Table 9. Budget for 1938–39 & 1939–40

(Fiscal Year Ending March 31)

(In ¥1,000)

REVENUE

	1939	1940
Ordinary:		
Taxes	3,926	4,186
Receipts from Government undertakings and properties	29,133	35,537
Stamp receipts	346	366
Profits of tobacco monopoly	1,560	1,851
Miscellaneous receipts	1,058	894
Total incl. others	36,024	42,833
Extraordinary:		
Proceeds of sale of State property	96	79
Temporary Profit tax	226	603
Special Taxes	—	416
Previous years' surplus transferred	2,436	4,793
Special tax for North China Incident	42	—
Total incl. others	2,993	5,900
Grand Total	**39,017**	**48,734**

EXPENDITURE

	1939	1940
Ordinary:		
Karafuto Administration Office	2,067	2,295
Education	2,713	2,952
Government undertakings	9,317	12,004
Forest	2,305	2,735
*Transferred to Special Account	1,922	1,894
Total incl. others	20,887	25,229
Extraordinary:		
Repairing & Civil Engineering	1,308	2,092
Development Expenses	11,444	12,398
Subsidies	2,239	2,342
Transferred to general account	—	—
Transferred to Temporary Defence Special Account	2,671	4,677
Total incl. others	18,249	23,504
Grand Total	**39,136**	**48,734**

Note: * National loans readjustment fund.

BANKING AND OTHER MONETARY ORGANS

The deposits and advances of the banks in Karafuto are as follows:

Table 10. Bank Accounts

(End of 1937)

	Deposits	Advances
Branches of Hokkaido Colonial Bank (11)	¥44,359,381	¥28,511,609
Karafuto Bank (Head Office and 1 Branch)	3,058,322	5,295,637
Branch of Hokumon Savings Bank	2,538,186	396,144

Industrial Associations and Industrial Federations.—Since the Industrial Association Law was enforced in 1915, industrial associations have been established in many parts of the territory, showing good results. In the year in which the law in question was put in force, only one association was organized. As at the end of 1937 there were 85 industrial associations. The subscribed capital (at the end of 1937) of 76 associations into which investigations had been made was ¥2,269,085 of which ¥1,948,482 was paid up. The working capital inclusive of reserves, savings and borrowings totalled ¥6,421,406. The total membership was 10,801. At the end of 1937 there was only one industrial federation with a membership of 81. Its subscribed capital was ¥201,500, of which ¥128,277 was paid up.

SANITATION, RELIGION AND EDUCATION

The Government keeps under its direct management three medical offices at Toyohara, Otomari and Maoka. At the end of 1937 there were 144 practitioners, 91 dentists, 264 midwives, 83 nurses and 59 pharmacists.

Table 11. Number of Hospitals, Physicians, etc. in Karafuto

	Hospitals								
	Government	Public	Private	Total	Physicians	Dentists	Pharmacists	Midwives	Nurses
1927	3	..	..	..	79	47	34	160	49
1935	3	1	23	27	127	70	51	254	105
1936	3	1	25	29	142	83	56	256	149
1937	3	1	28	32	144	91	59	264	83

Education.—The following table will give a general idea of the spread of education in Karafuto:

Table 12. Number of Schools, Teachers and Pupils

(End of 1937)

	No. of schools	No. of teachers	No. of pupils		No. of schools	No. of teachers	No. of pupils
Elementary and Higher Elementary Schools	253	1,454	55,828	Kindergartens	3	9	182
Middle Schools	3	96	2,104	Supplementary Schools	10	25	682
Girls' High Schools	4	85	1,631	Natives Training School	1	1	33
Private Schools	5	46	282				

Table 13. Statistics of Religions

	Shintoism				Buddhism				Christianity	
	Shrines		Propagation quarters		Temples		Propagation quarters			
	No.	Priests	No.	Preachers	No.	Priests	No.	Priests	Churches	Missionaries
1928	80	16	37	35	48	47	89	84	7	7
1934	112	31	44	46	72	72	126	123	12	12
1935	113	32	50	50	75	75	120	117	12	12
1936	113	34	53	53	82	82	122	120	11	11
1937	119	38	55	54	81	80	120	116	13	13

AGRICULTURE AND IMMIGRATION

The area under tillage in Karafuto is yearly increasing. But still it was not over 34,889 hectares at the end of 1937. It is only one-tenth of the arable land which is 334,872 hectares in area. Therefore, there is still room for many thousands of agricultural immigrants. Since 1906, the authorities have encouraged the immigration of farming population by extending them liberal protection and suitable help. A small sum of money is granted to those peasants who settle down within six months of their arrival. As at the end of 1937 the farming population stood at 55,631, representing 10,811 households. The number of their houses occupy about 17% of the total number of houses in the territory. The total amount of farm produce for 1937 was ¥5,812,000. The number of peasant settlers in recent years is shown below:—

Table 14. Peasant Settlers in Recent Years

	Families	Population	of which male
1927	1,100	4,751	2,195
1932	1,341	6,357	3,453
1933	1,267	4,855	2,489
1934	1,251	4,893	2,594
1935	809	3,398	1,784
1936	805	3,863	1,964
1937	623	2,850	1,524

The total amount of various agricultural products in recent years is tabulated as follows:—

Table 15. Farming Population, Area and Output

	Farming		Area Under Cultivation (Hectare)		Crops	
	Families	Population	Total	per family	Total (¥1,000)	Per family (¥)
1932	10,759	54,952	31,527	2.92	2,947	274
1933	11,027	55,954	33,267	3.10	3,615	328
1934	11,593	58,514	31,597	2.71	4,059	350
1935	11,628	58,008	31,873	2.75	3,745	324
1936	11,445	57,627	33,631	2.95	4,219	369
1937	10,811	55,631	34,889	3.23	5,812	537

Note: Hectare=1.0083 cho.
Cho=0.99174 Hectare.

