

INDO-CHINA'S DESTINY.

What is happening in Indo-China? The sparse reports which are finding their way to us allow to form but an approximate idea of the position this country is at present occupying in the world.

It is a great country, covering 740,000 sq-km; it is as large as France, Belgium, Holland, Denmark and Portugal taken together; about 28 million people are living there; that is more than half of the population of the whole of France. This alone would suffice to awaken the interest in the fate of this country; but what is of more importance is its geopolitical situation as an Indian bridge-head on the Pacific, its strategic position commanding the entrance to western China from the continent and controlling the maritime route from the Suez Canal to the Far East. From the military point of view Indo-China is extremely weak; at any time she can fall a prey to any strong naval power. The French were unable to defend her without foreign support, just as the Dutch were unable to defend their Indian archipelago. This fact was one of the most important reasons for the dependence in which France and Holland were held by Great Britain with respect to their foreign policy.

Events on the European theatre of war in the first years of the second World War had changed the whole situation in East Asia all of a sudden. In the autumn of 1940, France, Great Britain and also China were first pushed back. Indo-China was practically taken into possession by Japan, occupying the aerodromes as well as the harbours. The surrender of Japan in the summer of 1945 has, however, reestablished the pre-war status with France as the sovereign power of Indo-China. According to newspaper and broadcasting reports the Indo-Chinese population have taken up arms against France. Up till now only Great Britain has responded to her request for assistance from her Allies.

The most important feature in Indo-China's history of the last century is the fact that the transition to French domination was accomplished by conquest. Apart from a military ascendancy there existed no other reason for it. This is a very essential factor. When the French or the English conquered either North America, Australia or Central Africa, they had to deal with uncivilized countries, or at any rate with countries lacking any national organization in the European sense of the word. To regard the chieftains of the Negroes and Red Indians as equal political partners could in no case be expected from the European governments. An incomparably higher level of spiritual culture (Christians as opposed to heathens) and civilization (Europeans as opposed to cannibals) motivated and justified in itself these colonial conquests.

But history provides us with still another motive for wars of conquest which, by the way, holds good everywhere in Europe as well as in the colonies. Should a neighbour, whoever he may be, injure the vital interests of a nation, this nation must needs take counter-measures - even to the inclusion of a conquest. In this way, for

instance, the conquest of Abyssinia had been motivated by the Italians, and the conquests of the Boer Republics by the British and of ALGERIEN by the French.

Not one of these two motives is applicable in the case of Indo-China as to the French invasion. In the middle of the last century the Kingdom of Annam formed the bigger part of the present territory of Indo-China. Though it had separated from the Chinese Empire in 1801, it had never been recognized as an independent state by China. The smaller part of Indo-China then belonged to Siam. All three were proper states with well organized administrations, entertaining proper political and diplomatic relations with the European powers. All three were heirs to fine ancient cultures and adhered to high spiritual religions which only fanatical missionaries could regard as "paganism". The antique Khmer realm, which in by-gone times ruled spiritually and politically over the whole of Further India, had its Caesars and Napoleons, its matchless temples and palaces already at a time when France and the French were as yet unknown quantities.

No doubt, the modern inhabitants of Indo-China bear the same relation to the old Khmer culture as do the modern Greeks to the classic culture of the Hellenes. However, it would be just as strange to call the Annamites of the Indo-Chinese sphere of civilization "savages" as it would be to do so with the Greeks of our time in the European sphere of civilization. The French themselves admitted that they found a highly developed civilization and political organization in Annam.

