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Chinese Provident Clubs.

By JAMES WARE.

HERE are many societies in China which claim to be provident institutions. The various secret societies which have, from time to time, nearly upset the present Dynasty, including the great Triad Society which brought about the T'ai-ping Rebellion, and later still, the Kaolao Huei and the I Ho Chuen Boxer Society, posed originally as benevolent institutions, formed for mutual aid and protection. Doubtless many of these societies were originated with good motives. For instance, a certain clan would combine in order to assist one of its families out of temporary legal or financial difficulties, or against the oppression of a neighbouring clan. But after the crisis had been safely passed, instead of disbanding, the society having successfully attained its object, would take on a permanent form and become strengthened by the addition of other friendly clans. It would be easy to show how such a combination of forces under an influential leader could become both anti-dynastic and anti-foreign. Speaking of the strength of such organizations a Chinese proverb says :—

“The wealthy have no more power to suppress village clubs
Than the mountains have to hide the sun.”

Such societies do not come within the scope of our present paper, however, as we are now dealing with purely social or mutual-aid clubs, organized to assist a member over a debt, or to meet coming liabilities. Chinese friendly clubs are called by various names according to the rules of their organization. The following are among the most prominent :—The Yearly Club (年會), Monthly Rose Club (月月紅), Draw-in-the-foot Club (縮脚會), Single Knife Club (單刀會), Select Club (平頭會), Sons of Palace Club (子宮會), Six Leaders Club (六總會); and the Inlaid Silver Club (鑲銀會). The clubs are commonly spoken of as “Willing, or Free Clubs,” (原力會), or “Shake Clubs” (搖會). They are also frequently included under the name of “Flat Peach Clubs,” a name which is said to have had its origin in the legendary banquets of the Western Royal Mother of Antiquity, when she invited Han Wu-ti and the Eight Genii, to each of whom she gave some flat peaches out of her own garden. But from signifying a merely social function, the name was finally used to designate various societies and clubs, in which feasting occupied a prominent part. As the Tsung Huei, or United Club, is the most popular, we will notice this first, illustrating it with a case that has come under our notice.

A certain well-known native was in urgent need of increased capital in order to save his business from collapsing. He invited five friends to co-operate with him in forming a club. He, being the prime mover, was called the "huei tsung," or manager, and was said to "carry the wind and fire," which means, to bear the responsibility. In plain English we should have called him "the man who raised the wind." The five friends co-operating with him were called "siao tsung," under managers. Each of these with the manager then invited four other friends to join them; twenty-four in all, who were called by the poetical name of "huei kioh" or "huei san;"—"club feet," or "club scatterings." Thus we have thirty members in all. Each of these became responsible for a ten-dollar share. But as some were not able to maintain the large monthly subscription of ten dollars, they divided their shares with other friends until the total number of persons directly interested was forty-five.

By the rules of the Club no member was allowed to take more than one share, but the manager overcame this difficulty by taking two other shares in the name of relations. The first 300 dollars subscribed was handed to the manager. This was free of interest, on account of the responsibility he was supposed to carry, he being held responsible for the failure of any other member. If he had had but one share he would not have been allowed to participate in the drawing for the second month's subscription. But his other shares gave him two other chances. Commencing with the second subscription the drawing was by dice throwing. Each member was allowed three throws only. Strange to say, at both the second and third drawings, the manager threw the highest number. No suspicion attached to him, however, on account of his good fortune the members being perfectly satisfied that he had won fairly. He was now indebted to the club to the amount of 810 dollars being 27 shares at 30 dollars per share. This he was required to pay back in 27 months at the rate of 30 dollars per month, plus three dollars per month interest, being a half per cent. upon his second and third drawings.

