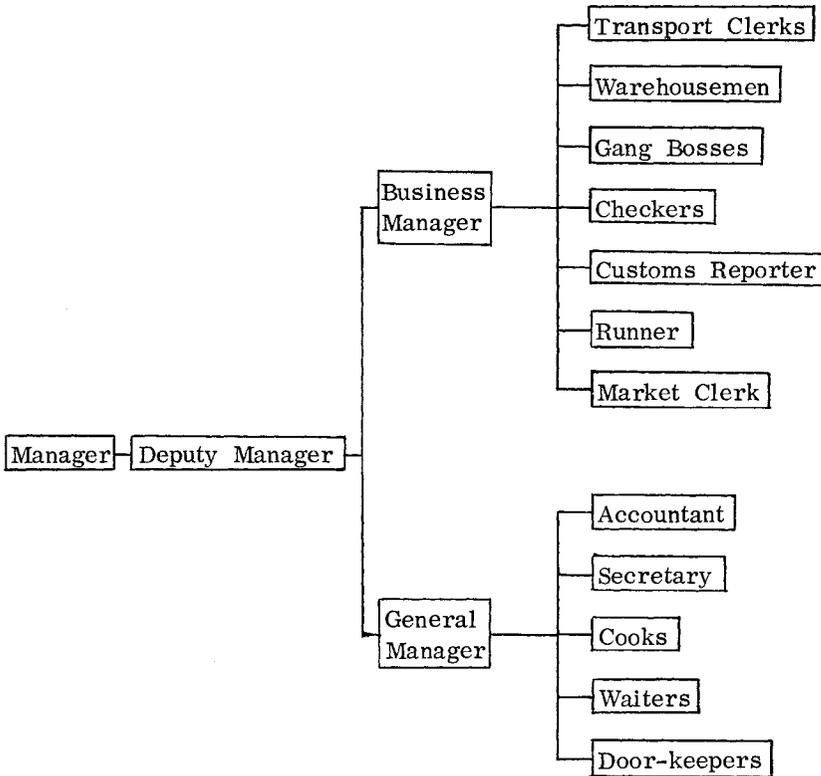
The particular advantages of this type of partnership are that it combines fragmentary amounts of individual capital and allows a large amount of business to be done on the basis of a small amount of capital. The emphasis on personal and kinship relations in Chinese commerce is an additional safeguard against malpractice. However, too much emphasis on personal trust can lead to the granting of loans beyond an individual's actual credit-worthiness. This brings the possibility of bankruptcy. For example, a partner who holds shares in several partnerships maintains the same credit-worthiness for all of them. Also because of the system of proportionate liability,

the shareholders only bear unlimited liability for the amount of debt proportionate to their original investment. The interest system and the limited nature of the partnerships prevent the raising of really large amounts of capital.

The sort of people who form partnerships to run shipping broker firms are usually travelling merchants, merchants, members of powerful local families and the lesser gentry.

3. The Management Structure

Most shipping broker firms in Tsingtao employ from ten to twenty people, the largest having forty to fifty. The following diagram illustrates the most comprehensive form of management. Smaller firms have less people playing fewer roles.



The function of each of these people is as follows:

a) Manager and Deputy Manager (ching-li and fu-ching-li)

The manager is selected by the shareholders from among their number. He bears all responsibility for running the firm and its success depends on him. He receives a monthly salary of from sixty to one hundred yuan. In addition he receives a share of ten to fifteen per cent of the profits.

The deputy manager is the chief assistant to the manager and takes care of most administration within the firm. He sometimes also acts as business manager or general manager. The value of his share of the profits is equal to about fifty to eighty per cent of that received by the manager.

b) Business Manager (ta-wu-chang-kuei, literally 'manager of the large room')

He is third in importance. He has general control of the external functions of the firm and runs the departments concerned with market affairs, transport, warehousing, labor, checking, liaison with the customs, and trading. Because of his importance, he is usually also the deputy manager. His share of the profit is the next largest.

c) General Manager (chang-fang-hsien-sheng, literally 'the gentleman of accounts room')

He has general control of all internal matters such as documents, accounting, domestic arrangements and so on. He stands fourth in line. He is called a 'gentleman' rather than a 'manager' because of his connection with the written word, so revered in China.

d) Accountant (pang-chang-hsien-sheng, literally 'the assistant gentleman of the accounts')

He is the chief accountant and looks after the account book and ready cash. He controls all income and expenditure. His being one of the major departments, he receives a share of the profits.

e) Secretary (hsin-tiao-hsien-sheng, literally 'the gentleman of the mail')

He is the manager's secretary and maintains contact by letter with customers who are trading through the broker. Also being the head of an important department, he receives a share of the profits.

f) Cooks (ch'u-fang)

They prepare food for the travelling merchants and junk operators staying with the broker.

g) Waiters (ch'a-fang)

They look after the guest rooms, serve food and so forth.

h) Doorkeepers (k'an-men-ti)

They guard the entrance to the firm and supervise everyone coming in and going out. Sometimes they also supervise the laborers.

i) Market Clerk (shang-shih-ti, literally 'the one who goes to the market')

He keeps watch on the state of the market and stock market, the prices for various goods, and the business of other shipping brokers. His duty is to keep the merchants informed and he often places a blackboard with the latest information at the exit to the guest lodgings. Playing one of the major roles in the firm, he receives a share in the profits.

j) Runner (p'ao-chieh-ti)

This man takes charge of the purchase of small amounts of goods from or on behalf of the customers not included in the trading in local products and miscellaneous goods handled directly by the manager. He is actively engaged in developing business and is also known as the wai-kuei (outside manager), ch'u-chieh (runner), and shang-chieh (runner). Each day he goes to the market to visit the shops with which business is done and to examine the state of the market, reporting to the manager. He also carries out trading under the directions of the manager. Since he has a shrewd knowledge of commercial affairs, he is often able to make some personal gains by indulging in underhand dealing. His qualities and abilities have a great influence on the firm. His monthly salary, specifically known as 'cart money' (ch'e-ch'ien), is not large but he is paid a high percentage on business transactions. Together with the market clerk, this man plays a major role in shipping broker business and he receives a share of the profits.

k) Customs Reporter (pao-kuan-ti)

He takes care of all customs formalities and official duties required for the goods of travelling merchants and junk captains.

l) Checkers (kuo-pang-ti, literally 'weighers')

They have charge of examining the type, quality, weight, and

so forth of the goods passing through the broker's hands. In small firms they also take charge of the warehousing section.

m) Warehousemen (k'an-ts'ang-k'u-ti)

They have charge of the movement in and out of all goods held in the warehouse. They also keep a record of these goods and look after them.

n) Transport Clerks (chan-hai-ya-ti, literally 'shore-men')

They take charge of arranging transport. They hire junks and also carts and lorries for the movement of goods to and from railway stations and shops.

o) Gang-bosses (pa-t'ou)

The gang bosses are rather like labor contractors. They supply the coolie labor for the brokers, who usually need from twenty to thirty men to move goods. The broker gives the gang bosses the money for paying all the laborers, who are usually paid on a piece-work basis.

The manager and deputy manager are the top level in the shipping broker firm. They are followed by the business manager and general manager and next come the accountant, secretary, market clerk, and runner. These three levels all receive a share in the profits. The other staff occupy an intermediate position. Beneath them are young apprentices aged from fourteen to seventeen. These are ordinary employees who are learning the trade. They can gradually be promoted through the ranks, eventually reaching as high as deputy manager. They receive their keep and a little spending money as payment. At the end of each year, their performance is reviewed and they may be promoted or dismissed as seen fit. It is customary for this judgement to be made on the sixteenth day of the New Year according to the lunar calendar, the day after the New Year holiday.

V. The Numbers and Amount of Capital of Shipping Brokers in Selected Ports in North China.

The following table is based on information available in 1941. As can be seen, the crude totals and averages hide a wide range of variation. Such variation depends in part on the type of goods dealt in by a particular broker and the routes he serves. For example, although Tsingtao is a major port, its total capital, range, and average capital are lower than other large ports. This is because more of the brokers there deal in local products and along short coastal routes.

Shipping Broker Capital in Selected Ports in North China (yuan)

<u>Harbor</u>	<u>Total Capital</u> *	<u>No. of Brokers</u>	<u>Range of Capital</u>		<u>Average per Broker (approx.)</u>
			<u>Lowest</u>	<u>Highest</u>	
Chefoo	2,306,787	146	600	88,600	15,800
Wei-hai-wei	1,394,400	46	1,000	290,000	30,313
Tsingtao	838,900	88	200	63,000	9,533
Shih-tao	388,920	30	2,000	37,000	12,964
Hsin-p'u	181,200	33	2,000	35,000	5,491
Lung-k'ou	147,030	22	600	18,000	6,683
Hsiang-shui-k'ou	86,000	15	2,000	10,000	5,733
Ch'en-chia-kang	21,000	10	1,000	3,000	2,100
Shih-chiu-suo	15,000	8	1,000	3,000	1,875
Pei-t'ang	14,200	12	500	3,000	1,183
Ch'ing-k'ou	5,300	9	300	800	589
Total	5,398,737	419	200	290,000	12,885**

* A Tsingtao survey published in Mantetsu Geppō (Dec. 1942) 22.xii, 125-170, suggests that shipping brokers underreported their actual capital by two to five times. Transl.

** Average of 410 brokers. Figures for nine brokers were not available.

The Shipping Brokers and Transport Companies of Soochow

Hayashi Tokumura

I. Historical Background and Present Conditions

Although shipping brokers and transport companies (yun-shu-kung-ssu, chuan-yun-kung-ssu, hang-yun-kung-ssu, or shui-lu-yun-shu-kung-ssu) both provide transport services, they are quite different in origin and organization. Shipping brokers belong to the class of licensed brokers (ya-hang) and receive a special official permit to act as middlemen between shippers of goods and junk operators. Transport companies developed after the arrival of foreign powers in China. They are established simply by officially registering and they arrange transport by land as well as by water. Shipping brokers, being licensed, are few in number whereas transport companies are developing vigorously.

Beginning as intermediaries for trade for which they charged a commission (k'ou-ch'ien), shipping brokers developed to include trading on behalf of merchants, collecting money from sale of goods, arranging transport, acting as agents for customs' formalities and the payment of dues, and providing warehousing and lodging facilities. Such services are at present provided by the shipping brokers of north China and it is estimated that each year they handle goods to the value of 350 million yuan.

After the signing of the Treaty of Nanking (1842), the opening of the treaty ports and the invasions of the foreign powers, the brokers gradually lost their powerful position. Their decline was spurred on by their growing tendency to cheat merchants, boatmen, and tax officials. This decline has been particularly strong in Soochow, which is near Shanghai and open to strong modernizing influences. The competition from foreign transport and the rapid growth of transport companies has been too great. Since 1937 the development of the Japanese-run Inland River Steamship Company (Naika Kisen Kaisha) has been a new threat. The reason that they continue to survive in such unfavorable conditions probably derives from the network of personal relationships that they have built up. Lacking capital, they rely on the confidence inspired by same locality origins or long-standing business contacts to operate within a delimited area. They reinforce their relations with boatmen by giving them small loans. This system of mutual trust has geo-

graphical limitations. Most large-scale, long-distance transport is in the hands of the Inland River Steamship Company and the transport companies. Brokers merely handle small-scale, short-distance transport.

The first transport companies grew up alongside the Peking-Fengtien Railway in 1904, and dealt specifically with rail transport. They expanded rapidly after 1914 but went through a period of decline in 1925-26 due to the fighting among the warlords. Their date of origin and course of development in central China is not clear but because of the facility of water communications here, they have had to extend their operations to include both land and water transport. Unlike brokers, who act as intermediaries but do not actually provide transport, transport companies act more as transporters than as transport intermediaries.

Although transport companies have a certain amount of commercial capital, they generally charter the junks used for transport and do not own them. The chartered junks (yung-ch'uan) are mostly medium-sized with around forty tons capacity and cost about 300 yuan per month to charter. Shareholders in transport companies who own junks do not make them part of the capital equipment of the company but charter them to the company just like any other third party. There are three reasons for the reluctance of transport companies to own junks. First, handling junks requires technical skill and involves problems of supervision and management. It is easier to form a contract with the captain (lao-ta). Second, the purchase of junks requires the investment of an appreciable amount of capital which would be foolish for a company with limited capital. Finally, short-term junk chartering is cheap and helps profits.