The first French governors-general intended to govern there "with the mandarins and not against them", the Annamite internal administration and laws should remain unimpaired under the French protectorate accordingly. This roused the indignation of some of the young colonial officers, among them Lyautey - who in later years attained to great fame - and who in the nineties came to Tongking. "Are we then to prolong the former despotism and exploitation of the mandarins", he asked. However, Governor Laversan set him right by saying, "The despotism we shall abolish in time; but to destroy the existing organization and a legislation which is thousands of years old and both of which are well adapted to eastern conditions and not at all so bad, would be rather foolish". From the earlier history of the conquest of Indo-China we know what deep impression the exquisite exotic culture made upon many Frenchmen who came in touch with it. The number of the opponents of the occupation among the staff of the occupation army was by no means insignificant in the seventies. When the famous Mekong explorer Franzis Garnier made his dare-devil attacks on the fortress of Hanoi in 1873, his friend Senior Lieutenant Philastre wrote to him from Saigon, "You infringe the rights of Annam in Tongking". "Are you not doing the same in Cochinchina", answered Garnier.

Certainly, Philastre knew that also in Cochinchina all rights were violated; but he, at least, did not want to continue violating them. After Garnier had been killed before the gates of Hanoi, Philastre, having been delegated in order to liquidate the expedition, made peace with the Annamite government and evacuated Hanoi without delay. He soon took his leave and devoted himself entirely to the study of Annamite and Chinese culture. Science owes him many valuable works.

It is also not without interest to know that after the spoliation of the precious Chinese works of art in the Peking Summer Palace in 1860 by the French occupation troops, the French and their allies

were called throughout the Far East by no other name but "White Barbarians". Then, not the French considered the Annamites as "savages", but the reverse was the case.

Though we have, therefore, no reason to speak of Annamite "savagery", there still remains the question to be investigated concerning the violation of a neighbour's interests. Did any such interests exist for the French before their coming to Indo-China? Decidedly not. They had only the wish to compensate themselves for their lost Indian paradise, for that Franco-Indian Empire which had been so gloriously founded and got lost so ignominiously. Besides, there was still their wish to find a new trade route to western China across the Mekong or the Red River respectively. The activity of the French missionaries in the 16th century had led to a direct interference with internal Annamite affairs, to the kindling of the twenty years civil war. This was the work of Pierre Pigneau, the famous bishop of d'Adran. He was a fine representative of the old colonial school, a monk and a soldier, a marvellous organizer, a good Roman Catholic and a zealous missionary, who, in addition to the Christian Commandments, instructed his Annamite brethren in the rules for bayonet-fighting.

Furthermore, it should not pass unmentioned that Annam had been taken away not only from the Annamite but also from the Chinese. On the instigation of Annam the Chinese government claimed their sovereign rights themselves. The occupation of Tongking in the eighties resulted in a war with China. Only by means of the rice blockade of the Celestial Empire did the French succeed in obtaining China's renunciation of her sovereign rights in 1885. This renunciation was by no means a voluntary one. What value can be attributed to such renunciations is only too well known.

The history of the Franco-Siamese relations is but a repetition of Indo-China's relations with China, although on a smaller scale. There too, existed a number of wars of conquest which had overthrown the old legal status. Cambodia, the former centre of the Khmer realm, once ruled over Annam as well as Siam. Later on it was incorporated into Siam. In the middle of the last century Cambodia was a semi-independent state, being a vassal of Siam. This found its outer exponent in sending the state's insignia - the golden word, the crown and the state's seal - into the safe keeping of the capital of Siam, Bangkok.

Cambodia never possessed any military power; so it did not cost the French any trouble whatever - after having occupied Cochinchina - to force the King of Cambodia to set his signature under the secret protectorate contract. This contract should remain a secret because its author Admiral de la Grandière was not even entitled by his government to do so. Vital interests could by no means be involved in this case.

Soon after, the Siamese envoy in Cambodia was forced to renounce the control of the Cambodia government. This was done in a little graceful manner. Lieutenant Doudart de Lagrée landed with about two dozens of sailors in the then capital of Cambodia, Oudry, and demanded from the Siamese envoy the handing over of all the documents which he had received in his capacity of "protector". When the Siamese envoy refused to do so, the lieutenant pointed his revolver at him granting him two minutes grace. The documents were handed over.