The area under various crops classified according to kind is given in the following table:—

Table 16. Principal Agricultural Crops

(1 koku=4.9656 bushels; 1 kwan=3.75 kilograms)

	Oats		Peas		Potatoes		Burdocks		Fodder		Total incl. others
	(1,000 koku)	(¥1,000)	(1,000 koku)	(¥1,000)	(1,000 kwan)	(¥1,000)	(1,000 kwan)	(¥1,000)	(1,000 kwan)	(¥1,000)	(¥1,000)
1933	137	804	8	171	13,284	698	3,128	219	5,197	307	3,615
1934	182	912	19	305	11,567	740	3,355	233	7,085	324	4,059
1935	172	807	20	429	9,254	631	4,120	238	4,859	316	3,745
1936	136	751	20	604	9,407	535	3,379	286	5,021	541	4,219
1937	145	1,376	26	640	10,572	781	3,699	304	7,943	671	5,812

FISHERY

Fishery is the oldest industry and constitutes by far the most important resources of Karafuto. The principal fish caught are herring, trout, salmon and cod. The right of fishing is granted under three kinds of license, the special, ordinary and drift-net fishing. The first is limited to bodies of fishermen on specific grounds, while the second is permitted only to those living in Karafuto. The last named was formerly issued by public tender, but now it is restricted to certain persons. The greater part of the fish are manufactured into manure. With regard to the trout and salmon fisheries, it is to be noted that the authorities concerned have lately attempted artificial fecundation to ensure the multiplication of these varieties. In view of the gradual decrease in the catches, the authorities have taken measures to prevent the reckless ways of catching crabs hitherto pursued, and in 1934 effected a merger of the factories in order to unify the quality of manufactures.

Table 17. Statistics of General Situation in Fishery

	fishing crafts	No. of fishermen	Catches (¥1,000)	Manufactures (¥1,000)
1932 ...	16,451	26,712	5,452	10,299
1933 ...	16,668	25,259	6,892	12,641
1934 ...	17,363	25,807	6,822	15,028
1935 ...	17,273	27,838	8,007	16,918
1936 ...	16,047	27,157	8,309	17,343
1937 ...	....	26,393	9,660	15,780

Table 18. Principal Fishery Catches Classified

(1 kwan=3.75 kilograms)

	Herring		Trout		Salmon		Cod	
	(1,000 kwan)	(¥1,000)	(1,000 kwan)	(¥1,000)	(1,000 kwan)	(¥1,000)	(1,000 kwan)	(¥1,000)
1932	102,653	3,054	1,526	377	219	112	6,192	390
1933	73,403	3,903	3,815	1,094	290	168	4,379	657
1934	108,243	4,317	2,177	350	421	232	3,948	544
1935	63,668	3,889	9,042	1,410	468	265	4,068	687
1936	67,429	5,098	1,151	308	367	191	4,092	544
1937	39,021	4,315	4,143	990	641	297	3,579	844

	Crabs		Weeds		Shell-fish		Total incl. others
	(1,000 Pieces)	(¥1,000)	(1,000 kwan)	(¥1,000)	(1,000 kwan)	(¥1,000)	(¥1,000)
1932	6,192	317	9,427	984	643	27	5,452
1933	4,379	319	8,579	247	959	34	6,892
1934	3,948	533	10,059	404	881	33	6,822
1935	4,068	506	9,666	501	1,309	62	8,007
1936	4,092	175	13,635	501	1,908	103	8,309
1937	1,609	210	8,394	375	920	224	9,660

Table 19. Output of Marine Products

	Dried Fish		Salted Fish		Canned Trout		Canned Crabs	
	(1,000 kwan)	(¥1,000)	(1,000 kwan)	(¥1,000)	(Cases)	(¥1,000)	(Cases)	(¥1,000)
1932	3,768	2,738	2,321	569	1,089	7	32,041	915
1933	2,432	2,182	3,086	1,345	64,602	682	38,362	1,646
1934	3,634	2,776	2,667	942	27,931	307	54,246	2,247
1935	3,130	3,796	5,284	2,137	146,619	1,442	45,366	1,848
1936	4,763	5,714	2,587	1,210	17,919	192	19,291	896
1937	2,077	2,707	3,463	1,941	60,811	644	29,089	1,250

(Continued)

	Isinglass		Manure		Fish oil		Total incl. others
	(Kwan)	(¥1,000)	(1,000 kwan)	(¥1,000)	(Cases)	(¥1,000)	(¥1,000)
1932	25,919	163	20,181	5,323	151,599	405	10,299
1933	31,417	297	15,393	5,672	115,305	464	12,641
1934	32,351	304	21,725	7,186	212,887	798	15,028
1935	38,164	482	13,577	5,474	156,883	864	16,918
1936	46,351	623	13,853	6,376	176,177	1,344	17,343
1937	55,273	950	11,070	5,262	194,842	1,419	15,780

FORESTRY

Karafuto abounds in primeval forest that occupy about 47% of the total area of the island and at present supply the territory with the most important natural products. Acerose trees, growing in the forests, are chiefly Ezo-matsu (Picea ajanensis, Fisch), and Karafuto-rakuyosho (Larix dahurica, Turez). They grow in mixed stands, though pure forests of the larch are found in some places. The broad leafed trees among which birches, willows, elms and alders are prominent, occupy the low lying places such as the river banks. On more elevated land acerose trees (most of which are Todo-matsu and Ezo-matsu but the larch is very scarce) form pure forests, though birches are often found growing mixed with them on the mountain side. The Haimatsu (Pinus pumila) grows densely on the tops of high mountains, while pure forests of birches are found on the tops of low mountains. The larch usually grows in low land. Generally speaking, the Todo-matsu and the Ezo-matsu are most plentiful, forming about 83% of the whole stock. Being very durable, the larch is in great demand for telegraph-poles, railway sleepers, and for other engineering purposes, but the larch not adapted for these purposes is used as fuel. Apart from use as timber and packing materials, these acerose trees are utilized in far greater quantities as pulp wood. At present pulp factories exist at Otomari, Toyohara, Maoka, Noda, Ochiai, Shiritori, Tomarioru and Estori.