Transport companies have retained old forms of management which militate against further accumulation of capital. This is a feature common to management in all fields in China. In China's Economy and Society in the Process of Dissolution,* Karl Wittfogel says:

In this country, the nuclear forces of social order have resisted the existence and growth of capitalist management. Rather than rationalize and concentrate

* Source not traced. Transl.

commercial and industrial management, the aim of the capitalist class has been to invest limited and insignificant amounts of capital. Under the oppression of the 'Asiatic' relations of production and with the interference of a paternalistic, despotic monarchy, normal accumulation of capital is not possible, and capital is only invested where there is some kind of protection. Thus there is no possibility of the concentration of capitalist ownership or the material and managerial expansion of capitalist enterprises in China.

The link between the shipping brokers, transport companies, and modern methods of transport has become more important with the advances made by the Central China Railway, the Inland River Steamship Company, and the Japan Forwarding Company (Nihon Tsū'un). Many brokers and transport companies are under contract to the Japan Forwarding Company. Most of the junks chartered by the transport companies are towed as barges by the Inland River Steamship Company. The advance of modern means of transport is another factor in the decline of shipping brokers and leaves them no scope outside the specific area they exploit.

II. Shipping Brokers in Soochow

Before 1937 there were nine brokers in Soochow. At present (1941) there are eleven. Most of them are found side by side with the offices of transport companies and steamship companies. They have small premises, equipped merely with tables and chairs. They work in a very leisurely manner. They do not run subsidiary undertakings in addition to their basic task of acting as intermediaries in the hire of junks. One, however, operates on a larger scale and also runs a tea-shop and an (opium?) smoking den. His establishment has two floors. Most of the ground floor is taken by the tea-shop, and only a corner is his office. Income from the tea-shop is greater than that from the brokerage business. Compared with the many-faceted operations of the north China shipping brokers, those of the shipping brokers of Soochow are simple and specialized, and they do not trade on behalf of merchants or carry out independent trading.

Apart from the eleven brokers there is also a trans-shipment broker (kuo-tsai-hang) and a barge transport office (po-yun pan-shih-ch'u), both of which are concerned with small-scale transport within Soochow. Before 1937 there were two trans-shipment brokers but they both disappeared with the outbreak of hostilities. The present

firm was set up by one of the brokers but is entirely independent, being run by his younger brother. It functions in the same way as other shipping brokers. The barge transport office is a branch of a shipping broker. There is another within a brokerage firm but it is a branch office of the Japan Forwarding Company.

1. Capital and Finance

Soochow shipping brokerage firms have very little capital and they are owned and financed by individuals. The average capitalization is a few hundred yuan and the highest is a thousand. Liquid capital is extremely limited and other funds consist of rent for premises, tax money, wages for employees, and furniture. Trust in a shipping broker firm is based on the broker himself and not the amount of capital he has. The owner of a shipping broker firm (tien-chu) is usually an ex-boatman with a thorough knowledge of the junk industry. He has low capital requirements since he does not carry out any subsidiary undertakings. Small amounts of from twenty to thirty yuan can be borrowed from relatives and friends without interest and be quickly repaid. Usually brokers do not borrow from usurers or merchants. On the other hand, they advance small amounts of from four to thirty yuan to boatmen as a means of maintaining close relations. Such short-term, interest-free loans are usually orally contracted. The settlement of these advances is made by subtraction from the transport charge at the time of settling the transport account.

2. Organization

Apart from the owner, who is also the broker, there are usually very few employees (tien-yuan). Small firms employ one general assistant (tsa-i) and large firms employ three or four men including an accountant (chang-fang), a runner (p'ao-chieh) and a supervisor (k'an-shih-jen). The runner is also known as the receiver (chieh-huo) and is engaged in taking orders from shippers with cargoes. The supervisor looks after loading and unloading. The broker does not employ labor on the wharf. The shipper must himself employ labor to move his goods. Most people employed by brokers are recommended by well-known captains or friends, and the recommender also stands as guarantor. The guarantor is bound to pay compensation for any financial losses caused by the employee. Usually such guarantees are not limited by time, but in one firm they are limited to six months as it is assumed that after that time the broker himself is in a position to judge the reliability of the employee.

Wages are low, ranging from seven to twenty yuan per month. They are paid at the end of the month but small advances can be obtained when necessary. If there is a net profit at the end of the year a bonus of from ten to twenty yuan may be paid, the amount depending on the broker. With no profit, there is no bonus. The runner also gets tips (hsiao-chang) of one or two yuan from shippers each time he does business for them and also during the New Year Festival. The annual average of such tips is around sixty yuan. Apart from the usual commercial practice of supplying food and lodging, employees are not given any other payment in kind. There are no set holidays apart from the four or five days' at New Year. Time off for illness or a home visit can be obtained without deduction in pay but, otherwise, there is no other paid leave. Employees can resign or be dismissed at any time.

The shipping broker has no equipment other than his premises, and these are usually hired. The wharf forms part of his hired premises and its upkeep is the responsibility of the landlord. A broker does not have a warehouse and goods are moved directly onto junks. Sometimes a shipper may leave goods with a broker for a short time without paying a fee. A broker neither owns nor charters junks, and he only contacts a junk operator after he has been asked by a shipper to act as an intermediary. However, he only employs junk operators with whom he has close contacts, unless more are needed. Most of the junks used by brokers are very small since they only handle small-scale transport. Their capacity ranges from ten to twenty-five tons. The trans-shipment broker uses about fifteen junks of three to four tons capacity. When necessary he employs a large junk. He does not combine several consignments to form a cargo for one junk but uses a separate junk for each consignment. Although there are days when a broker does no business, the average number of junks handled daily is four or five and the greatest number is fifteen or sixteen. When a broker has no work available, the captains go to another broker.

To begin operations, the broker has to register with the county government and get a short-term broker's licence (ya-hu tuan-ch'i-chien teng-lu p'ing-cheng) from the provincial government. Under present regulations, he has to pay a third-grade registration tax (san-teng teng-lu-shui) of sixteen silver dollars and a licence tax (ya-shui) of five silver dollars. These licences are non-transferable and must be renewed annually. The government issues the broker with a copy of the licence and also makes a public proclamation. These regulations also apply to trans-shipment broker firms

and barge transport offices. Although licences are non-transferrable, this has not prevented brokers from hiring their business to others. In such cases the hirer pays the owner around one hundred yuan for the rights (ch'uan-li-chin) and also thirty per cent of the monthly profits. However, it is said that this practice is dying out.

3. Functions

i) Acting as transport intermediaries

As we have said, acting as intermediaries in the hire of junks is the sole activity of Soochow shipping brokers. Most of their customers are local merchants but they are also used by quite a few Japanese merchants. One is used by the Japan Forwarding Company to organize its short-distance transport between Soochow railway station and the Wan-jen Wharf. The number of brokerage operations he performs each month is in the region of three hundred. In contrast, the average number for other brokers is around ninety. An exception is a broker who is contracted to a Japanese wood merchant in Wu-hsi and often gets commissions from Wu-hsi merchants. The trans-shipping broker's customers in order of importance are transport companies, the Inland River Steamship Company, and ordinary merchants. It is worth noting that transport companies rely on the trans-shipping broker, proof that transport companies and shipping brokers are not necessarily incompatible.

ii) Goods handled by Brokers

The chief goods handled by brokers are: rice (in September and October when it is on the market), wheat (in May), straw rope, rice sacks, charcoal, timber, jujubes, bean oil, peanuts, and miscellaneous goods. Most of the journeys are short hauls, a large number being merely to Soochow railway station.

iii) Method of Obtaining Business

Business is obtained either by the shipper of goods coming to the broker, or the broker's runner going to visit the shipper. Only one broker uses a tea-shop. Most transactions are conducted in the morning. The shipper applies to the broker to organize transport, and the latter negotiates between the junk operator and the shipper, and fixes the transport charges. Most of the brokers and trans-shipping brokers merely act as intermediaries, and the shipper and junk operators make their contract directly. However, there is one broker who plays a much more decisive role, with the consequence that the junk operator takes little part.

The broker's fee (hang-yung) is normally one tenth of the transport charges, and the shipper can transport his goods after the transport fee is fixed. He normally hands the broker an invoice (fa-p'iao) listing the types and quantities of goods. After the broker has compared the goods and the invoice, he enters the types and quantities of goods, the date, the name of the shipper and so forth in the register (chang-pu). He then issues a certificate of receipt (ling-shou-shu) or, on request of the shipper, a shipping ticket (ch'uan-p'iao). The invoice is handed to the boatman and delivered to the recipient together with the goods. The boatman obtains an acknowledgement of receipt (hui-tan) from the recipient. Generally this is not a separate document but the invoice itself, stamped with the seal of the recipient. The seal used is often the business seal of the recipient which has been specially inscribed with the two characters hui-tan. The boatman returns the acknowledgement to the broker who passes it on to the shipper. The transport is then considered concluded and the transport charges paid.

iv) Shipping Tickets

Unlike a transport company, a broker does not issue a bill of lading (t'i-huo-tan) but issues a shipping ticket instead. A shipping ticket is a certificate of proof that the broker has made the transport contract. It is made in parts and consists of the ticket itself and two counterfoils (ts'un-ken). It records the following:

- a) the type and quantity of goods transported;
- b) the destination;
- c) the name and business of the shipper;
- d) the name and business of the recipient;
- e) the name of the boatman hired;
- f) the name and number of the junk hired;
- g) the transport charges (shui-chiao), the initial payment and the amount for settlement;
- h) the date of issue;
- i) and the broker's name and seal.

Other items such as "transit taxes to be paid by the hirer" are also often included.

The ticket is given to the shipper, and one counterfoil to the boatman. The shipper sends the ticket to the recipient by post and, when the goods arrive, the latter compares ticket, boatman's counterfoil, and goods delivered. He then stamps the ticket to show receipt and gives it to the boatman who returns it to the broker.

v) Brokers' Fees

The broker's fee, usually one tenth of the transport charges, is taken from the money paid by the shipper to the junk operator. It is usual for the shipper to make an advance payment of transport charges to the junk operator, the payment going via the broker. This amount may be fifty to seventy per cent or sometimes even the full amount. If the junk operator is trusted, the broker hands on the whole of this initial payment and takes his fee after the delivery of the goods and the clearing of accounts. If the junk operator is not trusted, the fee is taken from the advance payment. Settlement of transport charges is made through the broker after delivery of the goods.

vi) Acting as Intermediary in the Sale of Junks

In this case, the seller relies upon the broker to find a buyer. After terms have been agreed by consultation between seller, broker, and buyer, a contract is drawn up with the broker as guarantor (pao-cheng-jen) and another person as sponsor (chung-jen). The contract of sale is drawn up by a scribe at a fee of from fifty cents to one yuan. The guarantor and sponsor must sign the contract and affix their seals. The guarantor and sponsor share equal responsibility for the guarantee. There is a stamp duty of ten cents per hundred yuan of the selling price and this is borne by the seller. As proof of ownership, the seller must show the buyer either his contract of purchase or the receipt for the construction of the junk if it was new when he bought it. This proof of ownership is not handed over to the buyer. A fee of around ten per cent of the selling price is charged, two thirds being payed by the buyer and one third by the seller. It is divided equally between the guarantor and sponsor. The transaction is concluded by registering the change of ownership with the Japanese-run junk association (min-ch'uan kung-hui) and the Shipping Administration Office (ch'uan-p'o kuan-li-ch'u) of the provincial government. It is customary for the buyer to invite the guarantors and scribe but not the seller to a feast on the conclusion of the transaction.

Most junk transactions take place in the seventh and eighth months of the lunar calendar after repairs have been carried out in the sixth month. This is also the busy time for cargoes. It is very rare for a buyer to repair a junk after purchase. In general the seller leaves the junk industry and takes up other commercial activity. After the sale, the captain and the crew do not stay with the junk.

A typical deed of sale is as follows:

Shen Ken-huo draws up this deed of sale for a wharf boat (ma-t'ou-ch'uan) and calls on Sha Yin-li to act as guarantor and Chou Ken-ch'uan to act as sponsor. Hereby, he is willing to sell to Hsieh Hsing-chih his boat which was bequeathed by his ancestors, is his own property, and has a capacity of twenty-three tons. At this time of sale, it has been decided through consultation of the three parties that the selling price should be 220 yuan in legal tender (fa-pi). The matter is today concluded with full accord from all sides. The junk is the seller's rightful inheritance. His relatives and family are not allowed to impede or interfere with this transaction. If there is any difficulty then the responsibility for dealing with it lies with the seller and is no concern of the buyer. These provisions are settled in full accord and willingly by both parties and must not be departed from. This deed is drawn up as evidence, and should be retained.