Soon after, sword, crown and seal were likewise delivered. In 1867

Siam recognised the French protectorate over the western part of Cambodia, reserving at the same time her rights on the eastern part as well as on some part of Laos and the other semi-independent Kingdom of Luang Prabang. All these disputed territories Siam was forced to cede in 1893 after a French squadron had appeared before Bangkok (Siam), menacing with its guns her temples and palaces. Only the protest of Great Britain which was by no means willing to suffer the French as the neighbours of Burma, saved Siam at that time from a complete occupation. In 1902 the French definitely consented to the maintenance of the "unviolability" of Siam which gained them once more a part of Laos. After the conclusion of the "Entente Cordiale" they again supplemented their possessions at the expense of Siam. As title to all these territorial acquisitions the French each time claimed the rights of Annam which France had acquired "by contract", but in fact by conquest.

The unavailability of the impending Asiatic integration was felt best by the French themselves. They knew very well that their position in Indo-China would eventually become an untenable one. In his book "Deux Campagnes au Soudan Français", published in 1891, the young colonial officer Gallieni, the deliverer of Paris in the First World War, wrote, "The day may come when Europe, pushed out of Asia by the constantly growing pressure of the yellow race, will find its last foothold in Africa. . . . That country will then be the most powerful that was the first to take these possibilities into account."

This was not merely a presage, but a whole programme. The geographer Reclus formulated these ideas still more distinctly in a treatise which bore the characteristic title, "Lâchons L'Asie, Gardons L'Afrique". It was then the time of the struggle for Lake Tchad, the mastering of the Sahara, and the first move in the direction of Morocco. The subsequent consolidation of the African Empire was nothing else but the preparation of a colonial reserve position in the event of an abandonment of Asia, i.e. of Indo-China.

The creation of large-scale spaces is always a twofold problem: a political on the one hand, and an economic on the other. The purpose of every reorganization is the co-ordination of the political and economic tasks of the single spaces for the benefit of one leading idea, of one uniform plan. What efforts have the French made for the economic organization of Indo-China ?

It would be wrong to judge this question only from the angle of economic relationship between France and Indo-China. No doubt, Indo-China plays a comparatively small part in the French balance of trade. However, there are certain limits to the development of commercial connections which cannot be shifted at discretion. It would be absurd to ship coal from Indo-China to France solely for the sake of an imperial autarchy, while it would be possible to sell it at a better profit to China or Japan, or to the steamers passing by. This absurdity would be the greater as France and all her colonies form a financial unit and, consequently, all foreign exchange falling to the share of one colony benefits the mother-country directly. The question must be differently put, viz. whether the output of coal in Indo-China has increased or not. Well, it has increased. During the last years more than two million tons have been extracted annually.

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For similar reasons France was not able to buy all the surplus of rice in Indo-China.

Indo-China is a typical Asiatic rice producing country. Every year about six million tons of rice are harvested; about 1.8 million tons are exported, only about 300,000 of which to France, the rest mainly to other Asiatic countries. Is it fair to reproach the French for having imported not enough rice from Indo-China when they bought their rice exclusively from that country? Even a Frenchman cannot eat more than he is able to digest!

There remains still one question to be answered: do the Indo-Chinese eat more or less rice to-day than they did formerly? It is difficult to give an exact answer, for exact statistics are seldom to be found on the Asiatic continent.

The first sign of a growing prosperity of a country is always an increasing birth-rate. According to French statistics the population of Indo-China increased by 1.5 millions during the years 1931 to 1936 (from 21,500,000 to 23,000,000). The annual increase amounts to 1.42 per cent. accordingly. This is almost the same percentage as in Japan proper (1.44 per cent.), more than in British India and Burma (1 per cent.), and considerably less than in the neighbouring Siam (2.9 per cent.). In any case one may speak of a normal increase of the population of an Asiatic rice producing country. According to some unbiased observers a slight tendency to augment the increase is visible, e.g. infantile mortality is on a decrease, especially in the towns.