The manager had now used up his shares and, of course, could take no further part in the monthly drawings. But he had to send in his subscription every month, plus interest, other members taking the prize. All went well for ten months, by which time he had paid back 300 dollars. But at the 11th monthly meeting he sent word to say that his funds were exhausted, and he was bankrupt. Including the manager's three chances, thirteen drawings had taken place. The winners included all the under-managers, for the rule was, after the founder had been disposed of, the under-managers and the "feet" took alternate drawings, until the former were all disposed of, when the "feet" had the drawings all to themselves. Foreigners would have thought it a little suspicious, that the first two drawings in a game of chance should have fallen to the founder of the club in succession, and that his resources should have just held out until his colleagues had all received their subscription back in full. The announcement of his insolvency was a serious blow to the seventeen unpaid shareholders, who had paid into the club no less than 130 dollars each, and naturally

there was a great outburst of rage against the delinquent. Several of the members went to his house in a body and proclaimed their intention of staying there until he had refunded what he owed them. This is a purely Chinese custom, and we have heard of a case in which a man's house was taken possession of by a crowd of claimants for two weeks, during which time they caused him an endless amount of worry and expense, as he had to feed them, besides causing him to lose face among his neighbours. In the case before us, some threatened law, but this would have been useless as magistrates openly refuse to adjudicate upon "tsung huei" cases, on account of the number of litigants usually involved. Some of those who had received a drawing paid back what they owed promptly, others procrastinated, and to this day we know of several persons who are out considerably and who are likely to remain so.

We will now give a short description of the other clubs mentioned in the opening of this paper. The Annual Club:—This is one of the oldest clubs in existence and was doubtless originated in the country for the purpose of assisting small farmers. The meeting is called immediately after harvest and is composed of six persons only. Each subscribes 10,000 cash which is given to the one in whose benefit the club was formed. They then decide by mutual consent to whom the next year's payment shall be made. Thus each one receives his turn, until at the expiration of six years, the members having all been paid, the club is dissolved. In most of the clubs a member is allowed to sell his turn if he should not be needing the money at the time he gains the prize, but he is not allowed to sell it more than once.

The Monthly Rose Club is similar to the Annual Club, except that its meetings take place monthly. It is named after the monthly rose.

The chief characteristic of the Soh Kioh Huei, or Draw in the Foot Club, is that the subscription of those who have not won a draw diminishes annually, while it increases proportionately in the case of those who have drawn.

The Tsz Kung Huei or Sons of the Palace Club, is composed of five members who pay their subscriptions on a sliding scale. Say the total amount subscribed by each member is 30,000 cash. This will be paid in five months in sums of 8,000, 7,000, 6,000, 5,000, and 4,000 cash. The one who pays a large amount one month pays a smaller the following month, and *vice versa*. The Single Knife Club, or as it is otherwise called, the Equality Club, is only for the purpose of raising a private loan on behalf of a friend. It is not called a loan, however, as this would sound *infra dig* in the ears of an intimate friend. If the sum required is 100 dollars, this will be subscribed by ten friends who pay ten dollars each. No meeting will be held after the first, and the money will be returned in ten months, each man receiving one dollar per month. No interest is as a rule asked for in this case.

The Hsiang Yin Huei, or Inlaid Silver Club, is formed to help a friend over the marriage expenses of a son or daughter. The announcement calling the meeting reads, "The gold under the head of the bed is exhausted; we have not sufficient by a large amount."

One peculiar club, called a Meat Club, is for the purpose of providing the members with meat during the New Year's festivities. Ten men make up five dollars between them. This money is used to purchase material with which to construct a huge theatrical dragon. Some of the men will get into its body and with others beating gongs they will promenade the principal streets, until by their peculiar antics they have collected some 20 dollars. This money is loaned out, and the interest is used to purchase meat with at the next New Year's Festival. As the Dragon Festival takes place between the 1st and the 18th of the 1st moon, the interest is accumulating for nearly a whole year. The idea of the meat club is akin to that of the goose clubs of Old England.

Since I began this paper I was talking over the subject with a friend who interested me by saying that he had heard of clubs being started in Scotland exactly on the same lines as those just described. For instance, a woman would find herself unable to meet her rent of say one pound. She would call together ten friends who would subscribe two shillings each, which would be handed to her. The next month the amount would be raffled for, and so on every month until all had been repaid. This illustrates the statement of Mr. John Fiske in his "Discovery of America," that "human minds in different parts of the world, under the influence of different circumstances, develop similar ideas and clothe them in similar forms of expression."

