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CHINA.

IMPERIAL MARITIME CUSTOMS.

II.—SPECIAL SERIES: No. 21.

CHINA'S DEFECTIVE CURRENCY:

MR. WOODRUFF'S REMEDIAL SUGGESTIONS.

PUBLISHED BY ORDER OF
The Inspector General of Customs.

SHANGHAI:

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NO. 21

CHINA'S DEBT

IN WOOLLEN MANUFACTURES

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INTRODUCTION.

THE accompanying Paper, on China's Defective Currency, prepared by Mr. WOODRUFF, Commissioner of Customs, is published by order of the Inspector General of Customs.

H. KOPSCH,

Statistical Secretary.

INSPECTORATE GENERAL OF CUSTOMS,
STATISTICAL DEPARTMENT,
SHANGHAI, 12th February 1897.

CHINA'S DEFECTIVE CURRENCY REMEDIAL SUGGESTIONS INTRODUCTION

The accompanying Report on China's Defective Currency
prepared by Mr. Woodburn, Commissioner of Customs, is published
by order of the Inspector General of Customs.

H. KOPSCHE

Statistical Secretary

Inspectorate General of Customs
Statistical Department
Shanghai, 1934

CHINA'S DEFECTIVE CURRENCY: REMEDIAL SUGGESTIONS.

1°. On the 11th March 1896 the Governor of Hupeh, and on the 23rd May the Viceroy and Governor jointly, fixed a relative rate between Hupeh dollars, standard copper cash, and cash and dollar notes. The most excellent purpose of their proclamations was to remedy the present harmful "dearness" of cash; but it is stated that difficulties for both officials and people have, unhappily, made it impossible to carry out the plan.

2°. *The Relative Rate.*—Formerly Western countries had a joint standard of silver and gold at 15 or 16 to 1; but, later, Great Britain, Germany, France, the United States, and other nations suddenly changed to a single gold standard, to the great disturbance these 20 years or more of the market values of silver and gold, in which the market of China has necessarily shared, so that its officials and people must dread that the rate of to-day would be loss on the morrow. In view of this, it would seem best to temporarily continue to exchange cash by tale and silver by weight and purity at the rate of the day; but the single gold standard is doing world-wide harm, and in time all countries must unite in an international agreement for the former joint standard, and then China can rate cash to silver.

3°. *The Dearness of Cash.*—Whereas at Ichang in 1882-83 1,000 standard cash were obtained for *Ichang* Hs. 0.58 of silver 990 fine, now they cost Hs. 0.86, to the affliction of the people. This dearness is due to both a lessening in value of silver and the increasing scarcity of cash. The lessening of the value of silver has been caused by the Western nations giving gold a monopoly as standard money and setting silver aside: until there is an international agreement, China has no remedy. As to the scarcity of cash: there has been but little minting these 20 or 30 years; people have taken advantage of the insufficiency to secretly coin and circulate small cash; in trade, one wishes to keep the larger and part with the smaller, so the large cash have been hoarded or melted to make utensils; and necessary prohibition by Government of the coining and circulating of the unlawful cash has intensified the dearth. Evidently then, although the fall in the value of silver is beyond China's control, it is within its power to remedy the scarcity of cash.

4°. *Remedial Suggestions.*—Feeling sorrow for the distress of the people, the Government has already had cash minted; but it is stated that the new cash do not circulate nationally and may prove inadequate. In this connexion it is suggested that—

- (a.) The Coinage Departments of the Boards of Revenue and Works should decide on the materials of which a national cash is to be coined. There should be more than one ingredient (as in the reign of KIEN LUNG, for example, copper,

zinc, lead, and tin were so used), in the hope of a greater stability in their aggregate market value, which should be approximately the same as in the old standard cash.