The area of the state forests of Karafuto is put at 2,939,164 hectares, which occupy about 80% of the area of the territory. The revenue from the forest for 1937-38 was ¥27,948,163 which was about 49% of the revenue of the Government of Karafuto.

Table 20. Forestry Products

	Timber		Fagots		By-products	Total value	Charcoal	
	Qty. (1,000 cubic meters)	Value (¥1,000)	Qty (1,000 cubic meters)	Value (¥1,000)	Value ¥	(¥1,000)	Qty. (M. tons)	Val. (¥1,000)
1931	3,787	11,590	373	143	4,268	11,737	7,480	172
1934	4,717	21,385	344	132	4,198	21,521	7,519	253
1935	4,559	21,138	364	142	3,344	21,283	7,074	254
1936	4,983	21,845	347	134	6,050	21,985	7,349	251
1937	4,506	27,757	333	134	6,113	27,897	7,220	305

Table 21. Output of Pulp and Paper

		No. of Operatives			Pulp Output		Paper Output		
	No. of Factories	Male	Female	Total	Quantity (M. tons)	Value (¥1,000)	Quantity (M. tons)	Value (¥1,000)	Raw materials consumed (1,000 cubic meters)
1931	8	2,921	327	3,248	144,454	15,199	143,472	26,218	1,096
1934	8	3,568	433	4,001	179,096	28,248	156,195	37,230	1,440
1935	9	3,599	466	4,065	204,609	32,464	165,815	38,906	1,510
1936	9	3,681	426	4,107	248,664	39,972	165,269	36,267	1,671
1937	9	3,741	461	4,202	215,203	44,064	201,642	53,936	1,491

MINING INDUSTRY

The strata of the island are generally of Tertiary formation and hold rich veins of coal. The coal bed consists of three measures, upper, middle and lower. The upper measure, which has a close connexion with the oil-bearing strata, pertains to the Pliocene, and the middle and the lower to the Eocene. Each of these measures exists on both sides of a Cretaceous mountain range running from north to south, forming many important coal fields in

the island. There are three great coal-fields, namely, the Northern, the Middle and the Southern. The Middle coal-field, which runs about 100 kilometers from north to south and has a breadth of from 2 to 5 kilometers, is the largest and belongs to the lower measure. A part of the Southern coal-fields following the western coast and the greater parts of the Northern and Eastern coal-fields belong to the upper measure. In the northern part of the western coast there are also important coal-fields belonging to the middle measure. Each of these contains at least 3 to 13 coal-seams with a thickness of from 1 to 10 metres. Output of coal by 30 mines in 1937 amounted to approximately 2,535,574 metric tons, and it is believed that there are reserves of more than 2,060 million tons in the area already investigated on the island. The coal of the middle and lower measure is bituminous and that of the upper measures lignite.

As for petroleum, the demand and supply of oil may be seen from the table given below:—

Table 22. Demand and Supply of Oil

(Tons)

	Output	Import	Export	Consumption
1929...	635,515	27,404	16,380	646,539
1930...	644,947	12,687	12,646	644,988
1931...	637,962	3,960	38,079	603,843
1932...	677,389	241	51,833	625,797
1933...	889,913	—	168,604	721,309

Table 23. Coal Mining in Karafuto

	No. of Mines				Production	
	in operation		Closed			
	No. of lots	Area (1,000 sq. mtr.)	No. of lots	Area (1,000 sq. mtr.)	Quantity (metric tons)	Value (¥1,000)
1933	18	106,999	31	78,386	888,913	6,704
1934	21	115,665	39	92,936	1,196,647	9,119
1935	22	124,446	40	90,936	1,515,647	11,476
1936	27	133,787	45	114,418	2,075,157	15,375
1937	30	154,588	53	118,760	2,535,574	19,421

RAILWAYS

The first railway in Karafuto was constructed by the Army Department in 1906 between Otomari (formerly Korsakovka) and Toyohara (formerly Vladimolovka), 41.8 kms. in length. It was a light railway with a gauge of 2 ft. and exclusively used for military purposes. With the withdrawal of the military government in April, 1907, the railway was transferred to the Karafuto Administration Office and opened to public traffic in August the same year.

Owing to an increase in the traffic, the gauge was widened by 3 ft. in 1910, while the construction of sections further north of Toyohara was started. The work on the Toyohara-Sakaehama section having been completed in 1911, the Otomari-Sakaehama Section (94.1 kms.) which now forms the trunk line of the insular railway connexion, was opened to traffic. The work of construction was pushed on and the branch line connecting the Kawakami line with Konuma and the Honto-Noda section on the west coast were completed and opened to business respectively in 1914 and 1920. Besides, the construction of a branch line which connects Toyohara, the Capital of the territory, with Maoka on the west coast was started in 1921 and completed in 1928. The railway lines in operation as at the end of March, 1938 were 376 kilometers in length. Of this length 119 was represented by the East Coast Line, 84 by the Toshin Line and 173 by the West Coast Line.