Signed:

Seller
 Guarantor
 Sponsor
 Scribe

Statement of fittings:

Two sculling oars, one large, one small. Two iron anchors. Two mooring ropes. All decking boards.

Stamp duty 20 cents.

28th Year of the Republic
 7th Month 27th Day.

4. Responsibilities

On the one hand the broker guarantees the reliability of the boatmen to the shipper and takes responsibility for the transport of the goods. On the other hand he guarantees payment of the transport charges to the boatmen. However, his responsibility is not unlimited. Losses of cargo due to unavoidable events such as natural calamities, or banditry must be borne by the shipper. The situation in other cases is not known. In cases of theft in short-distance transport, the broker pursues the thief and enlists the aid of the police to recover the goods. If this is not successful, the loss must again be borne by the shipper. In cases of loss or damage by boatmen, if the latter cannot pay compensation, the broker

might share the cost. Since most transport handled by brokers is short-distance and the shippers usually travel with valuable cargoes, such problems are rare.

5. Brokers' 'Same-trade Association' (t'ung-yeh kung-hui)

Since the 1937 Incident at the Marco Polo bridge,* the eleven brokers of Soochow have not run an association. However, the nine brokers in existence before this time had an association with offices in the San Hsiang Temple near the South Wharf. The monthly subscription was five yuan, which paid for office and other expenses. Apart from the head of the association, who was one of the brokers, there was only one office boy. Its major function was to determine the number of junks due from each broker when the county government requisitioned them. This mainly happened in the third, fourth, and fifth months and was for the transport of troops.

III. Transport Companies in Soochow

At present there are more than fifty such companies in Soochow. Since they undertake to transport goods for others and their establishment is very simple, they are a step forward in the organization of transport and they have developed vigorously. Most of them provide transport by land and water but some, the water transport companies (hang-yun kung-ssu), only provide water transport. The latter also differ in several other important respects. First, they only operate on specified routes instead of accepting goods for transport anywhere. Second, they only use junks whereas the other companies also use carts, trucks, trains, and steamers. Finally, they do not issue a bill of lading as do the others. They are also very small and thus in some respects are not unlike shipping brokers. However, in terms of establishment and organization, they are best considered with the other transport companies.

1. Capital and Finance

Since most companies in Soochow are branch offices of companies in Shanghai, their capital and financial structure as a whole are not clear. In general, branch office capital ranges from two to six or seven thousand yuan. Although one or two are much smaller, they are usually much more capitalized than brokers. Those with a main office in Shanghai and branch offices elsewhere

* Which was the starting point of the Japanese invasion of the north China plain. Transl.

tend to have larger amounts of capital. Profits are quite large. The Hsing-chi Company had a profit of three thousand yuan in its first month of operation. The annual profit of the others ranges from six or seven thousand yuan to more than ten thousand.

Most of them are formed with share capital and very few with individual capital. Shares are only issued for capital and not for payment in kind. There are no bonus shares (shen-ku) or other special types of shares. Should any of the shareholders own junks, they hire them out to the company as would any other third party. The general rate of interest on shares is around ten per cent per annum. The percentage of the annual profit shared out among the shareholders varies but is usually around seventy to eighty per cent.

Financial matters are handled by main offices. In the case of individually run companies, taking loans is very rare and this is probably generally true. In contrast, companies occasionally make small advances of two to three hundred yuan to the boatmen of the junks they charter but these are made without interest or guarantees. In general, such loans are deducted from the charter fee.

2. Organization

i. Personnel and Duties

The organization of the companies varies considerably. Usually they are fairly complex but a few of the smaller ones only have one or two employees. The following examples give some idea of the types of structure encountered.

A. The Hsing-chi Company (Shanghai-based)

<u>Office</u>	No. of <u>Men</u>	Monthly <u>Salary (yuan)</u>	<u>Origin</u>
Manager (<u>tsung ching-li</u>)	1	30	Appointed from Shanghai
Deputy-Manager (<u>fu ching-li</u>)	1	25	" " "
Accountant (<u>chang-fang</u>)	1	20	" " "
Runner (<u>p'ao-chieh</u>)	1	25	Hired in Soochow
Assistants (<u>tien-yuan</u>)	4	15	Appointed from Shanghai
Apprentices (<u>lien-hsi-sheng</u>)	2	4	One from Shanghai, one from Soochow

(continued)

(The Hsing-chi Company, continued)

Laborers (<u>hsiao-kung</u>)	4	12	Hired in Soochow
Cook (<u>fan-ssu</u>)	1	12	" " "

The manager has overall control and represents the company externally. The Deputy-Manager assists him. The accountant has charge of finances and the runner works on external business. The apprentices are graduates of upper primary school and take two years to advance to assistants. The laborers are employed to move goods and so forth.

B. The Tung-Ya Company (Shanghai-based)

<u>Office</u>	No. of <u>Men</u>	<u>Monthly Salary</u> (yuan)
Manager (<u>ching-li</u>)	1	50.
Director, Incoming Goods (<u>chin-k'ou-pu chu-jen</u>)	1	30
Assistants, Incoming Goods (<u>chin-k'ou-pu tien-yuan</u>)	3	25
Director, Outgoing Goods (<u>ch'u-k'ou-pu chu-jen</u>)	1	30
Assistants, Outgoing Goods (<u>ch'u-k'ou-pu tien-yuan</u>)	3	25

As the names imply, the company is divided into two sections dealing with incoming and outgoing goods.

C. Su-Ch'in Water Transport Company

<u>Ch'ang-shu Main Office</u>			
<u>Office</u>	No. of <u>Men</u>	<u>Monthly</u> <u>Salary (yuan)</u>	<u>Origin</u>
Manager	1	70	Shareholder
Deputy Manager	1	50	"
Managing Director (<u>ying-yeh chu-jen</u>)	1	40	"
Accountant (<u>k'uai-chi</u>)	2	30	"

(continued)

(Ch'ang-shu Main Office, continued)

Runner	}	2	28	
Receiver				
Cashier		1	28	
(shou-chang)				
Discharger		1	28	
(hsieh-huo)				
General Assistants		2	20	
(tsa-wu)				
Cook		1	20	
<u>Soochow Branch Office</u>				
Manager		1	50	Shareholder
Accountant		1	30	"
Receiver		1	28	
Loader		2	28	
(chuang-huo)				
General Assistant		1	20	
Cook		1	20	

The loader supervises the loading of junks by laborers.

ii. Relationship between Employees and Companies

Most of the employees of a company are employed through recommendation and the majority are relations or acquaintances of the manager. Major posts are usually held by shareholders who do not need a guarantor. Salaries are paid at the end of the month but advances can be obtained. The method of sharing a proportion of the annual profit among employees at the end of the year varies. Usually the amount is twenty to thirty per cent of the profit and the manager and senior employees get the larger share of that amount. Tips are received by the laborers from the shippers. In addition they are sometimes allowed to take the packing of the goods. As in other commercial businesses, food and lodging are supplied but no other payments in kind. An occasional exception is the provision of some working clothes. Promotion and salary increases are not standard but depend on individual circumstances. Such matters are usually settled at the end of the year, though the other festivals can be occasion for temporary changes. The holidays are at New Year (four or five days), the Dragon Boat Festival (one day), and the Mid-Autumn Festival (one day). In busy periods, these might be shortened. Employees may resign at any time but dismissal can only be carried out at the end of the month or at one of the festivals.

iii. Equipment

A. Means of Transport

All forms of transport are used but some companies specialize in one kind, such as railways or junks, and only make occasional use of others. Those using land transport hire carts and pay the normal railway charges. In addition, they may own some small handcarts. Junks are either hired on an occasional basis, in which case payment is made at a fixed rate for each ton capacity per day, or they are chartered for longer periods, either half-yearly or yearly. In the latter case, payment is made at a fixed rate per month. In general, the junks chartered by transport companies are medium and large-sized, ranging from twenty to seventy or more tons capacity. This reflects the fact that their operations are larger in scale and cover longer distances than the brokers'. There is no standard rate of payment per month but the range is from 200 yuan to 360 yuan with large capacity junks being paid the highest amount within each company. However, small junks with one company may earn more than large junks with another. Should a company find its chartered junks insufficient for the business in hand, it often hires others using the services of a shipping broker. In most cases, the junks are not operated as sailing junks but as barges towed by a tug from the Inland River Steamship Company. Towing charges are made according to tonnage for a specified route and distance. The fee from Soochow to Shanghai, for example, is fifty cents per ton capacity. The advantages of using the tug service are that dangers are lessened, duties exacted by bandits,* pacification forces, and police are avoided, and, since six junks can be towed together, only one transit pass (hang-hsing-hstü) is needed.

B. Wharves

Company offices are generally situated beside wharves and the use of the wharf is included in the contract of hire of the offices. No other payment is needed for the use of the wharf. Responsibility for the repair of the wharf is taken by the landlord. When their own wharf space is insufficient, they hire wharf space at a monthly fee from wharf owners (ma-t'ou lao-pan).

C. Warehousing

Soochow transport companies do not have warehouses. Usually goods are loaded directly onto junks. Should storage space be required for a short period, it is provided free of charge in the

* At this time 'bandits' could refer to thieves, or to groups of Communists or Nationalists resisting the Japanese. Transl.

company offices.

D. Relations between Main and Branch Offices

Branch offices are generally closely controlled by main offices. Staff are appointed by the main office, which also controls finances. Profits are sent to the main office but the latter must also make up for any losses. In general, accounts and other problems are settled at the three festivals. When a company is established, it must be registered with the county government. The application must list the company's name, type of business, place and date of establishment, amount of capital, names of shareholders, names of employees, routes served, and details of transport used. Often registration is done through the association of transport companies.

3. Functions

i. Providing Transport

To get business, transport companies have to maintain good relations with powerful local merchants. Thus, they employ runners who visit hotels and merchants' shops. They also compete for customers in tea-shops and restaurants. Entertainment expenses are, therefore, quite high. One company's runner spends up to 150 yuan per month in this way. Most customers are merchants with premises in Soochow. Very few are travelling merchants from elsewhere. They include paper shops, general stores, wine firms, rag firms, food stores and so forth. The companies are also used to a considerable extent by Japanese merchants.

ii. Transport Contracts (yun-sung-ch'i-yueh)

There is no special form of transport contract. It is established by the company and shipper agreeing on the route, the amount of goods to be transported, and the fee to be charged. As evidence of the contract, a bill of lading is issued by the company to the shipper on request. The water transport companies and a small number of other transport companies do not issue bills of lading but, like brokers, use invoices and receipts. Usually, the conditions of transport are contained in a printed form on the bill of lading. These include a clause limiting the responsibility of the transport company. However, once the contract has been concluded and the goods have been accepted by the company, it must transport them with reasonable care. Sometimes, the company is entrusted by the shipper with the handling of customs and insurance formalities. The companies are expected to deliver the goods undamaged to the receiver.

iii. Transport Fees

The tariff charges are related to the specific goods transported, and rates vary from company to company. In practice considerable discretion is allowed according to the degree of friendship the firm enjoys with the shipper and the amount of goods carried. Payment can be made before or after shipment but the usual practice is to pay sixty or seventy per cent before shipping and the balance after delivery.

4. Responsibilities

Shipping companies bear responsibility for compensating any losses incurred through not carrying out their duties properly. However, losses due to unavoidable natural disasters, military action, or bandits are excepted. Companies do not inspect the contents of packages transported. If shippers wish to ensure compensation for goods over three hundred yuan in value, they must state clearly when arranging transport, the type, amount, and value of the goods. In the case of dangerous goods, the shipper must bear responsibility. If goods are spoilt, broken, or stolen, the responsibility for compensation is borne either by the company or the captain, depending on the circumstances. Where the captain cannot pay, the cost is borne by the company. The amount of compensation is usually decided by consultation and a mutual understanding reached between the shipper and the company. In some companies, this problem is continually occurring. The Su-ch'in Water Transport Company has had to pay compensation every month, the highest amount being around two hundred yuan in one month.