- (b.) The new cash should be improved by the use of machinery, but should be similar in appearance to the old, so that they may circulate the more readily as being only a new minting of old cash.
- (c.) The people should be notified that after a date named the old cash will be prohibited.
- (d.) In advance of that date, but only so long as the present dearth continues, the mints should buy old cash, and either recoin them into new cash or melt them and sell the materials, and should, in addition, buy fresh materials to coin into new cash. The new cash should be used either in Government expenditures or to exchange with the people for old cash.
- (e.) The public should be notified that before the date named all old cash should be taken to the mints to be recoined. If at the moment the mints have no new cash ready, the people are to wait for them; if there are new cash ready, the mints are to issue them at once and afterwards recoin, or melt and sell, the old cash. Old standard cash should be given new cash in exchange to their face value; old small cash, to their market value. No fee should be charged.
- (f.) The public should also be permitted to bring the materials for new cash and have them coined into or exchanged for new cash free of charge.
- (g.) So long as the dearth continues the mints should work night and day, to provide a sufficiency, even if this temporarily delays the coinage of silver.
- (h.) At the date named, when new cash are in sufficiency everywhere, all old cash still in circulation should be confiscated and recoined or the materials sold.
- (i.) After the date named the people should still be permitted to at any time take the materials to the mints and have them coined into cash free of charge.

5°. *Free Coinage of Cash.*—The Government already pays the mint expenses of the cash it issues; the only change would be that instead of issuing as many as it thinks the people will need, it would provide as many as the people have found that they need. For when cash are dear because of scarcity, the metals of which they are made are worth more in them than in the market, so people would bring them to the mints for the profits through free coinage. When the cash become sufficient, the metals are worth no more in them than in the market, and people will cease to be eager. When they are redundant, the metals will be worth most in the market. The overstocked cash shops must devise ways to avoid loss; and not only will no one take metals to the mints, but cash will be sent to other places, or melted to obtain the market profit on the materials.

This is the method of Western countries with gold and silver. If it were adopted by China for cash, not only would there be no cash famines, but unprincipled men would no longer

have opportunities to by means of the dearth oppress the people. Freedom from the fear of these evils would facilitate trade, and the consequently increased revenue would far more than recoup the Government's coinage expenses.

6°. *Silver Currency Difficulties.*—The mints with Foreign machinery have coined a limited number of dollars, and Foreign dollars are used to some extent, but for the rest the silver currency is sycee, exchanged by weight and purity. The chief defects are—

- (a.) The Chinese money balances are not accurate, no two giving exactly the same result.
- (b.) There are different units of weight: besides the Customs and Treasury taels, every province has its own Market and other taels, all differing from each other.
- (c.) The work of the assay offices is too crude to inspire confidence.
- (d.) The purity of the sycee current in one place differs from that in another; so that, for example, Hupeh sycee does not circulate in Kiangnan.

Because of these defects there are constant disputes over the weight and purity of the sycee that waste time and money and are a serious obstacle to trade.

7°. *Remedial Suggestions.*—As most important, it is suggested that—

- (a.) Every official Treasury and every mint should procure a delicate money balance of Western make, to serve as a standard, which should be in exact agreement with the Foreign balance used at the Canton mint.
- (b.) The weight of a Customs and a Treasury tael's-weight of pure silver, expressed in grammes or grains troy, should be respectively the standard of the Customs and Treasury taels; and each province should similarly fix the standards of its Market and other taels.
- (c.) The fineness of the Chinese and of the current Foreign dollars should be notified.
- (d.) China's standard silver dollars should be 900 fine, in agreement with the United States, the Latin Union, and Japan.
- (e.) It should be notified that fractional silver coins less than 900 fine issued by the Government will, on presentation at the mint or Treasury, be given standard dollars to their face value in exchange without charge.
- (f.) Temporarily all sycee stamped by an assay office brought to a mint should be scientifically refined into silver 900 fine, stamped with "900 fine" and the weight in Customs taels, and returned without charge.

8°. *Taxes.*—It is further suggested that after a date named the moneys received for taxes, besides, as at present, accepting standard cash at their market value, shall only be undefaced Chinese dollars, Foreign dollars the fineness of which has been notified, and sycee stamped 900 fine by the mints—all reckoned by the weight of pure silver in them. When the Chinese dollars and 900-fine sycee become sufficient, a date should be again named after which Foreign coins will not be received.

9°. *The Mints*.—China's territory is extensive, its population large, and its need for cash pressing; more mints with Foreign machinery should be established at important points throughout the provinces, to mint both dollars and cash.

10°. *A National Currency*.—It is essential that the copper cash, Chinese silver coins, and mint-stamped sycee, from whatever mint, should be uniform, in order that they may be current throughout China. Not only should there be one mint law for all the provinces, but all provinces should execute it uniformly. The Coinage Departments of the Boards of Revenue and Works should, therefore, station Deputies, well versed in the mint enactments, at the mints to co-operate with the Superintendents, and should also periodically send competent Inspectors to visit and report on the mints, that absolute uniformity of coinage throughout the Empire may be ensured.