Table 24. Statistics on Railways

(A) Government Lines

Year Ending Mar. 31:	Operating lines (Kms.)	No. of stations	No. of passengers carried	Volume of goods hauled (M. tons)	Receipts from passenger traffic (¥1,000)	Receipts from goods traffic (¥1,000)	Total receipts (¥1,000)
1933	343	64	1,405,030	631,309	812	1,069	1,883
1934	343	64	1,400,482	735,542	830	1,227	2,058
1935	343	65	1,606,325	968,896	947	1,512	2,460
1936	343	65	1,702,285	983,734	1,010	1,563	2,574
1937	343	76	1,835,171	1,151,908	1,087	1,727	2,815
1938	376	81	1,825,348	1,245,761	1,095	2,019	3,114

(B) Private Lines

Year ending Mar. 31:	Operating lines (Kms.)	No. of stations	No. of passengers carried	Volume of goods hauled (M. tons)	Receipts from passenger traffic (¥1,000)	Receipts from goods traffic (¥1,000)	Total receipts (¥1,000)
1933	238	37	318,314	308,490	392	590	1,018
1934	238	37	299,025	325,612	385	604	1,025
1935	238	38	350,847	450,468	455	925	1,420
1936	238	34	362,160	539,050	493	1,124	1,666
1937	280	43	318,490	634,715	451	1,167	1,673
1938	280	43	375,669	705,980	551	1,427	2,045

Private Railways

At the end of March 1938 there were three private railways, namely, the Karafuto Railway Company, the South Karafuto Railway Company and the Mitsubishi Coal Liquefaction Company. Operation length of the first named company was 245.5 kilometers, the second, 18.6 kilometers, and the third 16.3 kilometers.

Commerce and Industry

In sympathy with the growing development of industry in Karafuto, many companies of respectable sizes for various purposes have been increasingly established of late years. At the end of 1937 there were 368 companies with the total investment of ¥10,669,000. All these companies were exclusively those having head offices in Karafuto.

Besides, there were 15 companies whose head offices were outside of the islands. Their paid-up capital was ¥311,174,000. The number of companies specified according to industry is tabulated below:—

Table 25. Number of Companies By Industries

(Amount in ¥1,000)

		Agriculture		Aquatic		Mining		Mfg. Ind.		Commerce		Transports	
		Cos.	Investment	Cos.	Investment	Cos.	Investment	Cos.	Investment	Cos.	Investment	Cos.	Investment
1928	A.	—	—	—	—	1	62,500	6	49,378	1	250	—	—
	B.	17	1,774	6	578	2	155	55	53,268	136	2,567	48	13,694
1934	A.	—	—	—	—	1	67,500	5	132,153	2	1,325	—	—
	B.	19	245	15	109	3	200	87	16,222	202	8,590	68	14,911
1935	A.	—	—	—	—	1	70,000	5	132,538	4	1,375	1	250
	B.	18	245	14	121	4	5,200	89	23,302	192	8,337	70	15,400
1936	A.	—	—	—	—	1	80,000	6	189,971	7	635	1	250
	B.	16	235	13	120	5	5,225	83	33,299	175	8,131	71	15,995
1937	A.	—	—	—	—	2	82,500	5	226,279	7	2,145	1	250
	B.	16	720	12	57	6	5,201	88	33,551	174	8,644	72	18,897

Note: A. Represents cos. with their head offices in Japan Proper.
B. Represents cos. with their head offices in Karafuto.

Industry

The industrial products of Karafuto in 1937 amounted to ¥112,919,938, which represented about 60% of the value of the whole products, which was given as ¥187,259,000. Principal industrial products are pulp, sake, tinned foods, etc.

The output of pulp for 1937 was 215,203 metric tons, valued at ¥44,063,904 and that of paper 201,642 metric tons, valued at ¥53,936,-189. The output of pulp required 1,490,812 cubic meters of materials, which represent the greater portion of pulp materials supplied by Japan. The output of sake was 81,988 hectolitres, valued at ¥4,536,485.

Tinned crabs are the most representative of foods in tins. Their production in 1937 was valued at ¥1,263,888.

Table 26. Total Production in Karafuto Classified by Industries

(Unit: ¥1,000)

	Agriculture	Stockbreeding	Forestry	Aquatic	Mining	Mfg. Ind.	Total
1933	3,615	1,814	11,547	11,237	6,704	62,735	79,652
1934	4,059	2,143	22,113	13,664	9,119	75,463	126,562
1935	3,745	2,710	21,928	15,741	11,476	83,421	138,021
1936	4,219	2,988	22,532	18,582	15,375	87,775	151,470
1937	5,812	3,621	28,562	16,923	19,421	112,920	187,259

Trade with Japan Proper and Foreign Countries

Trade with Japan Proper.—The trade of Karafuto with Japan Proper in 1937 amounted to ¥121,137,965 in exports and to ¥59,114,966 in imports, totalling ¥180,252,931. As compared with the previous year, exports show an increase of ¥1,707,464 and imports ¥5,343,356.

Principal consignments from Japan in the year under review consisted of rice, textiles, oil, beer, rye, beans, salt, sugar, soy, tobacco, raw fish, vegetables, fruit, metal ware, drugs, wheat flour, eggs, lime, cokes, cement, etc.

Principal shipments consisted of pulp, timber, paper, fertilizer, salt fish, dried fish, fish oil, seaweeds, crabs, tinned foods, etc.

Foreign Trade.—There are two trading ports in Karafuto, one being Otomari and the other Maoka. The former was opened in March, 1909 and the latter in February, 1922. Formerly, foreign trade was almost confined to Korea, China and Russia in East Asia. Trade was opened with Kwantung Province in 1923, with England and America and Germany in 1925, with Spain, Belgium, the Dutch East Indies and Egypt in 1926 and with the Philippines and Manchoukuo in 1932.

The foreign trade of Karafuto began with the exportation of railway sleepers and other timbers to Korea, timber to China and coal to Asiatic Russia and the importation of rails and other rolling stocks from Korea and trout and salmon from Asiatic Russia. In 1910 exports and imports aggregated ¥35,607. The trade progressed steadily until in 1913 its total value reached a height of ¥249,869. In 1916, however, the value of trade decreased to ¥53,276 through the effects of the World War. The following year the total value of trade recovered what it had lost due to an increase in exports. Thence it gradually increased until 1928. In 1922 Maoka Port was opened to foreign trade, but this caused an adverse turn to trade. From 1923 to 1928 trade continued showing an import excess. In the latter year imports and exports totalled ¥937,710, resulting in a deficit balance of ¥539,294. The following year the total value of trade shot ahead of two million yen and showed a favourable balance. From the following year, however, trade began to diminish considerably due to the world-wide economic depression consequent upon the stringency of the money market and has displayed an adverse balance since 1932.