There is no doubt that the French have worked in Indo-China, and this work has not remained without bearing fruit. Since their appearance in Indo-China, the area in which rice is cultivated has been augmented by 2 million hectares. This was accomplished, though, in the course of 50 years; but even after 1930, the years of depression, the total rice cultivated area of the country has likewise increased by 250,000 hectares. In 1937/8 it amounted to 5,643,000 hectares. During the last 50 years the rice crops increased by 1,500,000 tons. The average yearly consumption of rice totaled 200 kg. per head; this is about the same amount as in Japan (there exist, however, districts in Indo-China with a permanently undernourished population where the consumption is considerably less - up to 90 kg. per head annually).

Since the end of the First World War up to 1930 the budget of Indo-China had trebled and the export trade had doubled. Within this time more than three milliard francs (paper francs, the equivalent of about 500 millions in gold) have fallen to the share of this country.

From 1924 to 1930 the caoutchouc cultivated area has increased from 33,000 to 125,000 hectares; the crop of raw caoutchouc reaching 60,000 tons. This is almost the annual consumption of France. But even if the bigger part of it is not exported to France, but to America and Japan, it does in no way alter the matter. The plantations are there and also the caoutchouc is there.

Apart from the production of coal, the production of manganese-ore and wolfram, of gold, silver, tin, zinc, salt, antimon, etc., has been raised during the same period; the trans-Indo-Chinese railway has been completed, some important side-lines as well as many high-roads have been constructed.

Are these no achievements? To be sure. But facts and figures alone will not decide anything; their value can only be estimated by means of comparison. And here we see that the neighbouring Siam, the area of which is smaller by 230,000 sq-km, and the population of which is smaller by 2,500,000 people, possessed an equally well developed railway system in 1935 (Siam - 3,100 km, Indo-China - 3,154 km).

The average yield of rice per hectare and per annum in Indo-China amounts to 1,200 kg., in the neighbouring Siam, however, to 1,620 kg. How can this discrepancy be explained? Are the natural conditions in French Indo-China worse than in Siam? No, they are not. The French themselves declared that the cause of the backwardness in Indo-China is to be attributed to the poverty of her peasants and the want of any credit-organization. Is it, then, that the Siamese have a better understanding for credit transactions than the French?

And finally: the population of Siam is growing at a quicker rate than the population in Indo-China.

Here we find the answer to the question for the economic achievements of France in Indo-China. They should not be belittled. An yet an Asiatic neighbouring people was able to accomplish more although it had at its disposal neither the huge financial resources, nor an advanced technic, nor the experience in questions of organization of a first-rate European power. The inference to be drawn is a self-evident fact. And of which kind this inference is any school-boy in Indo-China will unhesitatingly tell you.

For political reasons France cut off Indo-China from the rest of the world as far as possible, prohibited the import from neighbouring countries and did practically nothing to further the development of commerce, industry, trade and agriculture. First and foremost Indo-China's agriculture, her wealth proper, was in a deplorable state, mainly on account of insufficient financial means. No measures were ever taken by the French to keep in check the catastrophes of nature, especially the floods which destroyed year by year not only a large part of the crops, but also the dwellings of the peasants and their cattle.

A furtherance of agriculture, industry and trade was also impossible owing to the lack of the requisite institutions for scientific research and technical personnel.

Will this alone not be sufficient to question in the eyes of the Annamite population the talent of the French for organization?

Was it really necessary that foreign agents should set aflame native nationalism in all Asiatic colonies? Is it really to be wondered at that the revolutionary nationalists of Annam turn their eyes to the United States of America?

The drama of the integration of the Pan-East-Asian sphere unfolds before our very eyes. Korea - Manchuria - China - Indo-China - these are all but single acts - and many are to follow yet.

Berlin, 29th October, 1945.