11°. *The Cash Standard*.—China's present standard of copper cash, with silver current by weight and purity, is inferior to the Western system of a free coinage of standard gold and silver money, the Governments themselves issuing the silver and copper token coins; but at present the market values of gold and silver throughout the world are greatly disturbed, and it seems best for China to temporarily pursue the course suggested in this Paper. When an international monetary agreement has been effected, China can make gold and silver the standard, and again itself issue the cash, and then a relative rate can be fixed between cash and dollars.

F. E. WOODRUFF,

Commissioner of Customs.

CUSTOM HOUSE,

ICHANG, 4th December 1896.

一至廣設銀元局一事查中國地廣人衆制錢待用孔亟須擇各省之要地設局
用外國機器趕造銀元並制錢以濟時艱

一至銀銅兩錢及銀元局所鑄成之九九銀應通行各省一事查銀元局所鑄銀
銅各錢及代鑄成之九九銀均須一律庶可本省通行而各省亦通行到處相

同最爲緊要除先議定各省設立銀元局章程外卽須籌一良策俾各省一律
遵辦不准參差其法則莫若由寶泉寶源兩局奏派熟悉章程委員長川駐守
會同該局督辦辦理一面另派幹員時至各局察看情形回京赴局據實呈報
倘能如是辦理則天下銀銅兩錢甫可一律而毫無參差矣

一至制錢爲準一事查中國向以制錢爲準紋銀則按平色通行似不若泰西各
國代商人鼓鑄金銀錢不收費用爲法而小銀錢及銅錢則由西國公家自行
鼓鑄惟近年以來各國金銀兩錢時價參差較前迴別中國莫若此時按以上
所擬各節辦理俟各國會定一律後中國再以金銀爲準仍舊自鑄制錢夫而
後庶可制錢及銀元市價劃一也

三等第一寶星二品銜宜昌關稅務司吳得祿謹呈 光緒二十二年十月三十日



通行銀色行之他處則又迴別譬以鄂省之銀行之江南各省則不通行因此時有商民爭競平色至數點鐘之久而仍不免受虧者實於貿易中多所窒礙矣

一擬請設法整頓一事查其中所關係者計有六端一係各地方官銀庫及各銀元局應備西國細法過金銀之平一分爲準與廣州銀元局所用之西國平相合一係須以關庫平足色銀各一兩核實合法國平分數幾何英國平釐數幾何爲關庫平一兩之準各省所用之漕平等類亦用此法核定一係曉諭民間中國銀元色水幾何所用外國洋元色水幾何一係中國銀元總以真正九九銀爲準與美法意比瑞士日本等國相合一係曉諭民間如有中國銀元局所鑄不足九九之小銀元准其持赴銀元局或地方官銀庫隨時兌換大元不收費用一係凡有紋銀一經公估之後暫准商民持赴銀元局按西國細法鎔成九九銀色之銀上鑄九九二字並關平分兩於上而代鑄此銀亦不收費用一至征收國課一事查至善之法莫妙於預先示知除新出制錢照舊按時價收用外凡有一無損壞中國銀元並前所示外國銀元及銀元局所鑄之九九銀以上三項准其納稅另補色水以歸十足其餘各銀概不收用迨至中國銀元及所鑄之九九銀數用後再定期限不收外國洋元

民便於貿易不至缺欠之時爲率緣公中所定之數乃預料可敷之數而商民之數乃已經應驗之數也蓋制錢當未充足之時則其價必昂是錢內之料所值亦貴而市中未入錢之料價仍照常則錢內之料較昂於未入錢之料矣彼時商民樂於送料至局坐收無費改鑄之利迨至制錢敷用則錢內之料自與市價無甚出入而商民不至熱中矣再俟制錢充足有餘幾至無行使之處則錢內各料之價較市面售料之價必低錢店所屯積者必思設法免壓成本彼時匪特商民不至送料赴局代鑄且可販運出境或鎔化售料可得時價之益此泰西各國金銀兩錢之辦法也倘能以此爲法中國不特無錢缺不敷之患且可免奸人乘不足之機而挾制商民矣總之不收費用而代爲鑄錢商民可免缺乏挾制各患而便於貿易能便於貿易則生理必興能生理必興則稅課日豐能稅課日豐則鑄錢各費不難於此中扣除外而獲利倍蓰也