Foreign trade for 1937 figured out at ¥288,662 in imports and at ¥235,001 in exports totalling ¥523,663 and resulting in a deficit balance of ¥53,661. The principal countries involved are Manchoukuo, Soviet Russia, China, Kwantung Province, etc. Staple exports are seaweeds, salt fish, dried fish, timber, and imports are salt, fodder, machinery.

(For foreign trade statistics for the year 1938 refer to Foreign Trade Chapter).

References:
Table Nos.: 1-7 a, 8-9 b, 10-26 a.
Key: a—Karafuto Govt.
b—Dept. of Finance.

CHAPTER XLIV

NANYO (The South Sea Mandated Islands)

GEOGRAPHY

Position and Area

Japan acquired by virtue of the Treaty of Peace concluded after the World War the mandatory right over the former German South Sea Islands north of the Equator. The archipelago had been occupied by a Japanese squadron at the beginning of the World War. It consists of three groups, viz. the Marianas, Marshalls, and Carolines, comprising 1,458 islands, islets and reefs, scattered over a vast expanse of water extending for about 1,200 miles south to north and about 2,500 miles east to west. In other words, the territory stretches on the one hand between 130° to 175° E.L. and on the other between 0° and 22° N.L. and is situated to the south of Japan, with Hawaii far away to the east, and adjacent to the Philippines and the Dutch Celebes to the west, while to the south there lie the Island of New Guinea and the Bismarck Group and to the north the Bonin and Iwo Islands which form the southern extremity of the Japanese Empire. The area of the Islands is very small, the total being 830 square miles (2,149 square kilometres).

The number and area of the islands are as follows:—

Table 1. Islands By Jurisdiction of Branch Bureau of South Seas Office

Branch Bureau	No. of Islands	Area sq. km.	Area sq. ri	Position
Saipan (Mariana Group)	14	639	41.43	145°40′ E.L.—15° 5′ N.L.
Yap (Caroline Group)	85	226	14.64	137°58′ " — 9°25′ "
Palau (" ")	109	478	31.00	143°10′ " — 6°50′ "
Truk (" ")	245	132	8.55	151°22′ " — 6°57′ "
Ponape (" ")	138	504	32.65	158°10′ " — 6°45′ "
Jaluit (Marshall Group)	32	170	11.05	169°42′ " — 5°48′ "
Total	623	2,149	139.32	

The number and area of the islands classified according to the jurisdiction of the different branch bureaus of the South Seas Office are as follows:—

Table 2. Principal Islands and Their Area

Islands	Area sq. km.	Area sq. ri
Saipan (Mariana Group)	185	12.00
Tinian (" ")	98	6.35
Rota (" ")	125	8.10
Yap (West Caroline Group)	216	14.00
Palau Proper or Baobeltaob (West Caroline Group)	370	24.00
Korror Island (Palau Group)	8	0.50
Angaur (West Caroline Group)	8	0.50
Spring Island (East Caroline Group)	22	1.43
Summer Island (" " ")	9	0.58
Wednesday Island (" " ")	23	1.51
Ponape (" " ")	375	24.34
Kusaie (" " ")	116	7.50
Jaluit (Marshall Group)	8	0.51

Weather and Climate

The Islands being situated in low altitudes, atmospheric pressure is generally low and undergoes no great change throughout the year. Broadly speaking, it is comparatively low in Truk and Ponape Islands. In the western part of the Caroline Group and Mariana Group it is high in February and March, but low in October and November.

Direction of Winds.—As the islands lie scattered over a vast expanse of water, the direction of winds varies according to the different islands, so that no accurate description can be given. Usually, however, a north-easterly wind or easterly wind prevails from November till April of the following year, while between May and October the direction of the wind varies according to different localities. Thus in the western part of the Caroline Group a westerly or southerly wind prevails and in other localities it blows diversely from the east and from the south. There is no wind for some time when changes take place in the direction of the wind.

Wind Velocity.—In the Mariana Group the wind is somewhat strong, developing a mean velocity of 4.6 m/s. for the year. It is weak in April and during August and September, but is strong from October till February of the following year. In other islands the wind is

generally weak, the mean velocity registered being 2.1 m/s. In the western part of the Caroline Group, it is weak between April and June and also in September, but is strong from October till March of the following year. In the eastern part of the same group, it is weak between August and September, but is strong between January and March. There is seldom a really high wind in any of the islands.

Temperature.—Throughout the islands, temperature is fairly uniform, the mean temperature registering 26.7 degrees with the mean maximum of 29.3 degrees and the mean minimum of 24.5 degrees. The thermometer seldom rises above 32 degrees or falls below 20 degrees. Throughout the year the variations in temperature are very narrow. It has been observed that the difference between the highest and the lowest on a normal day is about 3 degrees.

Humidity.—All the islands are humid, the mean relative humidity registered throughout the year being 81%, though in the western part of the Caroline Group it is a little less. In the Mariana Group humidity is greater between September and October and less in March. In the western part of the Caroline Group it is greater between June and July and less between March and April, while in the eastern part it is greater between September and October and less between January and March. There is no great change throughout the year and the minimum of less than 60% is but rarely registered.

Rainfall.—In all the Islands, the rainfall is extremely abundant, the total quantity of rainfall in a year varying between 3,000 and 5,000 millimetres. Saipan is the least visited by rain, while Ponape and Palau are most plentifully favoured by it. It is no rare occurrence in the latter two islands that the total quantity of rainfall exceeds 4,000 milimeters a year. As to the rainfall in different seasons, there are places where no clear distinction can be made between the dry and wet seasons, but July-September is generally considered as wet and January-March as dry. Nevertheless it is by no means the same every year.

RACE, LANGUAGE, MANNERS AND CUSTOMS

Race.—The natives of the Islands as a whole may be divided into two great tribes of Kanakas and Chamorros.