(Huynh van Khoa)

Indo-China's Economic System

Ranging only second to North-Africa, Indo-China is the most important part of the French colonial empire; her natural resources, as yet hardly explored, are very great. How, then, is it possible that about this colony so little is known in Europe and America, a colony which is one and a half times the size of France and has a population of 26 millions? It is due to the French policy of isolation and exclusion of other parties interested in colonies.

Indo-China has a good system of roads (about 10 000 km.) and an extensive railway-line following the coast (a single-track line, though) from Saigon to Hanoi (1,700 km.); starting from Hanoi two lines have been pushed forward towards the direction of China:

Hanoi - Yunnan	800 km
Hanoi - Longson	150 km.

Two rivers are crossing the country, the Mekong and the Red River, the delta-estuaries of which offer specially favourable conditions for the cultivation of marsh-rice and constitute the main districts of settlement. Here are also situated the most important towns and ports:

Tonkin	(Hanoi.....	149,000 inhabitants	
	(Haiphong	70,000	"
Cochinchina	(Saigon	111,000	"
	(Cholon	145,000	"

Agriculture - Cultivation of Rice

Indo-China is a typical country for agrarian products and raw-material. At present agriculture plays the leading part and will probably do so in the future.

Every year about six million tons of rice are harvested; about 1.8 million tons are exported, 300,000 tons of which to France, the rest mainly to other Asiatic countries. Is it fair to reproach the French for having imported not enough rice from Indo-China when they bought their rice exclusively from that country? Even a Frenchman cannot eat more than he is able to digest!

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There is no doubt that the French have worked in Indo-China, and this work has not remained without bearing fruit. Since their appearance in Indo-China, the area in which rice is cultivated has been augmented by 2 million hectares. In the area of the Mekong-delta alone the measures taken for the prevention of catastrophic floods have resulted in an increase of the rice-plantations from 800,000 hectares to nearly 2 million hectares. This was accomplished, though, in the course of 50 years; but even after 1930, the years of depression, the total rice-cultivated area of the country has likewise increased by 250,000 hectares. In 1937/8 it amounted to 5,643,000 hectares. During the last 50 years the rice crops increased by 1,500,000 tons. The average yearly consumption of rice totaled 200 kg. per head; this is about the same amount as in Japan (there exist, however, districts in Indo-China with a permanently undernourished population where the consumption is considerably less - up to 90 kg. per head annually).

Among the world's biggest rice-growing countries Indo-China ranges third behind British-India and Siam.

The output of rice per hectare (on the average 1,190 kg.) is rather low if compared with other rice-growing countries (e.g. Japan with 3,830 kg.). It could be raised considerably without any difficulties by a more careful selection of seed; and also the rice cultivated area could be enlarged by approximately one million hectares. However, in this case the construction of an extensive irrigation system would be indispensable.

Surplusses Derived from Export of Raw Materials

France's endeavour to expand the export of raw materials of this area in order to strengthen with the profits of the foreign

trade the basis for a more intensive internal colonisation, met with success only at a time when war conditions were conducive to the creation of reserves.

Indo-China's production of caoutchouc, e.g., suffered, ever since the Hevea plant from Brasil was first cultivated in the years 1906/7, from the competition of the old caoutchouc-growing countries. The French export, too, had to suffer from it, and although the caoutchouc export increased from 214 tons in 1913 during the last years to approximately 30,000 tons, the hope of being able to increase the French export to 40,000 tons p.a. did by far not come up to the expectations.

Already in 1937/8 Indo-China's balance of trade showed a surplus of 500 million francs; in 1939 it increased to ffrs 1,200,000,000 owing to augmented purchases of raw material from France and, above all, from Japan and China.