5. The Bill of Lading (t'i-huo-tan)

The bill of lading acts as a receipt for the goods and also as a guarantee that the company will deliver them. While the goods are in transit, the shipper can use the bill as a security to obtain finances. It is issued at the request of the shipper, and consists of three parts: the bill, the notification (t'ung-chih-tan), and the counterfoil. The bill is given to the shipper who sends it to the receiver by post. The notification is sent to the Shanghai main office, and the counterfoil is kept in the branch office. It lists the following information: the type, brand, and quantity of goods, the destination, the name, firm, and address of sender and receiver, the name of the boatman, the transport charge, the place and date of drawing up the bill, and the signature and seal of the manager of the company. The conditions of transport are printed on the bill and contain extracts from the full regulations of the company, stating the extent of company liability, reservations concerning dangerous cargoes, regulations concerning the use of the bill as security for loans, the action the company

might take on non-payment of transport charges, and so forth.

Bills are not issued until the goods are handed over, and the receiver can only collect the goods by producing a bill. There is usually a time limit for the collection of goods. If they are not collected within that time, the company may dispose of the goods and keep the money and the advance to meet the transport charges. Should the money thus obtained not cover transport costs, the shipper is subject to additional charges. On collecting the goods, the receiver is supposed to pay the balance of the transport charges. Otherwise, the company may keep the goods. If the bill is lost, the company must be informed and an advertisement put in the paper. The goods can be delivered to the receiver on getting his signature and seal but the company takes no responsibility for the goods. If the bill is not found after seven days, it is declared invalid, and the shipper on presenting proof of the goods shipped and with the aid of a guarantor can apply for the issue of another bill.

6. The Transport Companies Association

The association, known as "The Wu County Transport Companies Association", existed before the 1937 Incident. It ceased activity for a brief spell at the time of the Incident and resumed operations in September 1939. Its aims are to promote the interests of the members and to settle any business disputes. Its present membership of thirty-seven is less than half the number of transport companies in Wu County. This is because it is fairly ineffective, brings little benefit to its members, and transport companies are operating with little difficulty at present.

It has one chairman, four standing committee directors, six directors, two alternate directors, and one secretary. The directors and alternates are elected from among the membership by secret ballot. The standing committee is elected from among the directors and the chairman is elected from the standing committee. The board of directors carries out the directives of general meetings and also calls general meetings. A director can serve for four years. Elections are held every two years to contest half of the seats on the board. If a director leaves, an alternate automatically fills his post but only for his allotted time.

Applicants to join have to fill in an application and questionnaire, and pay a fee of twenty-five yuan. They must have two referees who are already members of the association. On joining, they are issued with a membership card and must pay monthly dues of three yuan.

At present at least half the members are behind with their payments. Meetings must be held at least once a year, and special meetings can be called by the board when necessary, or at the request of ten or more per cent of the membership. The board meets three times per month on the tenth, twentieth, and thirtieth. The standing committee meets at least once per week. Changes in the constitution require a two-thirds majority at a meeting of not less than two-thirds of the members. Other matters only require a fifty per cent majority at a fifty per cent meeting.

Because of lack of finances, its activities are rather curtailed. Its main functions are to deal with relations between the association and government authorities, to settle business disputes among members, to establish rates for transport charges, to assist members to promote business, and to deal with other associations over matters of common interest. It is not, however, very effective in these matters.

Junk Ownership and Operation in North China

Kōsaka Torizō and Nakamura Yoshio*

I. The Commercial Role of the Junk

The most characteristic form of junk operation in north China is for the captain of the junk to carry his own goods for sale. Even when he is transporting for others, any excess cargo space is used to carry goods purchased in commercial harbors for sale along the route. Local products from the hinterland are then bought for sale on return. When hiring crew for large junks, it is usual to grant the crew member the option of using some of the cargo space to carry his own goods. This compensates for his low wage. Although the junk crews of central China are also directly involved in commerce in this way, the custom is much more pronounced in the north. Even today on major routes with steamer services, the junks are flourishing by these means. By being the medium for the exchange of daily necessities and local products between commercial centers and the hinterland, the junk plays a major economic role in the circulation of commodities. In addition, when he has excess space, the junk operator carries friendly merchants and their goods for a fee or takes on cargoes from shipping brokers. However, in north China, earning a living solely by transporting for others is very rare except where special circumstances are found. Cases in point are the salt junks in Chiao-chou Bay and junks used for middle-distance transport between Tsingtao and Hai-chou. This rarity is the reason why the present form of junk operation does not meet the needs of a pure transport service. The difficulties of operating subject to the constraint of the weather, the fact that junks are not built for easy loading and unloading, the general lack of trust in captains and crews, and the limited geographical areas within which junks operate, all combine to underline the commercial role of the junk rather than the transport role.

* This passage is composed from part of Kōsaka's Chūgoku kōeki kikō no kenkyū (Researches into the Structure of China's Commerce), Part I, Chapter Four, pp. 55-61, and an article by Nakamura in Kahoku Kōgyō (North China Shipping) No. 11 (Sept. 1941) pp. 34-38. Since the two pieces overlap considerably, it seemed simplest to weave them together. Transl.

Although there are no statistics to illustrate this point directly, those available suggest it to be true. In 1940, the total volume of goods carried into and out of selected north China ports by junks was roughly 323,000 tons. The total number of junks entering and leaving port was 43,500 and it is estimated that this total was achieved by 7,000 junks involved in commercial activity. Thus, the average cargo carried was just over forty tons and each junk made six voyages per year. If these figures are correct, it would have been impossible to make a living from transport charges alone and the likely tendency would be for junk operators to rely on carrying their own goods for sale as their major source of income.

A recent study of the operation of forty junks in Tsingtao showed that ten of them made ten or less round trips per year, twenty-four made from eleven to twenty, and six made from twenty-one to thirty. However, the average rate of junk activity is higher in Tsingtao than in north China as a whole. An examination of junk logbooks (lu-pu) shows that those operating within Chiao-chou Bay can make a return trip across the bay within a day and more than twenty voyages per month. By contrast, those travelling further towards Chefoo and Weihai-wei made twenty round trips in 1939, only ten the following year, and only two by September 1941. Voyages may have been made in secret, without completing the necessary formalities, but the number of these is unlikely to have fluctuated greatly. For example, junks working between Hai-yang and Tsingtao on average make two unrecorded trips per month. It is difficult to say what factors cause fluctuations in the number of trips and the size and type of cargo carried, even for junks within Chiao-chou Bay, where navigation is fairly safe and quick trips can be made.

II. Junk Owners and Operators

The characteristic form of ownership is for the individual to own and operate one junk. Although in the case of large junks with a capacity of from two hundred to five hundred tons, the owner and captain are often different, this is not true of most junks. Ownership of several junks by one man is rare, because of the need for freedom in junk movement which makes supervision difficult. Often what appears to be individual ownership disguises a partnership. It is common for a group of partners united by ties of common origin to select one of their number to act as owner and captain. Occasionally investors also spread their capital in several junks. This is particularly true around the coast of Shantung where the dangers of loss at sea are great.

Statistical information on the occupations of junk owners, their geographical distribution, and other characteristics is not available but the impressions of people who have long worked in the junk business confirm that there are regional variations. The shipping brokers of Tsingtao are too busy in commercial activities to want to invest money in junk ownership, which is not all that profitable. By contrast, brokers in Shih-tao, Feng-shan-t'ou, and Yen-ch'eng have no other profitable employment outside the fishing industry and junk trading. They supplement their income by owning junks in which their own goods are transported for sale. The majority of junks are owned by local landowners in villages along the waterways and coasts. In some small inland ports, merchants dealing in local products sometimes own up to a dozen junks with which to carry on their trade. Most owner-captains are peasants by origin and their families remain living and working in the villages. They return home when their junks are being repaired and during important festivals.

Small fishing junks are owned and captained by individuals who depend on the junk as their sole source of income. Larger ones, which trade or fish according to the season, are owned by individuals and partnerships. Most of the large junks trading with central and south China are owned by partnerships with larger amounts of capital.

III. Junk Crews

The ranks and functions of junk crews vary according to the routes navigated and the size of the junk. In large junks, the captain (lao-ta) is purely concerned with the supervision of the crew at sea and with navigation. Under him there is a senior officer (ch'i-min) responsible for business, liaison, and management when at anchor. The captain also has a first (lao-erh) and second (lao-san) assistant. Both are helmsmen but the first assistant is second-in-command and must work the helm when entering and leaving harbor. He also has responsibility for looking after the junk's fittings. The second assistant has responsibility for the night patrol and mooring and anchoring. At sea the work is divided with day-time work under the captain and second assistant and night work under the first assistant. There are two watches which change every six hours after meals. At anchor, watches are not full. They are usually changed at midnight and consist of patrolling the junk.

Crew members are hired for reasons of clan or locality connections. There is no contract of hire and the relationship is an

old-fashioned superior-inferior one. If an owner has no experience of the sea, he relies on family and friends to help choose someone with experience to act as his captain. There is no fixed monthly salary or terms of employment. Profit is reckoned as the money remaining after food expenses for the crew have been subtracted from total income. This profit is divided between the owner and the crew in a ratio which varies in different areas but is usually around seventy per cent for the owner and thirty per cent for the crew in southern Shantung, and fifty per cent each in northeastern Shantung. The method of division among the crew depends on status and skills. Apprentices get little more than their subsistence. Factors affecting the variation in the ratio of division of profit are not entirely clear. However, it appears that in areas where navigation requires greater skills or where the quality of junk construction results in lower maintenance costs, the crew gets a larger share. The owner has to provide for the upkeep of the junk from his share. Food is not provided according a monthly budget but is bought as the need arises. The owner does not accept any responsibility for an unjustifiable expenditure by the crew but, because of the importance of personal relationships among crews, such events are rare.

Crews for particular types of junks usually come from one area associated with the route of the junk. For example, the crews of the 'sand-boats' (sha-ch'uan), which work towards the south, mainly come from southern Shantung and northern Kiangsu, centering on Hai-chou. The navigational skills of the captains come from practice and tradition. Voyage time is estimated from the strength and direction of the winds, position at sea from the depth of water and the type of sea bottom. Weather forecasts can be made with a high degree of accuracy. However, captains have little opportunity to gain commercial experience and rely heavily on the shipping brokers for that side of their activities.

Junk Crews in Soochow

Teshima Masaki and Arai Yoshio

I. Scope of Investigation

According to a survey carried out by the Soochow branch of the Japanese-run Kiangsu-Chekiang-Anhwei Junk Association, in one day 427 junks moored at wharves outside the city walls and in nearby creeks. This figure is reasonably near local estimates of an average of five hundred junks mooring per day. These junks comprised many different kinds and came from many places in the Kiangnan area and along the Grand Canal. 316 of them were of less than thirty tons capacity, and of these 197 carried less than ten tons. The forty junks we studied consisted of twenty-three different kinds, and only ten per cent came from Soochow. Although average capacity was 21.1 tons, thirty-two had a capacity ranging from 4.7 tons to 17.4 tons. The average monthly income was 331.88 yuan per junk. The total number of crew members was 199, giving an average of about five per junk. Fifty-six per cent of them were hired, the remainder being laborers drawn from within the family of the operator. However, there were usually strong ties of kinship or same locality origin among all crews. Only seven of the operators didn't travel with their junks. The rest lived on their junks and took part in transporting and trading. Most of them came from poorer peasant families and only had small amounts of capital. Forty-five per cent of the junks were not owned by their operators but were hired from builders or others as bare-boat charters (luo-yung-ch'uan, i. e. hired for an extended period, without crew and with a minimum of restrictions on use). The larger of the junks were usually chartered by the Inland River Steamship Company or the transport companies for fixed periods of time. The smaller ones provided transport through contracts either arranged directly or through shipping brokers, or else carried goods and traded on their own behalf or on behalf of others. In some cases income was barely enough to cover costs.

For the purposes of study, the junks were divided into three classes based on carrying capacity and each class was subdivided into three groups based on crew numbers. This information is summarized in the following table.

