The cloth mill is soon to be restarted. Meller, a Belgian, has been appointed manager. Both he and Geerst are paid 450 taels a month, a considerable salary according to Chinese ideas. In addition a foreman has been engaged at 300 taels a month and 2 workmen at 200 taels each, all three being Belgians. The factory area is very large and there are 20—22 looms. A large part of the old machinery is supposed to be in usable condition. Meller has left for Belgium to buy the rest of what is needed. The mill was built 30 years ago by Germans (Saxonians) and is said to have done well, but the Germans were not allowed to run it for long. Representatives of the Chinese authorities, to whom Europeans are always an eyesore, thought themselves sufficiently clever to assume the management with the result that the mill came to a standstill in a few months and is now only used for supplying current for a few dozen electrical lamps in the houses of the Viceroy and his 3 principal assistants. This toy has pleased them so much, however, that negotiations have been started for lighting the town by electricity.

It has been decided to pave the streets, though no final agreement has been signed yet. To prevent the new paving being demolished at once by the sharp wheels of the heavily laden arbahs, vehicles with loads will no longer be allowed in the town itself, the loads being carried to their destination by prisoners. Sewers and a water supply seem to be of little interest to the authorities. They are less showy and the Taotai is afraid of the dissatisfaction of the water-carriers, if they are deprived of work. This does not actually come within the sphere of improving industry, but once I have touched on reforms in the town, I must mention the building of the bridge. A steel bridge ordered from a firm in Tientsin is just being constructed. As already stated, it is not large enough to carry railway traffic, should that be necessary. The cost amounts to 108,000 taels in addition to about 200,000 taels for transport. It is characteristic that the Taotai does not dare to impose a toll on traffic crossing the bridge.

Iron is obtained in small quantities at Fing huang shan about 130 li N of Lanchow and is made into sheet-iron in the town. Experiments are being made on a small scale in the manufacture of candles and soap.

A sugar factory is planned in order to enable farmers to recoup their losses caused by the prohibition of opium by growing sugar beet. Experiments have been made, it is said, in the Viceroy's grounds, with very good results. Machinery is to be ordered, but so far the price is considered too high.

With regard to the fourth point, schools, it looks as though it had merely been decided what schools were to be opened and the dates, on which they were to start work. It is very difficult, of course, to form an opinion of the work done in the schools without knowing the language. But even a man who possesses a considerably better knowledge of Chinese than I evidently finds it difficult, for I visited most of the schools in the company of the Roman Catholic missionary van Dijk, and when I tried to compare my own impressions with his later, it seemed to me that his ideas were not much clearer than mine. A school of agriculture and mining has been established here, in Chinese »Nun kung hsiatang», formerly called »ta hsiao tang» or »ty yän hsiao tang». There are about 100 pupils between the ages of 16 and 30, all of them the sons of mandarins of higher or lower rank, including