一至紋銀每多窒礙一事查銀元局所鑄銀元與商民所用外國洋元除此兩項均各有限外其餘多係紋銀通行而用時均各按平色其中不便之處計有四端一係中國天平等項分兩向未合準無兩項皆能如一不差毫釐者一係平之輕重名目不一除關平庫平外各省均有自立名色如漕平市平規平之類種種各別一係公估所估銀色亦難過細彼收此駁未能取信於民一係此處

購新料以鑄新錢其新錢或爲公中使用或兌商民舊錢俟新錢市面充足有餘方可停鑄

五曉諭商民限期之內凡有舊錢均當送至局中改鑄如彼時尙無新錢則俟鑄就之時如數發給如局中有新錢則立即照付後由局或鎔化或改鑄當收錢時如係舊制錢則按數以給如係小錢則按市價以給惟局中均不得向商民索取規費

六係再准商民將錢料送至局中請其代鑄新錢其章程與前一條同一辦法亦不得索取規費

七係新錢當未充足市面之時最緊要者在無分晝夜趕鑄以期充足雖銀元亦可暫時從緩

八係俟定期新錢各地均已暢行充足光景已可敷用則亟應嚴查舊錢罰充入官或改造或售料

九定期後仍准商民隨時將鑄錢各料送局鑄錢亦不得索取規費

以上九端此係補救制錢要事

一至准商民將料送局代鑄新錢不收費一事查目前中國自鑄制錢費用取之公款卽所鑄錢數亦定之公中倘照所擬辦法費用仍歸公款而數則聽商

制錢不能兌足於市實因二三十年以來罕見鼓鑄一事小民乘此制錢不足之際私鑄小錢攙行於市貿易之輩深喜收大付小利獲暗中或屯積居奇或鎔製器皿以至制錢日見短缺加以官府復行循例禁止私鑄小錢銅錢週轉更覺不敷總之銀價跌落祇得聽其自然而制錢不能充足於市似可由國家補救也

一至補救一事此時已知有國家體恤商民之苦心立飭各省開鑪鼓鑄惟聞新錢未能通行各地恐難敷用其中擬請便通辦理妄列九端茲特逐款詳述於右

一係先由寶泉寶源兩局議定各省所鑄制錢工料如何配合均須一律其料似可攬和數樣如乾隆年間所用銅鉛錫白鉛之類縱其中間有一項價值忽有低昂而他項並無軒輊則所值仍可期平穩惟工料約與舊制錢相敵則新舊無甚出入矣