Junk Capacity (tons)	A. Crew 3 or less	B. Crew 4 or 5	C. Crew 6 or more	Total
1. 9 or less (average 4.7)	4 (junks)	7	2	13
2. 10 to 30 (average 17.4)	3	10	6	19
3. 31 or more (average 49.1)	-	1	7	8
Total	7	18	15	40

Small operators who travelled with their junks are included as crew since they usually did some work. However, it was noticed that the more profitable the business, the less the operator tended to take part in labor. Because of the difficulty of comparing labor values for the women and children who formed part of the crews, classification in terms of consumption was easier than classification in terms of labor.

II. Comparative Information

Because of the difficulty of generalizing from a survey of only 40 junks, the following information is included for comparison. It is derived from a survey carried out by Kobayashi Sōichi of the Central China Junk Association. It was made at two sites in Shanghai (fifty junks), two sites in Kiangpeh (fifty junks each), and one site in Kiangnan (150 junks) from January to March 1940. Of the 300 junks, 48 were fishing vessels, 24 were used for transporting live-stock, and 228 for carrying miscellaneous goods. As the fishing junks are not strictly comparable they are excluded here. In addition, the survey did not distinguish between non-laboring family members and crew nor did it provide information of the type needed to classify crews in terms of consumption. As large sea-going junks were included, the carrying capacity ranged from 1 to 190 tons and the crew numbers from two to twenty. It was thus found necessary to add another class for large junks. Care must be used in comparing the results of this survey with ours, not only for the above reasons but also because of the difference in time which is important in a period of rapid inflation. Moreover, the sea blockade had probably caused a decline in large sea-going junk traffic. The information obtained by the junk association survey is summarized in the following table.

<u>Junk Capacity (tons)</u>	A. Crew 4 or less (Avg. 3.5)	B. Crew 5 to 10 (Avg. 6.87)	C. Crew 11 to 20 (Avg. 15.16)	<u>Total</u>
1. 10 or less (Avg. 3.81)	85 (junks)	86	4	175
2. 11 to 30 (Avg. 20.15)	-	15	29	44
3. 31 to 80 (Avg. 42.60)	-	3	20	23
4. 81 to 190 (Avg. 139.7)	-	-	10	10
Total	<u>85</u>	<u>104</u>	<u>63</u>	<u>252</u>

III. The Characteristics of Junk Crews

1. General

Crews are usually known by the term ch'uan-fu (boatmen or sailors) but they are also sometimes referred to as ch'uan-hu (boatmen or boat-households). In the latter case, it is not their labor that is being referred to so much as the fact that they live on the water. Often the term ch'uan-hu refers to the captain (lao-ta) because he lives on the junk and has his family members as crew. The use of family terms such as lao-ta, lao-erh, lao-san and so forth for the captain and members of the crew in rank after him is an indication of the paternalistic nature of relations between the crew. Terminology for crew and captain varies regionally. For example, in Shanghai a captain is called a tung-chia.

Of the seven hired captains, one was the son of the operator but the other six were only acquaintances. There was no relationship between size of junk and absentee operation. Ten of the other thirty-three captains, although independent operators, in effect were hired laborers since they transported for transport companies and the Inland Steamship Company only. The remainder were independent but their scale of operation was very small and their income low. They led much the same life as their crews and had little scope for independent activity.

2. Places of Origin

Of the captains and crew in our survey most came from Wu-hsi, followed by Ch'ang-shu, Shao-hsing, Wu-hsien (Sochow),

and T'ai-hsing in that order. Usually, crews were drawn from the place of origin of the junk and places along its route of operation. Thus, most of those coming from Wu-hsi worked on Hsi-chang boats (Hsi-chang being in Wu-hsi county) and operated on the route from Shanghai to Chen-chiang via Soochow and Wu-hsi. Those from Ch'ang-shu worked on Ch'ang-shu boats and on the route from Soochow to Nan-t'ung via Ch'ang-shu. Those from Soochow worked on small junks and most of them were peasants doing short-distance transport and trading in agricultural goods. Altogether the crews came from thirty-one places in the Yangtze Delta and associated regions.

3. Class Origin

Of the thirty-three operators who travelled as captains on their junks, thirteen devoted themselves exclusively to junk transport, nineteen also undertook agricultural work and one did some fishing. The amount of land farmed by sixteen of the nineteen was as follows:

<u>Area Cultivated (mou)</u>	<u>Persons</u>	<u>(Number Farming as Tenants)</u>
5 or less	4	(2)
5 to 10	7	(4)
10 to 20	5	(2)

Those working less than ten mou of land can all be defined as poor peasants. Thus, most of the operators associated with agriculture came from a poor background. This was most true of small junks with low incomes.

Excluding the above thirty-three captains, the total number of crew and family members on the forty junks was 166. Of these, seventy-five specialized entirely in water transport and had no connections with agriculture (eight of them had originally worked in industry or handicrafts). Ninety-two maintained links with agriculture and worked in water transport for long or short periods. The remaining two had been agricultural laborers. Of the ninety-two, sixty-nine were tenant cultivators, twenty-one were owner cultivators, and two owned some land and rented more. Figures for the amount of land farmed by seventy-nine of them are presented in the following table:

<u>Area Cultivated (mou)</u>	<u>Persons</u>	<u>(Number Farming as Tenants)</u>
5 or less	46	(32)
5 to 10	21	(18)
<u>10 to 20</u>	<u>12</u>	<u>(8)</u>
Total	79	(58)

Once again, the size of the agricultural undertaking was very small.

The percentage of operators and crews specializing in water transport and of those connected with agriculture was roughly the same for all three junk classes. Furthermore roughly forty per cent of all crew members had originally worked in agriculture but did so no longer, and the other sixty per cent still spent periods working the land. There was no difference in agricultural status between operators and crew members, and relations among the crews reflected peasant social structure. However, because of the tendency for operators to invest a part of their small profits in agriculture despite the need of their junk operation for capital, they were slightly better at agricultural management than other crew members. Those divorced from agriculture relied on their junk income entirely, while those still having small plots of land used such income to supplement family income from agriculture. However, almost all of them had taken up working on junks because of loss of land or low incomes. Thus working in junks was an important source of supplementary income for peasants.

Richer peasants investing in the junk industry tended to invest in ship-building yards, large shipping broker firms, and transport companies. They did not attempt to run their own junks. Thus for investment and labor, the junk industry relied to a significant extent on agricultural sources.

Information on the ownership and chartering of junks is summarized in the following table.

Junk Class	A		B		C		Total	
	Owned	Chart.*	Owned	Chart.*	Owned	Chart.*	Owned	Chart.*
1.	2	2	4	3	-	2	6	7
2.	1	2	5	5	5	1	11	8
3.	-	-	-	1	5	2	5	3
Total	3	4	9	9	10	5	22	18

* Chartered (bare-boat charters)

In addition to the captains and crew, there were three other persons on the junks surveyed. These belonged to the category of

travelling merchants (shui-k'o). They were either employed by ship-pers to protect their goods in transit, or they were engaged in buying and selling along the junks' routes. They usually paid the captain for their passage.

IV. Nature of Labor

Work on junks could be divided into three categories: loading and unloading (chi-hsieh), steering (chang-tuo), and propulsion (t'ui-chin). No use was made of the compass or modern equipment such as steam engines. Apart from the wind, junks relied on rowing either with the sculling oar (yao-lu), or with the ordinary oar (chao), on poling (chang-kao), and on tracking (la-suo). Steering was by means of a sculling oar or a rudder. Sculling and rowing were done in places requiring careful navigation such as near bridges and in harbors. Small junks tended to rely on it exclusively and had no sails. A few larger junks also had no sails but were being used as barges towed by the Inland River Steamship Company. Some of the larger junks of traditional type were being built without sailing equipment. In general the degree of skill required was not very high and women and children could perform some of the labor.

The composition of the crews of the forty junks investigated is recorded in the following table.

	<u>Family Members</u>	<u>Hired Crew</u>	<u>Total</u>
Totals	85*	114	199
Males	67	110	177
Females	13	-	13
Infants **	5	4	9
Age below 20	18	13	31
Age 20-30	21	29	50
Age 30-40	28	38	66
Age 40-50	11	28	39
Age over 50	7	6	13

*Apart from the 85, there were also 8 others too old to work.

**Presumably the investigator was unable to determine the sex of this group. Transl.

Junk crews did not specialize in different kinds of labor except in large junks, with crews over five. In the small junks, the captain's wife and children under ten prepared food and did odd jobs, sometimes helping by tracking, poling, or rowing. In the large junks, the captain managed the helm and supervised the work of the crew. When little steering was necessary, he tended to relax.

When hiring crew members, junk captains initially took people from among their family and this was particularly true of small junks and those operating less successfully. However, the larger the junk and the more successful the business, the larger the number of crew members hired from outside the immediate family. Although the paternalistic nature of crew organization was maintained, the tendency of the more prosperous captains employing more crew to stop taking part in labor themselves could be seen as the beginnings of a capitalist form of organization. The distribution of family and hired crew among the junk groups is shown in the following table.

Junk Class	A		B		C		Total	
	Family	Hired	Family	Hired	Family	Hired	Family	Hired
1.	7	1	18	17	8	7	33	25
2.	3	4	24	22	13	24	40	50
3.	-	-	1	4	11	35	12	39
Total	10	5	43	43	32	66	85	114

The same tendencies are illustrated by the information in the following table gathered by the Central China Junk Association Survey.

Junk Class	A		B		C		Total	
	Family	Hired	Family	Hired	Family	Hired	Family	Hired
1.	268	30	381	261	32	19	681	310
2.	-	-	65	64	169	254	234	318
3.	-	-	11	19	91	217	102	236
4.	-	-	-	-	31	173	31	173
Total	268	30	457	344	323	663	1048	1037

The time worked by the crews varied considerably depending on the type of work done, the routes followed, and the amount of time spent loading and unloading but it could be anything from six to twelve or so hours per day. Because of the war situation, night sailing was curtailed but when practised it involved dividing the day into two twelve-hour shifts. At the time of our survey, it was only done by junks used as barges towed by the Inland River Steamship Company. These were made up into flotillas of from three to twelve junks with a total towing weight of from 150 to 300 tons. Junks used in this way travelled faster and with fewer stops than junks travelling individually. A flotilla took two days for the journey from Shanghai to Soochow whereas a junk took up to eight days including stops. The flotilla involved longer hours per day for the crew over a shorter period and it could make between four and five return trips per month. Time spent loading, unloading, and waiting for cargo also affected crew employment. Sometimes, junks spent up to two or three days waiting for cargo. In this time the captain might go ashore looking for a shipper and the crew either did a little repair work on the junk or made a little money at any available job to hand.

The number of days worked per year by crews also varied considerably. Factors controlling this included natural conditions, the seasonal fluctuations in the volume of goods for transport, the demands of agricultural work on the crews' time, and the time needed for junk repairs. Among adverse natural conditions were silting up (requiring work to clear channels), low water periods, and freezing up. Wang Hu-chen* reported that on the Hopei section of the Grand Canal the waterway was frozen up or too shallow for use for four and a half months and there were no goods for transport for a further four and a half months, so it could only be used for three months in the year. Wang also gave the following table of the average number of navigable days per year for selected routes:

<u>River</u>	<u>No. of Days Navigable</u>
Pai River, Hopei	258
Grand Canal and Wei River, Hopei	245
Grand Canal, Shantung	183
Yellow River, Honan and Shantung	288
Huai River (Cheng-yang-kuan to Huai-yin)	240

(continued)

* Yun-ho chü-shen chi she-chi (Plan for the Bed of the Grand Canal) in Water Control Monthly, Vol. 8, No. 2, Feb., 1935.

(continued)

Grand Canal, Kiangsu (North of Yangtze)	280
Grand Canal, Kiangsu and Chekiang	300
Wu-sung River, Kiangsu	300

The difference between the northern and southern sections of the Grand Canal is quite marked. In addition, west of Wu-hsi the land is higher and the creeks and rivers more liable to seasonal variations in the water level.

Junk repairs took one or two months. During this period the crew usually returned to the villages, so the busy agricultural season was often chosen as the time for repairs. Repairs were carried out infrequently due to cost and lack of materials. Those crews without agricultural work also preferred to spend as much time as possible transporting. They were restricted, however, by the days necessary for finding a cargo and the seasonal nature of the volume of goods for transport. The latter was due to the fact that most of the goods transported by junk were agricultural or coarse peasant products. This seasonal nature of the traffic was one of the reasons why captains and crews spent part of their time working in agriculture. If a captain worked in transport all the year round but some of the crew wanted to work the busy season in the fields, they had to find a substitute to take their place.

