

in Honan and to employ the discharged men and the expenditure on their maintenance in extending the railway to Lanchow. The income from the mines and works started in Kan Su and from the completed part of the railway would be added. The cost of the section from Hing-anfu to Lanchow is estimated at 20 million taels. The rails cost 10,000 taels per li. The section from Chenchow to Honan-fu is being constructed by Belgians (about 300—400 li) who have contracted to advance the money or extend the line to Hing-anfu (800—900 li) at their own expense. The Chinese Government, however, wants to construct it with its own funds. An attempt to increase the land tax in this district proved a failure and had to be given up owing to disturbances.

The Viceroy declared that it would not be built for 20 years. It is supposed to have been settled in principle that it is to be extended to Urumchi, but no scheme appears to have been drawn up so far for raising the necessary funds. Great hopes seem to be built, too, on establishing mines and factories in Sinkiang and Kan Su for accomplishing the scheme. — The proposal of the Dzian Dziun Tchang for connecting Kuku Khoto and Urumchi by a railway is known here, but there does not seem to be much faith in its early accomplishment. It would be necessary to connect Ningsiafu with the same line and then extend this branch to Lanchow. The fact that the steel bridge at present being constructed over the Hwang ho was not commissioned to be built large enough to carry railway traffic indicates, however, that no optimistic dreams are being indulged in as regards a railway to such a distant place as Urumchi.

Regular steamer traffic between Tokto and Lanchow has been suggested, but so far no investigations have been made of the depth and currents of the Hwang ho and in general of the conditions for the realization of such a plan. The Chinese authorities have made a first step, however, towards solving the problem by undertaking to take over a tug of 65 HP and 10 tons at a fixed price, if it comes safely up the river to Lanchow. But as the order has passed through the hands of a third person for safety's sake, and the latter, as I am told, has shown his hand, the boat and the advance payment, instead of coming up the river, will probably come under the hammer. This unexpected aspect of the solution of the traffic problem has so far been kept dark by Splingerdt from the mandarins, who still expect the boat to arrive in the course of the summer.

The second point of the programme, that covering the military reforms, which the Viceroy is said to have been accused of neglecting by the dreaded Yuan Shih-K'ai in Peiping is, in my opinion, the one in which the most patent results have been achieved. They are said to have been carried out immediately after the appointment of the Viceroy to his present post. He was assisted in this work by Fou Tungling, an old officer, but apparently still possessing both energy and judgment. Three ins, which were declared to be »len dziun», were given the name of »tchang pei dziung», opium smokers and weaklings were discharged, a new division was introduced and they were brought up to full strength. Some officers and N.C.O's from Chihli and Hupeh trained the men according to European methods. Field exercises were carried out 6 times a year, 3 times during the 1st and 2nd Chinese months and as often during the 9th and 10th. There do not seem to have been any tactical exercises, but only training in the same style as the parade I have described at Urum-