The import of the year before the outbreak of the war comprised, in the first line, metal goods (ffrs.255,000,000) - consisting of semi-manufactured goods (ffrs.78,000,000), machinery and spare parts (ffrs 65,000,000), small-iron goods (ffrs.78,000,000) - and in the second line of textiles (ffrs 120,000,000), chemicals (ffrs. 107,000,000), and motorcars and bicycles (ffrs.76,000,000).

The total value of imports in 1937 was stated at ffrs. 1,578,000,000.

Up to a few years ago the French policy quite clearly aimed at raising the capacity of the country to absorb export goods from the mother country. It seems as if the promotion of the finishing industries of Indo-China had to range behind this endeavour. When, several years ago, the possibilities of an industrialisation of Indo-China were investigated in an article in the "Bulletin Quotidien" it was stated that France had invested in this area 249 million gold francs from 1888 to 1918, and that she invested a further six milliards in the economic branches of this country from 1918 to 1936; however this promotion was confined to the exploitation of raw materials. In this field the greatest chances were offered and the biggest profits were obtained.

The company "Charbonnages de Tonkin", exploiting on the "Along-Saie" a concession of 22,000 hectares and anthracite mines at Tonkin, was, e.g., able since 1919 to distribute five times its capital in the form of bonus shares and to pay a dividend of more than ffrs. 20,000 per share ever since.

Such instances gave a stimulus also to other mining branches; this, however, clearly shows how much mining activity in this scarcely explored country is based upon speculation.

Indo-China's Industrial Power

Natural Resources
(little explored)

Mining

Coal is only part of the natural wealth of the country. The output in the year 1938 totaled

	5,600 tons of zinc
	1,500 " " tin
	50,000 " " phosphate
apart from 26,000,000	" " coal.

Besides Indo-China possesses deposits of precious metal, copper, lead, and chromium-ore.

Before the first World War several thousand tons of copper-ore had been exploited in the district of the Black River; since then the exploitation of these deposits has been stopped. This incident may be regarded as typical for the methods with which mining has been carried on in Indo-China, viz.:

- 1). with insufficient financial means
- 2). " " means of transport
- 3). " " scientific research work.

All this has often led to set-backs, closings-down, etc., and has induced the French to invest only in absolutely safe enterprises.

Apart from coal-pits, tin and zinc-ore mines have proved to be profitable. In 1924 a refinery for the smelting of zinc-ore with a capacity of 5,000 tons p.a. was erected at the coast opposite Haiphong (Tonkin), conducted by the "Compagnie Minière et Métallurgique de l'Indochine", head office Paris, capital stock frs 16,000,000.

The metal extracted from zinc-ore amounted to 15,000 tons per year already in 1913. It sank to 5,200 tons in 1936 owing to the closing of mines in the hinterland of Tonkin, but increased again to 5,800 tons up to the year 1938 on account of the intensification of the exploitation of the mines of Cho-dien (Tonkin), the only mines working at present. The smelting is at a considerable disadvantage by the expenses of the long transport of the ore (small gauge railway to the coast and from there transport by ship), a short-coming which is balanced apparently only by means of cheap labour.

A broader field of activity with evidently greater prospects offer the tin deposits of Indo-China; several commercial foundations of the haute finance in Paris are occupied with their exploitation. Some concessions date from the time before the first World War. The most important companies were, however, founded within the last 15 years only. With a few exceptions, the profits gained up to 1936 were not encouraging for further investments, however, owing to the price tendency on the world market and probably also to an improved technical equipment most of the companies worked with profit during the last years. All accrued debit accounts could be settled and dividends paid reached partly a considerable height.

Thus "Etains et Wolfram de Tonkin", a company founded in 1911 with a capital of 27 million ffrc., was able to pay for the first time after the war a dividend of 10 per cent. Up to the year 1932 the company always worked with loss account. In 1936 a dividend of 5 per cent. was paid, increasing during the following years up to 35 per cent. in 1938, while deductions made for depreciation reduced, at the same time, the book value of the equipment from 25 million ffrc. to five million ffrc.