The Ku Song Huei or as its name implies, Funeral Club, is usually formed to assist poor widows. Directly after the funeral, her friends will meet and decide how much money or rice they can allow her a year. Sometimes they will agree to supply her with sufficient rice for herself and family as long as it may be required. This club is highly esteemed by the Chinese, and it approximates the pure religion and undefiled before God and the Father, which is to visit the fatherless and widows in their affliction. The club for the free bestowal of coffins is one of the permanent charities, which we are not discussing in this paper.

Many of the above clubs are started with a feast provided by the founder in order that the members may become mutually acquainted. Or he may be allowed to provide a feast at every meeting in lieu of interest. But in the case of a Tsung Huei where there are a large number of shareholders, the club may be in existence for years, without their all becoming acquainted, as the "feet" will be represented by their respective under-managers as their middlemen. In this case each shareholder will be supplied with a ticket, good at any time for one meal at a stated hotel.

When all the members of the club come together for the first time, regulations are drawn up, giving date of regular meetings, whether to be held in private houses or tea shops, and whether or not food will be provided. At Ningpo the beneficiary is required to sign a paper stating for what purpose he intends to use the money.

There are many benefits connected with the right use of the club, some of which have already been suggested. For instance, helping a farmer over a bad year, the widow in her affliction, a friend over pressing difficulties, and the business man

with capital. But we believe the benefits are far outweighed by the evils to which they are constantly giving rise.

In the Tsung Huei, there is a great temptation to some people to get up a club in order to raise money for speculation or to put it out at a higher rate of interest than the club demands. For instance, a woman organized a club which handed her 300 dollars, upon which she had to pay interest at half per cent. per month—\$1.50. But she loaned the amount out at two per cent—\$6.00, which gave her a clear profit of \$4.50 per month. And I am told positively that there are many people who have secured to themselves a permanent income in this manner.

We have stated that the club is largely used for helping a friend over a pressing debt or impending liabilities. The debt will be one upon which he is paying high interest, or which is likely to involve him in legal difficulties. Very few Chinese observe the wise motto "*Liang seh wei tseh*," estimate your income before expending, and so they will frequently have long unpaid bills at the rice and provision shops. True there is a notice in these shops which reads:—"If your previous account is unpaid, you need not open your honourable mouth," that is to ask for further credit. But although the rice dealer is not allowed by the custom of his trade to charge interest on overdue accounts, it is very seldom he will enforce his motto. This from two reasons; through fear of losing all that is due him or, if he knows his customer is in regular employment and has a fairly good backing, in order to charge him credit prices which are about one-fifth more than cash prices. The proverb says:—"What is 1,000 cash at credit, is 800 cash for money down, and 700 cash at a bargain." Therefore as the debtor is under no compulsion to pay his rice accounts he feels at liberty to branch out in other directions, and sooner or later finds himself in urgent need of the club.

The impending liabilities above mentioned, are generally associated with marriage customs. Where both the contracting parties are in good circumstances no money is required, only the usual presents are exchanged. But in the case of a man from the middle or lower classes seeking a wife for his son he will usually have to pay as high as 120 dollars. This amount is obtained by means of the club, and usually means proverty for the family for years.

It would be difficult to over-estimate the number of evils which follow upon the failure of a club. A man engaged as a cook, a Christian man, being unable to take a whole share himself, invited another friend to join him. The club failed after a few months, and his friend held him responsible for all the money he had paid, some 50 dollars. The cook was absolutely without funds himself but he promised that as soon as his young son could get employment his friend should have his first year's earnings. The cook is a honourable man, and will keep his word. If a good man fails in his subscription through no fault of his own his reputation is lost for ever. Having started paying a subscription it is imperative that the payments continue. If his funds run short, a man will borrow, or pawn anything he has in order to make up the amount needed. And it is a great disappointment when he discovers that all the

capital he has put into the affair is lost beyond hopes of recovery. The failure of a club frequently leads to fights, litigations, despair and suicide. To illustrate the evils attendant upon the clubs, the most frequently quoted proverb in reference to them says:—"The club means involment." This being true in social and business life, the evils are largely increased in the native church. In fact the break up of a club organized by, and composed of Christians, would be calculated not only to wreck individual lives, but also to break up an entire church membership. I have spoken with a number of native Christians upon the subject, but I have never heard one of them speak a good word for the club, although as a matter of fact there are very few who would not join a club if invited to do so.