Chamorros.—The principal places inhabited by Chamorro tribesmen are the Mariana Group and Yap and Palau Islands in the West Caroline Group, only a few migrated Chamorros living in other islands. The ancestors of the Chamorros are asid to have lived in Guam. The fact that they live mostly in the islands around and nearest to that island is probably due to the migration of their forefathers therefrom. Guam was in early days the center of the Mariana Group, and geographically it is quite natural that Chamorro tribesmen should have crossed to Rota from that island and then to Tinian and Saipan. It seems that a great many Chamorro immigrants came to Saipan and Tinian during the Spanish regime, and those two islands were fairly densely populated by them. Owing, however, to internal strifes and massacres following on rebellions, the Chamorro population has greatly dwindled and at present taking both Saipan and Rota together they total only a little more than 2,600, and even adding those living in Yap and Palau they do not much exceed 3,000. The Chamorros living in Saipan, which contains a majority of the Chamorros in the South Sea Islands, are said to have greatly altered through intermarriages with the Tagala tribesmen of characteristic physiognomical features, with yellowish brown skin and black hair.

Kanakas.—The Kanaka is the general appellation for the natives of Hawaii and other Pacific islands. A great majority of the natives of the South Sea Islands belong to this race but when close observations are made, it is found that those inhabiting the western islands seem to have much affinity with the Malay race and those inhabiting the eastern islands resemble the Polynesian race, while as one goes further south the more one comes across those similar in racial type to the Melanesian race. Though there is more or less difference between these three groups of Kanakas, they are generally dark-brown skinned and commonly have black hair, in some cases curled. Their eye-brows are thick and the space between the eye-brows and eyes is rather narrow, while their eyes are deeply sunken. Further, the alar cavities of the nose are wide, the mouth large and lips thick. They have not much beard and are generally artless and mild in their expression. In stature they are of medium height, but sometimes very big and tall men are found among them, such men being especially numerous in the southern islands.

Tribal Relations of Natives.—It is a fact that Chamorros are generally more advanced in civilization than Kanakas, but this is only relatively true, even Chamorros being very backward as compared with the civilized peoples. Chamorros and Kanaka differ in language, manners and customs, and not only do not intermarry but even in daily life rarely associate with each other. Considering themselves as superior, Chamorros dislike to have any connection with Kanaka in any matter. In fact the two live quite apart and no instance of rivalry, strife enmity between them has occurred. Nearly all the islands except Saipan are mainly inhabited by Kanakas, Chamorros being few in number. The two groups of people have always formed separate communities and have never been in the relation of conqueror and conquered, nor will be in the future. As a matter of course, both from the administrative and legal points of view, the Japanese Government treats them equally and without any discrimination.

Language.—Different dialects are spoken in different islands, there being no language common to all. Even in one and the same group of islands, the dialects of the principal islands are different and there are not a few cases where in adjacent islands dialects different from those of the principal islands are spoken. For instance, the natives of Yap and those of the adjacent islands speak different dialects. It is the same with the natives of Ponape and Kusaie. All this is due to the difficulty of communications between the islands which are separated by great distances, which is also a cause of great inconvenience in administration. Since the islands were placed under the mandate rule of Japan, the authorities have established schools at important centers, and even in distant islands schools have been established at places inhabited by Japanese. As a result of the efforts made at those schools for spreading the knowledge of Japanese the number of natives able to speak the language is steadily on the increase, so that in most of the islands the Japanese language has become the medium of communication at least in matters of daily life.

In regard to the natives who can speak English, German or Spanish, no investigation has as yet been made, but there are a number of such natives. This is due to the fact that before Japan undertook the mandatory rule of the Islands, there were not a few natives, who had been educated at mission schools or were employed by Germans, Americans or Spaniards. Those natives who are above 25 years of age and are educated at mission schools or were employed by foreigners, speak more or less one or other of the three languages above mentioned. Among such natives, there are more Kanakas than Chamorros, as the former are more numerous, but in point of ratio to their number Chamorros probably rank above Kanakas.

ADMINISTRATION

In December, 1914, the South Seas Defence Corps was set up to garrison and administer the South Sea Islands. The regulations for the defence corps were revised in July, 1918, and a Civil Administration Department was established which was put under the direction of the Commander of the Defence Corps to take charge of the administration, while the Corps was charged with local defence.

On the adoption by the Council of the League of Nations on December 17, 1920, of the terms of the Mandate for the German possessions in the Pacific Ocean lying north of the Equator, the Japanese Government steadily pushed on preparations for carrying out the duties entrusted to it and after 1921 gradually withdrew the garrisons stationed in the Islands. On April 1, 1922, the Government abolished the system of the South Sea Defence Corps and effected the withdrawal of the garrison, and at the same time created the South Seas Office to carry on the administration of the territory in place of the defence corps.

The South Sea Office has its headquarters in Korror, one of the Palau Islands in the West Caroline Group. The Director of the Office or Governor of the South Sea Islands under the direction and superintendence of the Minister of Overseas Affairs, manages the various administrative affairs of the mandated territory. With regard, however, to matters relating to post and telegraph he is under the superintendence of the Minister of Communications; in matters of currency, banking and customs duties, of the Minister of Finance, and in regard to weights and measures, of the Minister of Commerce and Industry.

The Director (Governor) is entrusted with the management of the general administrative affairs of the Islands and the issuance of necessary regulations with penal clauses imposing penal servitudes, imprisonment or detention of a period not exceeding one year, or fines or minor fines not exceeding 200 yen in amount. In cases of emergency and for the purpose of maintaining peace and order he may issue regulations with penal clauses heavier than those mentioned above. In such cases, however, he

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has to ask for Imperial sanction through the Minister of Overseas Affairs immediately after the issuance of regulations, and, if Imperial sanction is not obtained, he has to proclaim their invalidity for the future.

