

I was told, did not give way an inch even in such circumstances. Money that was subscribed in America, for example, is said to have been taken from the people to cover the taxes. Such heavy freight charges were imposed on the rice that was sent from the south in accordance with orders from Peiping, that nobody could buy it. While people were dying of hunger in the streets and on the roads, the rice lay rotting, badly stored and already in a bad state when it arrived. Possibly it may be used again for a similar farce, should there be another famine in some other province. Children were slain and women were sold for a song. The Dungans are supposed to have earned good money by exporting women to parts of Kan Su, where they were scarce.

During the last few decades a great many people are said to have immigrated from Shantung and founded whole villages N of the Wei ho and in the northern part of the province. Silk was produced even earlier on a small scale on the N bank of the Wei ho and this has been considerably increased by immigrants from Shantung. — There is said to be ginger in the Baotsi neighbourhood, oranges and sugar-cane in the Hanchung valley. The latter is said to be very fertile and prosperous.

Since the last Russo-Japanese war a considerable number of Japanese have appeared in the province. I heard of 3 staying for 15 months and 1 for 5 months at Pingliang on their way westward, to study the Russian frontier, so it was stated. 3 lived in Si-an-fu 3 years ago and 7 a little later. They visited the surrounding neighbourhood frequently. There are 3 at present at San Yuan, 3 are in charge of the oil wells, 8 (?) are teachers in Si-an-fu and the prospective Si-an-fu — Tung Kwang railway was surveyed by Japanese. Seeing that the introduction of modern reforms has been effected far less energetically here than in Kan Su, they cannot be considered to play a more important part than the Belgians in Kan Su.

The information I obtained concerning the principal items in the *official* budget of Shensi is as follows:

<i>Revenue:</i>		<i>Expenditure:</i>	
Land tax — 2,600,000 (1,800,000)	..	Salaries to mandarins, civil and military	
Opium — 2,700,000 (sent to Peiping)	authorities	1,300,000 taels
		Annual subsidy	
Likin — 500,000 (5—600,000)	to Lanchow	3—400,000 »
		Annual subsidy to Sinkiang	400,000 »
			(500,000) »
		War contribution	4—500,000 »

The subsidy to Lanchow is said to be paid annually since the time of Tunchi to help that province to recover from the destruction it suffered during the Taiping rebellion. — The annual subsidy to Sinkiang was formerly only 200,000 taels, but was increased not long ago to 400,000 taels. — The amount of 1,300,000 taels under heading of »Salaries to mandarins, civil and military authorities» includes Ku yuen tidu for maintenance of troops 300,000, annual contribution to Peiping 8—900,000. The amounts allocated for maintenance of troops seem very small. Indeed, this budget that I was able to draw up