Details on fifteen of the forty junks surveyed show that in twelve of them either the whole or part of the crew worked seasonally in agriculture and in the other three the captains did so as well. Two of the latter three junks were returned to the owner from which they were chartered during this period. In some cases the time spent away from the junk lasted from May to August, in other cases the number of months was fewer. Sometimes the crew did not spend an extended period away from the junk, apart from the time of repairs, and instead had four or five days off per month during which they worked their fields. The trading boatmen (tzu-mai-t'ou), who carried their own goods and didn't transport for others, also worked seasonally, returning to agriculture when their boats were being repaired. For these reasons, there were no holiday periods on junks apart from the traditional festivals.

Because of all the above factors, the number of days spent in actual navigation each year was far below the maximum permitted by natural conditions. This was even more the case during the war

years because of interruptions and declines in the flow of goods.

V. Income and Expenditure

1. Income

Junk crews were paid in cash, in food, and sometimes in other goods. On junks where the operator was also the captain, soap, towels and other things used in common were supplied. The commonest form of payment on the forty junks surveyed was thirty per cent in cash and seventy per cent in food and goods. However, this average hides some marked variations. On some junks payment was entirely in cash and the provision of food was not seen as part of income. The crews on the barges owned by the Inland River Steamship Company were paid in cash by the company but those on junks chartered by the company were paid by their captain, who had himself received a lump sum from the company for the hire of the junk.

Payment was usually once a month but, because of the family structure of most junk crews, advance payments could be obtained. Conversely, if the captain had to meet an expense he might withhold payment of wages until a more convenient time. In cases where the junk was entirely operated by one family, there was usually no form of wage payment. Only in cases where the junk was chartered by a transport company did the captain himself receive a fixed wage. For crew employed all year, the wage was reckoned on an annual basis. Those working temporarily were paid by the number of days worked, the number of voyages made, or the distance travelled. In the latter case there was no payment for time away from the junk. Apart from wages, the crews also received tips from shippers and receivers and, as on average this amount was over ten per cent of total income, this was an important part of their earnings. The tip could be particularly high if the crew rather than wharf coolies loaded and unloaded the junk. The following table gives the simple average monthly income in yuan per crew member:

<u>Junk Class</u>	<u>Monthly Cash Wage</u>	<u>Total</u>			<u>Total Value</u>
		<u>Tip</u>	<u>Cash</u>	<u>Food</u>	
1.	13.59	4.03	17.62	26.91	44.53
2.	13.50	4.88	18.38	41.85	60.23
3.	16.04	7.93	23.97	29.12	53.09
Avg.	14.32	5.79	20.11	32.47	52.58

The above table is based on figures for thirty-six junks. Captains who were also operators were omitted. The value of payment in kind is excluded from the table as it was only practiced to any great extent on two junks. However on most junks such things as soap were provided. Four junks were excluded under the item 'cash wage' since they were either entirely crewed by a family or they were run by trading boatmen who lived on the profits from their investment in goods for trading. The figures for tips are based on twenty-three junks. The calculation for food provision included the cost of food, utensils, and fuel. The large total for this item under class 2 is probably a distortion due to the small sample. Also it is likely that some crew members may not have been prepared to state fully the extent of their income. The slightly higher wages and tips on the larger junks is an indication of their higher productivity. This was not necessarily due to their larger crews but rather to their longer journeys, larger cargoes, and larger scale of operation.

It was found that large numbers of the crew members sent from one to two thirds of their money income home to their families, leaving themselves very little to live on. Moreover, despite the high rate of inflation since 1939, money income had not risen greatly. Most of the crews supplemented their income by doing some independent trading on their own behalf using free cargo space, by trading on behalf of others, or by pilfering. When trading they profited from the local variations in prices. Transporting rice to Shanghai and cigarettes back to Soochow could, for example, double one's capital after three round trips. Crews often combined their small amounts of capital for this purpose and divided up the profits proportionately.

The following table is based on the survey made by the Central China Junk Association. Unlike its predecessor, it includes non-working members of the captains' families and it is likely that the entry under food is a little low. When comparing the two tables, it must be remembered that their survey was held in January 1940 and inflation has since cut the purchasing power of the yan considerably.*

* According to statistics published in Shanghai, by the Industrial Bureau of the Foreign Concessions, the index of the purchasing power of the yan (1936=100) was 30.97 in January 1940 and 11.29 in August 1941, the month before the Soochow survey. The general index (1936=100) of the cost of living rose from 323.38 to 885.55 over the same period.

<u>Junk Class</u>	<u>Monthly cash wages per head</u>	<u>Food</u>	<u>Total Value</u>
1.	7.61	11.26	18.87
2.	8.44	12.71	21.15
3.	8.88	14.80	23.68
4.	10.72	21.43	32.15
Average	8.79	13.31	22.10

2. Expenditure

Expenditure by crews on junks fell into two categories. The first was that of expenses catered for by payment in kind on the junk. These were part of the running costs of the junk and included the items shared in common by the crew, that is food, fuel, some small luxuries, utensils and so forth. The second category was those expenses borne by the individual as an individual rather than as a member of the crew. These included such items as clothing, education, religious expenses, health, postage, recreation, cosmetics, personal ornaments, presents and funeral expenses, entertainment expenses, and so forth. Usually it is difficult to distinguish between these two groups but the special circumstances of junk life enables it to be done. Furthermore, the division was emphasized by the different time scales on which the two categories were most appropriately measured. Due to the seasonal and part-time nature of much of junk operation, the first category was best measured over short periods of a month or so, but the second category over the longer period of a year.

In the survey, the first category was determined by the monthly cash expenditure of the owner or captain on the items used by the crew. In general it was found that the larger the junk, the closer its connection with more modern structures such as the transport companies, the less its connection with agriculture, and the less seasonal its form of operation, then the larger was the amount spent per crew member. Conversely, the smaller the junk, the closer the connection of the crew with agriculture, and the more seasonal its form of operation, then the smaller was the amount spent per crew member. This was probably due to the reliance of the latter group on agriculture to provide part of their total income.

Of the various items included in this category, food was by far the largest and this can be taken as an indication of relative poverty. The main items of food were grains, vegetables, fish, meat, cooking oil, and salt. It was found that those junks having a close connection with agriculture tended to get a large proportion of their grain from their own production and also most of their vegetables. Grain (usually in the form of rice though sometimes of wheat flour, depending on the cost) formed the largest item, taking up from fifty to ninety per cent of total junk food expenditure. This was followed by vegetables, salt, and cooking oil in that order. On some junks meat was not bought at all. On the larger junks meat and fish were eaten occasionally as well as other items such as sugar, soya sauce, and fruit. The average grain consumption per head was at least three pecks (to) per month, depending on the work, the season, and the quality of the grain. Because of their mobility, captains could purchase their grain and other items at the best market they could find. The amount bought depended on the space available in the junk and the duration of the voyage.

After food, the next largest item in the first category was fuel for cooking and lighting. This included such items as firewood, kerosene, and matches. The amount spent varied considerably and on some junks some of the firewood and oil was obtained by means other than purchase. The provision of small luxuries also varied with a slight tendency for large junks to have more of them. The most common item was tea followed by wine and tobacco. In this survey no opium was found. Utensils included bowls, cups, pots, pans, chopsticks, and stoves. Although these were not really monthly expenses, the nature of junk life led to a higher proportion of breakages than might be expected. Many junks had to renew their bowls and chopsticks twice a year. Stoves could often be repaired at no expense. The range of expenditure on replacement and maintenance was very wide and the poorer junks attempted to make do with a minimum of cost.

The second category of expenses was incurred by the crew member no matter whether he was on the junk or had returned to his village for a while. It is therefore difficult to judge the extent to which such expenses were met from his income from the junk and which were not. Ignoring this point, we found that over the year, the largest expenditure per individual was on clothing, though in some cases the supply was supplemented by the products of the individual's family. Educational expenses were very rare and there was only one instance on the forty junks. Expenses in personal

hygiene included haircuts, roughly once a month, bathing, and the washing of clothes. Medical expenses were not very common and it must be assumed that they did not form a large proportion of crew members' expenditure. The most common recreational expenses were those spent on visiting tea-houses. The latter formed the center for all kinds of social activities and were indispensable. Outgoings here ranked almost as high as those for clothing, and in many cases were slightly higher. Funerals, religious contributions and other expenses varied tremendously according to the social position of the individual and this was true of the whole range of expenditure. The highest monthly expenditure in this second category was 184.03 yuan per month and the lowest 9.61 yuan.