二所鑄之錢莫妙於用機器製造式樣仍仿舊錢而市廛通用時皆知其不過舊制新鑄亦喜其便於行使也

三係預先曉諭商民限以定期嗣後祇用新錢所存舊錢到時禁用

四鑄錢局須先期按時價收買舊錢或改鑄新錢或鎔化出售其料此外另

謹將中國制錢銀元及紋銀三項欠缺之由擬請如何補救各端特爲
論略詳列於後

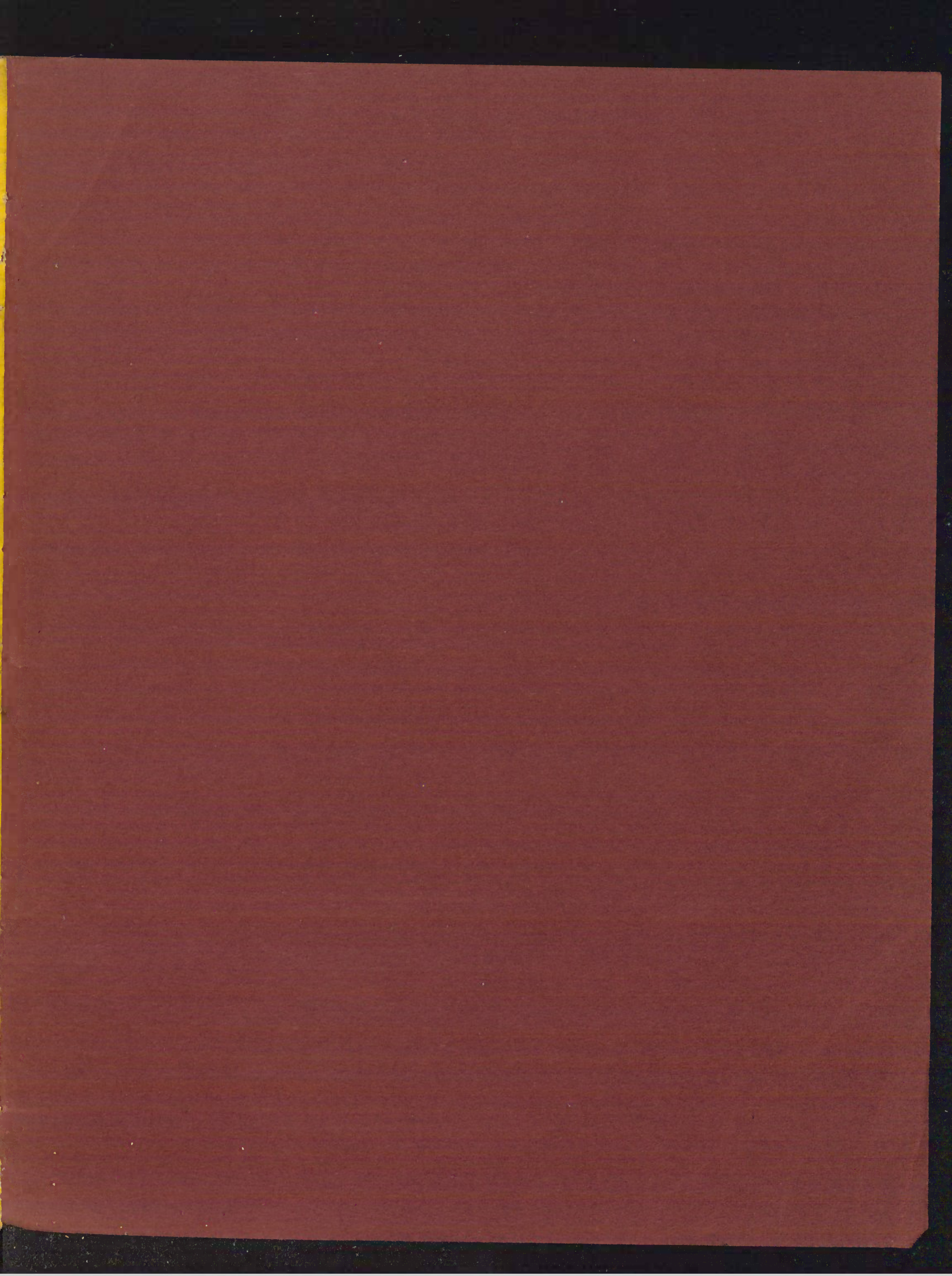
一 至湖北省銀元銅錢及銅錢台票銀元票均須劃一市價通行情形業經
本省撫部院於本年正月二十八日出示曉諭嗣又會同湖廣督部堂於
四月初一日出示一事查示中所言辦法意極良美倘能制錢復舊不致
加漲自於市面有益惟聞官民有窒礙之處未能辦妥殊可惜耳

一 至所擬劃一一事查從前泰西各國每金一兩可兌銀十有五六向以金
銀兩錢爲準嗣後英法德美以及他國忽更舊制僅以金錢爲準以至廿
年以來金銀市價參差無定雖中國亦然緣官民深畏今日如可劃一明
日即吃虧以致未能照辦就目前而論莫若暫准官民以錢一串按銀之
平色歸時價互換蓋泰西各國僅以金錢爲準實與各國有礙然亦難以
歷久將來仍須由各國會商議定金銀兩錢照舊一律辦理則彼時中國
銀銅兩錢於市價方可劃一也

一 至制錢加漲一事查宜昌一地八年以前制錢一千僅得宜平九九銀五
錢八分今則一串可得銀八錢六分以至商民深受其累若論制錢昂貴
既由於銀價跌落復由於銅錢日稀至銀價跌落之由實因泰西各國僅
用金錢均不重銀各國尚未會議照舊一律辦理雖中國亦無如之何至

II.—SPECIAL SERIES.

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