Legally, the Director (Governor) is thus authorized to issue regulations concerning matters for the management of the administrative affairs of the mandated territory. In practice, however, all important matters are decided by Imperial Ordinances.

If and when it is necessary, in the judgment of the Director, for the preservation of peace and order in the territory under his jurisdiction, he may request the commander of a naval port or the senior officer in command of the naval forces in the neighbourhood to employ naval force.

The Director may also cancel or suspend rules and instruction issued or measures taken by officials under his jurisdiction, if he considers such to be at variance with laws and regulations, to be injurious to the public welfare or to exceed the competence of the said officials.

The South Seas Office

The South Seas Office contains the Director's secretariat and five sections, namely, the General Section, the Financial Section, the Police Section, the Economic Development Section and the Communications Section. The Director's secretariat is in charge principally of confidential matters; the General Section, of affairs relating to local administration and public works; the Police Section, of those relating to police, hygiene and prisons; the Financial Section, of those relating to budgets and accounts; the Economic Development Section, of those relating to industry; the Communications Section, of those relating to post, telegraph, shipping and nautical works.

Besides these six sections, there are the Saipan Harbour Works Office and the Products Museum, respectively entrusted with the construction works at the harbour of Saipan and the exhibition of products of the territory.

Local Administration

Until the Regulations for the South Seas Islands Defence Corps were revised in July, 1918, the Islands were divided into six districts, and the commander of the garrison in each district, assisted by a civil secretary, dealt with civil administrative affairs in that district. But after the Regulations were revised, a civil administration office was established in each of the abovementioned six districts, and civil officials were appointed to take charge of local administrative and judicial affairs. The head of such an office was empowered either ex-officio or by special authorization to issue regulations with penal clause imposing detention or fines.

On the establishment of the South Seas Office in April, 1922, the civil administration offices were abolished, and six branch bureaux were established in their place, the sphere of their jurisdiction being the same as that of their predecessors. A branch bureau is an ordinary local administrative organ having charge of all affairs relating to census, registration, charity and relief, police, prison, hygiene, collection of taxes, education, religion, industry, civil engineering work, harbours, and other matters which do not come under the competence of any specially established office.

A branch bureau has a head, who, under the direction and superintendence of the Governor or Director of the South Seas Office puts into effect laws and regulations and manages administrative affairs in the district under his jurisdiction.

With regard to administrative affairs in the district under his jurisdiction, the head of a branch bureau is empowered ex-officio or by special authorization to issue rules. He is not authorized, however, to attach thereto any penal clauses. In case the Director of the South Seas Office finds such rules to be at variance with existing laws and regulations, or injurious to public welfare, or to exceed the competence of the authority, he may cancel or suspend them.

The head of a branch bureau is authorized to arbitrate in civil disputes and to pass summary judgement with regard to certain offences. In respect of the detection of offenders, as a judicial police officer, he has the same power as the public procurator of a local court.

The names, sites and sphere of jurisdiction of the branch bureaux are as follows:—

Table 3. Names, Sites and Sphere of Jurisdiction of Branch Bureau

Name	Site	Sphere of Jurisdiction
Saipan Branch Bureau ..	Saipan Islands of Mariana Group.	Whole of Mariana Group.
Tinian Branch Office	Tinian Island of Mariana Group.	Tinian Island & Agikan Island.
Yap Branch Bureau	Yap Island of West Caroline Group.	West Caroline Group (east of 137° E. L.)
Palau Branch Bureau ...	Korror Island of Palau Islands of West Caroline Group.	West Caroline Group (west of 137° E. L.)
Truk Branch Bureau	Summer Island of Truk Islands in the East Caroline Group	East Caroline Group (west of 154° E. L.)
Ponape Branch Bureau ..	Ponape Island of East Caroline Group.	East Caroline Group (east of 154° E. L.) and (west of 164° E. L.)
Jaluit Branch Bureau ...	Jaluit Island of Marshall Group.	Marshall Group (east of 164° E. L.)

Village Officials

In order to admit the appointment of natives as village officials and enable them to participate in the local administration, the offices of village chiefs and assistant village chiefs have been instituted in the district under the jurisdiction of each branch bureau. These village officials are appointed and dismissed by the head of the branch bureau with the sanction of the Director of the South Seas Office. In conformity with old usage, an assistant village chief assists village chiefs in the discharge of their duties or may carry out some portion of them.

The sphere of jurisdiction of a native official is determined in accordance with usage, but it may be charged by the head of a branch bureau after inviting and considering the opinions of interested officials and obtaining the approval of the Directors of the South Seas Office.

A village chief or an assistant village chief shall, under the direction of the head of the branch bureau, execute his functions defined by laws, regulations and local conventions, and at the same time shall execute the following activities which concern native inhabitants.

(1) Bringing laws and regulations to the notice of villagers.

(2) Forwarding to the authorities applications, reports, etc., sent in by villagers.

(3) Transmission by villagers and the due execution of instructions issued by the head of the branch bureau.

In addition to the abovementioned matters, a village chief or an assistant village chief is required to make a report at least twice a year to the head of the branch bureau or to the proper police officer concerning the conditions, changes in population, etc., of the village under his jurisdiction. In case epidemics break out, natural calamities happen, injurious insects appear, or any other important occurrences take place, he must immediately report it to the authorities.

A village chief may submit to the head of the competent branch bureau his opinion concerning the administration of the village under his jurisdiction.

The total number of native officials was 109 in October, 1937.

POPULATION

The total population as on June 30, 1938 was 121,128, of which 50,868 represented the islanders, 70,141 Japanese and 119 foreigners.

Natives.—Of the 50,868 islanders, as many as 47,041 were Kanakas and the rest or only 3,827 Chamorros. The Chamorros are very prolific, but the Kanakas are static. Even a yearly decrease is shown by the Kanakas under the jurisdiction of the Yap Bureau Branch.