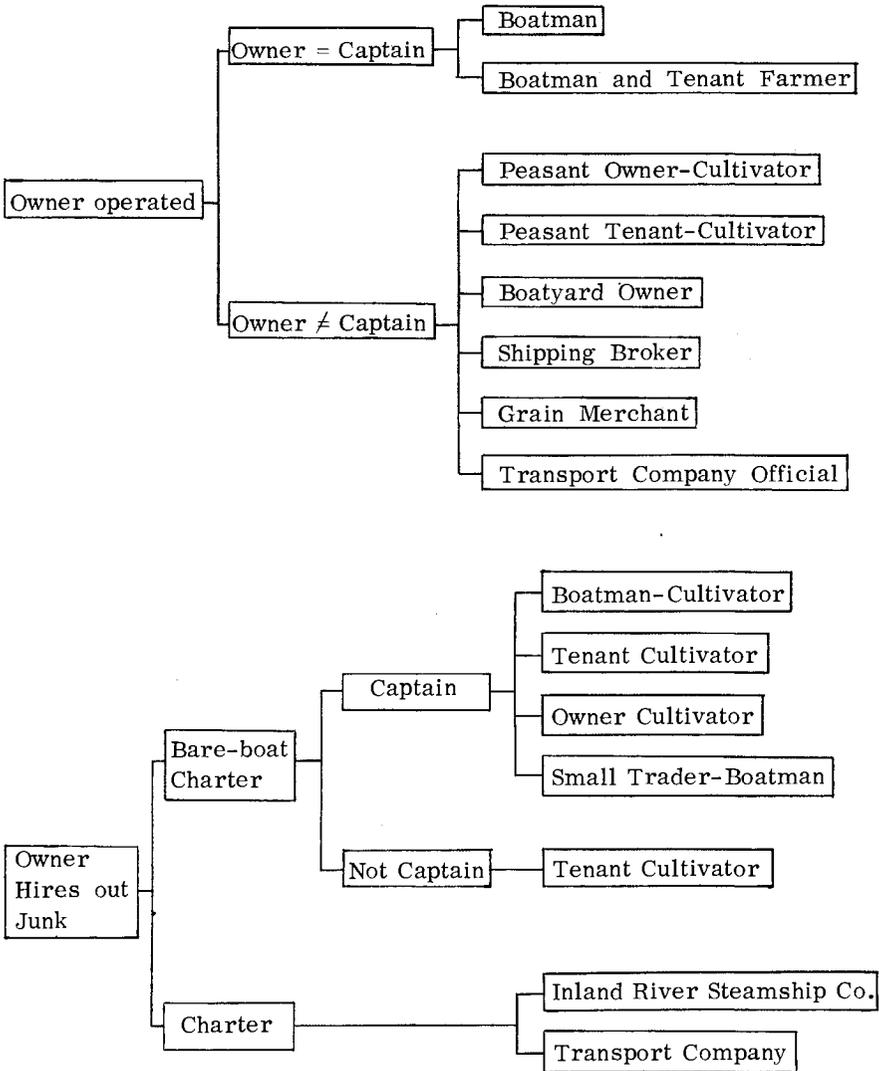
Junk Ownership in Soochow

Nagasaka Hajime

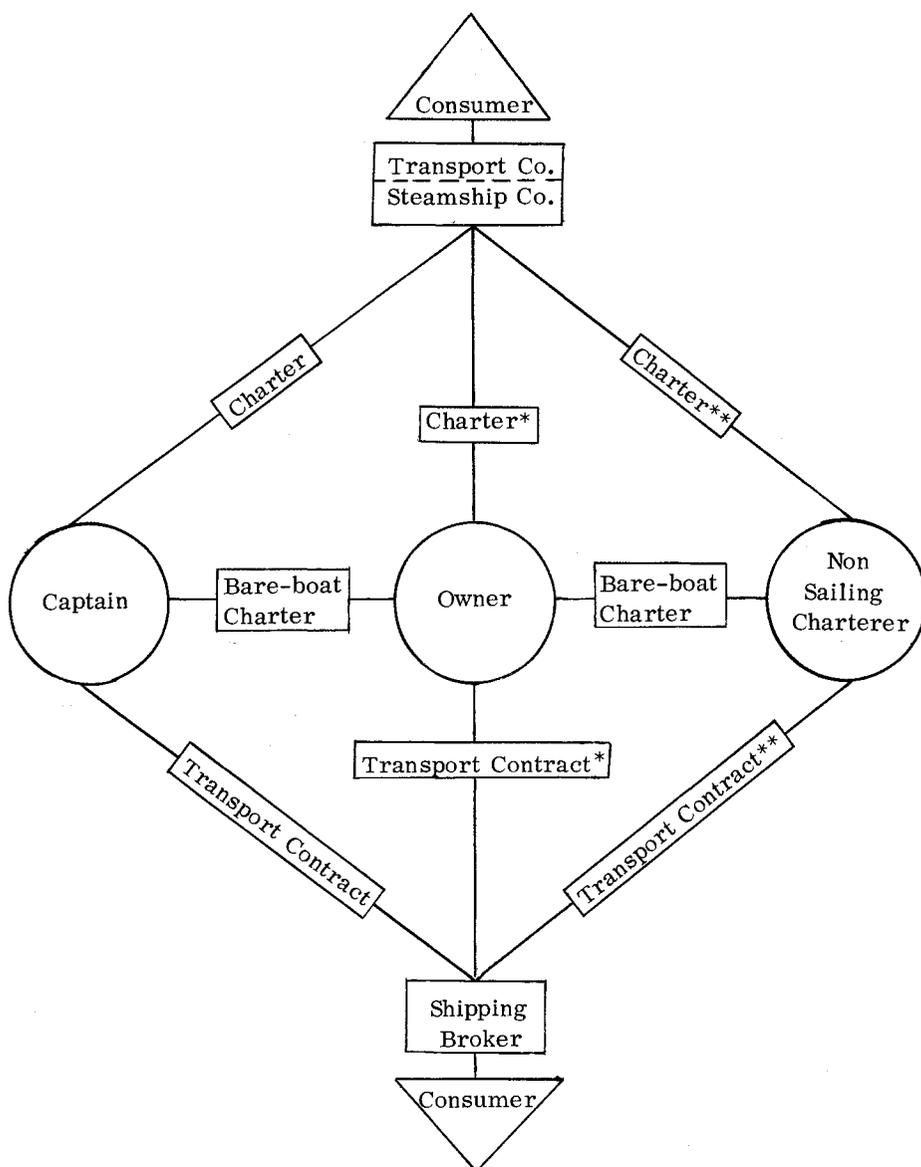
I. General

Most of the forty junks surveyed at Soochow for the present study had a cargo capacity of from ten to twenty tons. This may be contrasted with the average capacity of the 106,341 junks registered with the Kiangsu-Chekiang-Anhwei Junk Association in June 1941, which was 7.4 tons. The size of a junk varies according to the route but it is probable that the average capacity of the junks operating in and around the Yangtze Delta is less than ten tons. Their number indicates that they have maintained a large transport capacity despite competition from modern forms of transport.

Apart from those owned by boatyard owners (ch'uan-ch'ang-chu), the great majority of small, independent junks are owned or hired by peasants or sailors who combine their role as owner or operator with that of captain. They have little capital and a low standard of living. Unless they are trading boatmen or have an established relationship with a shipper for the carrying of goods, they have to rely on shipping brokers or transport companies for work. Junk owners either operate their junks themselves or hire them out as bare-boat charters to others who operate them. Furthermore, both owners and bare-boat charterers often charter their junks with crew for set periods of time to transport companies or steamship companies. The following charts sum up the information on the status of junk owners and charterers obtained in the Soochow survey.



Apart from those instances where the junk operator had direct contact with a shipper or acted as a trading boatman and did not carry goods for others, the relationships that existed between owners and charterers and the provision of transport services is shown in the following diagram:



*Owner-operators who were not captains hired someone to do the sailing.

**Captains hired.

II. Owner Operation

The great majority of owner operators in Soochow were also captains working on their junks with the crew. The poorer ones had their families on board and were entirely dependent on their junks for their livelihood. Others also worked as peasants, owning or renting up to 10 mou of land. A small number had previously worked in industry or handicrafts.

Apart from these there were a few owner-operators who took all responsibility for managing the junk but hired someone to do the actual sailing. Such operators were much richer than the previous group. They included boatyard owners who hired out their junks as bare-boat charters, small merchants, officials in transport companies, and shipping brokers. The latter case was the most efficient and profitable form of operation since it was based on direct contact with shippers and full use of cargo space. In cases where junk owners were connected with transport companies, the owner did not supply his junk as part of the capital equipment of the company but chartered it to the company.

Apart from the boatyard owners, very few junk owners had a great deal of capital and the majority had only small, fragmentary amounts. Nor was there much scope for accumulation. In only one case was there ownership by more than one man and that was a small junk jointly owned by a peasant and a boatman. Income from junk operation usually just covered expenses and in cases where the margin was too small, the junk operator was forced to lower his standard of living or delay making necessary repairs. Owners who merely hired out their junks as bare-boat charters were even less likely to obtain enough profit to carry out repairs.

In the sample of junks taken at Soochow, there was no indication that junk owners were forced to borrow large amounts of money. However, this may not be the general rule. There were only two cases of owners of small junks borrowing with their junk as collateral. None of the owners of large junks did so. In contrast, a large number of operators borrowed small amounts from shippers or friends and relatives to finance their trading operations or living expenses. Such loans were usually repaid within a short time.

Only a small number of junk operators were able to operate as trading boatmen or through direct contact with shippers. The vast majority depended on the shipping brokers for transport contracts, though the brokers were less powerful than those of the north. The

operators' inability to act independently resulted from their lack of sufficient capital to compensate shippers for loss and also their low social standing which militated against personal trust. In general, operators paid at least ten per cent of their transport fee as commission. The larger junks tended to be chartered to transport companies as this was the only way of ensuring full cargoes. It was not clear from the study whether the large junks subordinate to the more modern transport company and steamship company organization were in fact in direct competition with the smaller junks and more traditional shipping broker structure.

III. Junk Chartering

There were two forms of junk chartering. One kind was where the owner merely hired out the junk without crew, known as a 'bare-boat charter' (luo-yung-ch'uan), and the other kind was the 'normal charter' (yung-ch'uan), where the owner hired out both junk and crew.

1. Bare-boat Charters

Most of those who chartered junks as bare-boat charters were either boatmen who lived entirely on and by their junk or peasants farming small plots of land who took the junk to supplement income. Some of the peasant charterers did not sail in the junk themselves but hired a friendly captain to do so. In this case, the peasant charterer had direct contacts with a shipper for cargoes, or acted as trading boatmen, or else chartered the junk with crew to a transport company. This latter form of operation was also done by other bare-boat charterers, turning them into little more than transport workers.

2. Charters

Junks were chartered either directly from the owner or from the bare-boat charterer. In the sample surveyed at Soochow only the transport companies and the Shanghai Inland River Steamship Company acted as charterers. While this finding may contain an element of sample bias, it is significant that chartering was only done by organizations with larger amounts of capital and connections with more modern forms of transport. They were free of the worry of maintaining junk and crew and merely hired as many junks as they needed. They did not own any junks but were able to extract a great deal of profit from using them. This was a fairly common feature of transport companies in the region. Many of the chartered junks were used as barges towed in flotillas by the Shanghai Inland River Steamship Company.

3. Charter fees

Since a bare-boat charter fee had to cover the cost of the junk and its upkeep, whereas the cost of a charter also included the wages for the crew, there was a great difference between the size of the two, the latter being much larger. Bare-boat charters could be made for set or indefinite periods. For short periods, the monthly fee ranged from 7-10 yuan to 120 yuan. For longer periods, the half-yearly fee was around 230 yuan and the yearly fee 240-300 yuan. The following monthly averages per ton disguise a wide variation:

Set Period Bare-boat Charter:

Average monthly charge per ton capacity	1.30 <u>yuan</u>
Average half-yearly charge per ton capacity	2.33 "
Average yearly charge per ton capacity	2.36 "

Indefinite Period Bare-boat Charter

Temporary per month charge (per ton capacity?)	4.55 "
Indefinite period/trip charter per month per ton	10.00 "

By contrast the monthly charter fees ranged from 124 yuan to 600 yuan with the monthly per ton rate ranging from 5 to 18 yuan and averaging around 9 yuan. The actual payment depended on the length of charter. When a junk was chartered, its age, cost price, and the route to be used were not considered.

4. Charter Contracts

Since most contracts were concluded between owners and friends, relatives, or fellow townsmen, they were usually oral and not written. This also appeared to be true of the charter contracts by transport companies. The usual practice was for someone to act as guarantor to the owner on behalf of the charterer and for the latter to make a guarantee deposit (pao-cheng-chin) with the owner. The amount varied depending on the age of the junk, its cost, size, the period of charter and so forth. The period of charter was often not rigidly fixed but depended on personal trust between owner and charterer. It was usual for the owner to be responsible for regular periodic repairs and maintenance but for the charterer to bear the cost of minor repairs due to damage en route. In the case of bare-boat charters, payment was in cash at the end of the month, though it was not unusual for the charterer to be some months behind in paying. Payment in kind was rare, though there was one example where the charterer could not afford

to pay in cash and paid by periodically spending a few days working on the junk owner's land. Charterers paid in cash and mostly in advance. The Inland River Steamship Company made payments twice per month. Where it had obtained its junks from transport companies, it paid the companies which then paid the captains.

5. Relationship between Chartering and Junk Size

It was found that the majority of junks personally navigated by bare-boat charterers were small (below ten tons capacity) and the crews were largely made up of family members. Junks that were operated by their owners and bare-boat charterers who did not travel with the junk were larger and tended to have a larger percentage of hired crew members. Those junks chartered by transport companies tended to be the largest and to have crews with very few family members.

GLOSSARY OF CHINESE TERMS

		<u>page(s)</u>
an-ku 暗股	shares held anonymously	28
ch'a-fang 茶房	waiter (lit. 'tea-room')	32
chan-fang 棧房	warehousemen	9, 25
chan-hai-ya-ti 站海崖的	transport clerks	33
chang-fang 賬房	accountant	38, 45
chang-fang-hsien-sheng 賬房先生	general manager, in charge of accounts, mail, accommodation, etc.	31
chang-kao 撐篙	to pole (a junk)	62
chang-kuei 掌櫃	manager	28
chang-pu 帳簿	account book	29
chang-pu 帳簿	register	41
chang-tuo 掌舵	to steer (a junk)	62
chao 櫂	an oar	62
ch'e-ch'ien 車錢	a broker's runner's monthly salary	32
chen 鎮	market town	5
chen-sun-shui 賑捐稅	relief tax	21
cheng-pang 正幫	full member of a travel- ling merchants' assn.	21
chi-ch'ang 集場	periodic market (north China term)	4
chi-hsieh 積卸	loading and unloading	62

chi-shih 集市	periodic market (north China term)	4
ch'i-chang 齊帳	'adjusting accounting' (at Mid-Autumn)	29
ch'i-min 耆民	junk officer responsible for business in port (used on Shantung coast)	55
ch'i-yueh-cheng 契約證	contract	26
chia-chang 家長	manager	28
chiao-tan 交單	receipt (for taxes collected by broker)	22
chiao-t'ung-shui 交通稅	transport tax	21
chieh-huo 接貨	receiver (alternative term for 'runner')	38
chien-ch'i 檣契	(shipping) contract	24
chien-t'ou 檣頭	(shipping) broker	9
ch'ien-chuang 錢莊	traditional style bank	29
ch'ien-fen 錢份	real stocks (issued to shareholders)	28
ch'ien-ku 錢股	real stocks (issued to shareholders)	28
chih-nan-chen 指南針	compass	17
chih-shih 執事	manager	28
chin-k'ou-pu chu-jen 進口部主任	director incoming goods	46
chin-k'ou-pu tien-yuan 進口部店員	assistant incoming goods	46