The company with the biggest capital stock, founded in 1926, is the "Société des Etains de l'Indochine", Paris, which holds the capital of the "Compagnie Foncière des Etains de l'Indochine" of ffrc. 40,000,000. In the years 1930/31 the company returned a small net profit, but worked with loss from that time onward.

The company "Société des Mines du Haut-Tonkin", founded in 1902 (with a capital of 3,8 millions) obtained comparatively favourable results. After years of an evenly balanced profit and loss account the company distributed a surplus of ffrc. 177,000, amounting to 1,1 millions in 1937, and 9,35 millions even in 1938.

The company "Les Etains de Pia-Quac", founded in 1929, was able to reduce its loss account from 1936 onward.

The company "Société des Etudes de l'Exploitations Minières de l'Indochine", established in 1920 with a capital of 15 million ffrc, is working since 1933 with a net profit (at that time ffrc 947,000) in 1937 it amounted already to 7,52 million ffrc, and in 1938 to 3,18 million ffrc with an output of 662 tons.

Thus, on the whole, tin mining showed during recent years a considerable yielding capacity. The question whether this may give an impetus to the exploitation of the other natural resources can hardly be answered, as this deposits (the exploitation of manganese

ore totaled 200 tons only, the production of gold 100 kg. in 1938) are little explored and, above this, are lying far away from the traffic.

Iron-Ore

Iron-ore is found at various places in Indo-China; deposits are exhausted at Kebao (Tonkin), in the vicinity of the coal fields, near Caobang, as well as near Longhet in northern Tonkin.

The ores, especially haematite and magnetite, yield 50 to 60 per cent. of iron. A few years ago the Anamese iron-ore deposits of Yen-Gu and Thanh-Hoa were opened up; furthermore, a large deposit was newly discovered at Bao-Ha on the Red River (Tonkin) near the Chinese frontier.

The working began as late as 1935 and very quickly increased within the last years, aggregating 91,000 tons already in the first half of 1939.

Gold and Silver

Gold and silver are found in Indo-China in negligible quantities only (in 1939 a total of 251 kg. of gold and 26 kg. of silver). About one third of this production is washed out by the native population in the insignificant stream-works dispersed over the whole country. The main part is derived from auriferous quartz-seams at Bong-Mien in Anam, which are exploited by two companies. The ore exploited here contains about 10 g. of gold per ton and, at the same time, some silver.

Precious Stones

Also precious stones, especially sapphires, rubies and zircons are found in Indo-China. During the first six months of 1939 the value of these minerals totaled \$ 42,000.

Industrialisation in its Infant Stage.

In recent years the smelting plants have more and more become the focal points of industrial activity.

Sawing-mills and textile-factories, brick-yards, cement-works, salines, match-factories, breweries, soap-factories, cigarette-factories, and even one glass-factory are the beginning of an industrialisation attuned to an inland market which cannot absorb great quantities and lacks the impetus of money investment in new enterprises. The preponderance of military considerations only imparted a stronger impulse to the attempts at industrialisation. These considerations have led to the erection of an aeroplane-

factory, in the neighbourhood of Nanchi which is said to construct 150 planes annually employing 3,000 workers. Furthermore, a cartridge-manufactory is in process of construction.

There exist still more plans for the construction of motorcar-assembly-centres, and French quarters indicated that the erection of jute and paper-factories as well as of fruit canning factories was considered to have good prospects. It is, however, pointed out in this connection that these new foundations in Indo-China will have to reckon with the Japanese competition and with the strong influences radiating from the industrialisation of the Dutch-Indies.

The French policy of reserving the Indo-Chinese market above all for the sale of French goods, a policy which may have slackened the expansion of the textile industry of this country, will probably continue to make itself felt also in the future.

It remains to be seen, however, to what an extent Indo-China with her effort at industrialisation will be successful in meeting the great demand of Japan and China for raw materials by a delivery of corresponding finished goods instead.-