ching-li 經理	manager	28, 31, 46
ching-shih 經事	manager	28
chiu-pa-hang 九八行	shipping broker (south China term)	19
chou 州	department capital	18
ch'u-chieh 出街	runner	32
ch'u-fang 廚房	cook (lit. kitchen)	32
ch'u-hsi 除夕	New Year's Eve	29
ch'u-k'ou-pu chu-jen 出口部主任	director outgoing goods	46
ch'u-k'ou-pu tien-yuan 出口部店員	assistant outgoing goods	46
chuan-k'ou-shui 轉口稅	transit tax	21
chuan-yun-kung-ssu 轉運公司	transport company	35
chuan-yun-yeh 轉運業	transporting business	15
ch'uan-chang 船長	captain	4
ch'uan-ch'ang-chu 船廠主	boatyard owner	71
ch'uan-chu 船主	boat owner, boat operator	6, 23
ch'uan-fu 船伙	boat man, sailor	59
ch'uan-hang 船行	shipping broker	8
ch'uan-hang tsu-ho 船行組合	shipping brokers' assn.	10
ch'uan-hu 船戶	boatmen, boat household, captain	59
ch'uan-pang 船幫	junk operators' shipping associations	8, 11

ch'uan-p'iao 船票	shipping ticket (issued by brokers)	41
ch'uan-p'o chien-tu-kuan 船舶監督官	supervisor of shipping	10
ch'uan-p'o kuan-li-ch'u 船舶管理處	shipping administration office	42
ch'uan-tan 船單	shipping contract	24
ch'uan-tien 船店	shipping dealer (alternative term for a broker)	9
ch'uan-yuan 船員	junk crew	7
chuang-huo 裝貨	loader	47
ch'un-i 純益	net profit	26
chung-ch'iu 仲秋	Mid-Autumn Festival	29
chung-jen 中人	sponsor	42
ch'uan-li-chin 權利金	payment for the right to use a licence issued to another person	40
chün-tieh-shui 浚濬稅	dredging tax	21
fa-hang-chia 發行家	wholesalers (northeast term for shipping broker)	19
fa-pi 法幣	legal tender	43
fa-p'iao 發票	invoice	24, 41
fan-ssu 飯司	cook	46
feng-ch'uan 風船	junk (south China term)	1
fou-ku 浮股	bonus stocks (issued to non-shareholders)	28
fu 府	prefectural capital	18

fu-ching-li 副經理	deputy manager	31, 45
hang-chan 行棧	licensed warehousemen (alternative terms for a broker)	5
hang-chan-yeh 行棧業	licensed warehousing business	15
hang-hsing-hsu 航行許	transit pass	48
hang-yun-kung-ssu 航運公司	(water) transport com- pany	35, 44
hang-yung 行傭	broker's fee	41
hsi-ku 西股	bonus stocks (issued to non-shareholders)	28
hsi-ku 息股	guaranteed interest shares	28
hsiang 鄉	rural areas	18
hsiao-chang 小帳	tip	39
hsiao-chieh 小結	minor accounting	29
hsiao-kung 小工	laborer	46
hsiao-mu-ch'uan 小木船	(type of junk)	1
hsiao-shen-po 小神駁	(type of junk)	24
hsieh-huo 卸貨	discharger	47
hsien 縣	county capital	4
hsin-tiao-hsien-sheng 信掉先生	secretary	31
hsu-shih 墟市	periodic market (south China term)	4
hui-tan 回單	acknowledgement of receipt	41

hung-chang 紅帳	'red accounting' (at Dragon Boat Festival)	29
hung-li 紅利	profit	29
jen-ku 人股	bonus stocks (issued to non-shareholders)	28
k'an-men-ti 看門的	doorkeeper	32
k'an-shih-jen 看視人	supervisor	38
k'an-ts'ang-k'u-ti 看倉庫的	warehousemen (employed by broker)	33
k'o-chan 客棧	merchants' warehousemen	5
k'o-pang 客幫	travelling merchants' association	8, 11, 21
k'o-shang 客商	travelling merchant	9, 19
k'ou-ch'ien 口錢	broker's commission	19
ku 賈	resident trader	16
ku 股	shares	26
ku-ch'uan ch'i-yueh 雇船契約	shipping contract	24
ku-chu 股主	shareholder	28
ku-huo 股夥	shareholder	28
ku-tung 股東	shareholder	28
ku-yuan 股員	shareholder	28
k'uai-chi 會計	accountant	46
kuan-ch'uan 官船	officially owned junks	1
kuan-li 官利	interest	26

kuan-shih	管事	manager	28
kuan-yun	官運	official transport	18
kuei-nu	鬼奴	'bravest sailors'	17
k'ung-ku	空股	bonus stocks (issued to non-shareholders)	28
kuo-pang-ti	過磅的	checkers	32
kuo-tsai-hang	過儀行	trans-shipping broker	37
la-suo	拉纜	to track (a junk)	62
lao-erh	老二	captain's first assistant	55
lao-san	老三	captain's second asst.	55
lao-ta	老大	captain	36, 55, 59
li-fen	力份	bonus stocks (issued to non-shareholders)	28
li-hsi	利息	interest	26
li-tzu	利子	'profit-maker' (?) (junk type)	1
lien-hsi-sheng	練習生	apprentice	45
ling-shou-shu	領收書	certificate of receipt	41
ling-tung	領東	manager	28
lu-pu	路簿	log book	54
lu-yin	路引	transit permit	22
luo-yung-ch'uan	裸傭船	bare-boat charter	57, 75
ma-t'ou-ch'uan	碼頭船	wharf boat (junk type)	43
ma-t'ou lao-pan	碼頭老板	wharf owner	48

mai-pan 買辦	comprador	10
min-ch'uan 民船	junk, commoner's boat	18
min-ch'uan kung-hui 民船公會	association of junk owners	42
mu-ch'uan 木船	wood boat (junk type)	1
nan-pei-hang 南北行	'north and south agent' (south China term for shipping broker)	19
pa-t'ou 把頭	gang boss	7, 33
pang-chang-hsien-sheng 幫帳先生	accountant	31
pang-t'ou 幫頭	head of shipping assn.	12
pao-cheng-chin 保證金	guarantee deposit	76
pao-cheng-jen 保證人	guarantor	42
pao-kuan-hang 報關行	customs reporting agent	5, 15
pao-kuan-ti 報關的	customs reporter	32
p'ao-chieh-ti 跑街的	runner	32, 38
piao-ch'uan 標船	convoy junk (?)	23
p'ing-ma-hang 平碼行	wharf controlling agent (south China term for a shipping broker)	19
po-ch'uan 駁船	wharf boat, lighter (junk type)	1
po-yun pan-shih-ch'u 駁運辦事處	barge transport office	37
san-teng teng-lu-shui 三等登陸稅	third grade registration tax	39
sha-ch'uan 沙船	sand boat, Kiangsu trader (junk type)	1, 56

shan-ch'uan 舢舨	small junk, sampan	1
shang 商	travelling merchant	16
shang-chieh 上街	runner	32
shang-shih-ti 上市的	market clerk	32
shang-yun 商運	commercial transport	18
shen-fen 身份	bonus stocks (issued to non-shareholders)	28
shen-ku 身股	bonus shares	45
shih 市	market town	5
shih 石	picul	16
shou-chang 收帳	harvest accounting	29
shou-chang 收帳	cashier	47
shui-chiao 水脚	transport charges	41
shui-k'o 水客	travelling merchant	62
shui-lu-yun-shu-kung-ssu 水陸運輸公司	transport company	35
ssu-shih 司事	manager	28
ta-ch'ing-chang 大清帳	clearing of accounts	29
ta-chüeh 大決	clearing of accounts	29
ta-wu-chang-kuei 大屋掌櫃	business manager	31
ta-wu-tzu 大屋子	'big rooms' (northeast term for shipping broker)	19
tang-shih 當事	manager	28
ti 邸	storehouse	17

t'i-fang-shui 堤防稅	embankment tax	21
t'i-huo-tan 提貨單	bill of lading	41, 50
tien 店	shop	17
tien-chu 店主	owner of a shipping broker firm	38
tien-yuan 店員	employee, assistant	38, 45
tou 斗	peck	69
tsa-i 雜役	general assistant	38
tsa-wu 雜務	general assistant	47
tsai-shih 在事	manager	28
ts'ai-tung 財東	supplier of finance	11
ts'ang-k'u-yeh 倉庫業	storage business	15
ts'un 村	village	18
ts'un-ken 存根	counterfoil	41
tsung-ching-li 總經理	manager	28, 45
tsung-ssu-li 總司理	manager	28
tuan-wu 端午	Dragon Boat Festival, fifth of the fifth lunar month	29
t'ui-chin 推進	propulsion	62
tung-chia 東家	manager	28
tung-chia 東家	captain (Shanghai term)	59
tung-ku 東股	real stocks (issued to shareholders)	28

tung-shih	董事	manager	28
t'ung-chih-tan	通知單	notification	50
t'ung-yeh-kung-hui	同業公會	same-trade association	44
tzu-mai-t'ou	自賣頭	trading boatman	65
t'z'u-shan-shui	慈善稅	charity tax	21
wai-kuei	外櫃	outside manager (alternative term for runner)	32
wen-pu	文簿	register	18
ya-hang	牙行	licensed broker	5
ya-hu tuan-ch'i teng-lu p'ing-cheng	牙行短期登錄憑證	short term broker's licence	39
ya-shui	牙稅	licence tax	39
ya-t'ieh	牙帖	broker's licence	15
ya-tzu	牙子	ivory licence marker	17
yao-lu	搖櫓	sculling oar	62
yeh-pang	野幫	associate members of a travelling merchants' association	21
yin-hang	銀行	bank	25
yin-hsin	印信	credentials	18
yin-ku	銀股	real stocks (issued to shareholders)	28
yin-ku	蔭股	bonus stocks (issued to non-shareholders)	28
ying-yeh chu-jen	營業主任	managing director	46

yu-li	餘利	surplus profit	29
yun-chuan-kung-ssu	運轉公司	trans-shipping company	4
yun-shu-kung-ssu	運輸公司	transport company	35
yun-sung ch'i-yueh	運送契約	transport contract	49
yung-ch'uan	僱船	chartered junk	6, 36, 75
yung-ch'uan-liao	僱船料	chartering fee	6

GLOSSARY OF JAPANESE TERMS

Kahoku Kōgyō Sōkōkai 華北航業總公會	North China Shipping Association	5
Kahoku Kōtsū Kabushiki Kaisha 華北交通株式會社	North China Transport Company	8
kaisōdonya 回漕問屋	shipping agency	23
minsen donya 民船問屋	junk wholesalers	9
Naika Kisen Kaisha 內河氣船會社	Inland River Steamship Company	35
norikumi-in 乘組員	crew	7
Nihon Tsū'un 日本通運	Japan Forwarding Co.	37
Su-Che-Wan Minsen Sōkōkai 蘇浙皖民船總公會	Kiangsu-Chekiang- Anhwei Junk Association	5

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BOAT AGREEMENT—TRANSLATION.

LEGAL AGREEMENT.

The boatman *Wen Pang-fuh*, native of *Siang-iang Fu*, *Siang-iang Hsien*—his own boat, of the kind called *pien-tsi*, now lying in the river at *Hankow*,—contracts through the under-mentioned Boat Office to take Mr. *I*, with baggage and book boxes, one cargo, to *Lao-ho-k'eo*, and to discharge there.

The price decided this day in the presence of the three parties is 26,500 large cash of 98 to the 100.

Care shall be taken in getting the goods on board, to cover them up, that they be not damaged by leakage from above or damp from below, and that there shall be no deficiency in the number of packages. Should there be anything of this sort, the boatman is willing to make all good at current local rates. Passenger and boatman will each pay his own Customs dues. After the completion of the bargain neither party shall draw back; and now, lest there should be no proof, this boat agreement is drawn up to be retained as evidence.

This boat truly carries clothes-boxes, book-boxes, baggage and sundries at the discretion of the passenger.

20,500 cash is at present advanced through the Boat Office; the balance of 6,000 cash to be advanced on the road.

The Customs charges at *Wu-ch'ang* and *An-luh* rest with the passenger.

Money for offering to the gods by the way included.

Food each day for each honourable person, 60 cash.

Through the licensed Boat Office *Wan-sin-meo*.

Signed on the 22nd day of the 4th moon of the 13th year of *Kuang-sü*, by the boatman *Wen Pang-fuh*.

May you have peace by land and water! [inscription on the scroll.]

May favouring breezes accompany you!