Japanese.—The number of Japanese, which was only scores at the time of the occupation of the islands by Japan, gradually increased until on June 30, 1938 the number increased to 70,141 consisting of 42,418 males and 27,723 females. The majority of them live in the islands under the jurisdiction of the Saipan Bureau Branch, and most of them are engaged in agriculture.

Foreigners.—At the time of Japan's occupation of the islands there were about 100 foreigners, mostly German missionaries and merchants. Later these Germans left the islands. At one time there were only a handful, or ten odd foreigners, English and American, in the islands. In 1921 over 30 Spanish missionaries came to the islands. Since then the islands have gradually been inhabited by Germans and Belgians. The greater number of them are concerned either directly or indirectly with religious work.

The inhabitants classified by islands and nationality are tabulated below:—

Table 4. Inhabitants Classified By Islands

April 1.	"Japanese" Male	"Japanese" Female	Natives Male	Natives Female	Foreigners Male	Foreigners Female	Total Male	Total Female
1927	6,392	3,587	25,286	23,475	65	11	31,743	27,073
1932	16,003	9,763	25,882	34,163	68	30	41,953	33,956
1933	18,801	11,869	25,886	24,201	68	32	44,755	36,129
1934	21,006	14,322	25,870	24,304	69	34	46,945	36,660
1935	28,870	18,542	26,453	24,603	64	33	55,387	43,178
1936	32,608	22,155	25,714	24,297	68	41	58,390	46,493
1937	34,706	24,274	26,116	24,625	79	47	60,901	48,946
1938 (June)...	42,418	27,723	26,145	24,723	65	54	68,628	52,500
Saipan	25,564	19,427	2,126	2,066	9	12	27,699	21,505
Yap	808	311	2,976	2,835	6	3	3,790	3,149
Palau	10,582	5,087	3,404	2,973	16	15	14,002	8,075
Truk	2,547	1,110	7,480	7,570	17	8	10,044	8,688
Ponape	2,604	1,597	4,956	4,444	13	16	7,573	6,057
Jaluit	313	191	5,203	4,835	4	—	5,520	5,026
Total	42,418	27,723	26,145	24,723	65	54	68,628	52,500

Note: Inclusive of Chosenese which represent about 1%.

Japanese immigrating into the islands show an increase yearly. Whereas in 1930 there were only 15,656 Japanese in Saipan the number more than doubled five years later, the population on April 1, 1937 amounting to 42,688.

The number of births, deaths, and the death rate to 100 births for the last few years are returned as follows:—

Table 5. Movement of Population

	Total Birth	Total Death	Total Increase	Japanese & Foreigners Birth	Japanese & Foreigners Death	Japanese & Foreigners Increase	Natives Birth	Natives Death	Natives Increase
1931	2,416	1,450	966	1,187	386	801	1,229	1,064	165
1932	2,622	1,502	1,120	1,433	307	1,126	1,190	1,195	– 5
1933	3,279	2,113	1,166	1,717	476	1,241	1,562	1,637	–75
1934	3,131	1,642	1,489	1,920	540	1,380	1,211	1,102	109
1935	3,876	1,783	2,093	2,573	692	1,881	1,303	1,091	212
1936	3,673	1,725	1,948	2,384	633	1,751	1,289	1,092	197
1937	4,040	1,817	2,223	2,771	728	2,043	1,269	1,089	180

FINANCE

The budget estimates for the South Seas Office, like the general budget of the Japanese Government, must annually obtain the approval of the Imperial Diet as required by the Constitution. The Financial Law of Japan as well as the special financial law for the South Seas Office applies to the estimates (revenue and expenditure).

The accounts of the South Seas Office are independent of the general account of the Japanese Government, and are dealt with as special accounts. The expenditure of the South Seas Office is met from the revenue collected by the Office plus a subsidy from the general accounts of the Japanese Government. The Government should draw up estimates of the revenue and expenditure under the special accounts of the South Seas Office and submit them to the Imperial Diet together with the general budget of its revenue and expenditure.

The revenue and expenditure for the last few years are shown below:—

Table 6. Revenue and Expenditure
(¥1,000)

Year Ending Mar. 31:	Revenue Ordinary	Revenue Extraordinary	Revenue Total	Expenditure Ordinary	Expenditure Extraordinary	Expenditure Total
1932	4,699	2,999	7,698	2,432	2,143	4,576
1933	4,819	3,134	7,953	2,500	2,233	4,733
1934	5,011	3,237	8,248	2,755	2,527	5,282
1935	5,118	2,979	8,098	2,914	2,478	5,393
1936	6,555	2,720	9,276	3,082	2,742	5,825
1937	6,505	3,652	10,157	3,416	3,189	6,606
1938	7,173	3,567	10,740	3,690	4,982	8,672
1939 (Budget)	9,408	496	9,904	4,548	5,127	9,675
1940 (Budget)	10,545	396	10,941	5,009	5,830	10,839

Table 7. Summary of Revenue and Expenditure

(A) Revenue (Unit: ¥1,000)

Year Ending Mar. 31:	Ordinary account: Tax & Duty	Govt. undertaking	Stamp	Miscellaneous	Total	Extraordinary account: Sales of Govt. property	Surplus from previous year	Total incl. others	Grand Total
1935	2,800	2,273	23	23	5,118	14	2,966	2,980	8,098
1936	4,191	2,322	22	22	6,556	16	2,705	2,720	9,276
1937	3,672	2,727	59	48	6,505	202	3,450	3,652	10,158
1938	5,513	1,493	58	109	7,173	15	3,551	3,567	10,740
1939 (Budget) ...	7,536	1,765	26	82	9,408	124	282	492	9,904
1940 (Budget) ...	8,732	1,721	38	54	10,545	.157	146	396	10,941

(B) Expenditure

	Ordinary account	Extraordinary Account: Public & Repair works	Encouragement & Subsidies	Land Surveying	Development of South Seas Islands	To general accounts	Total	Grand Total
1935	2,915	1,224	1,204	47	—	—	2,479	5,394
1936	3,083	1,213	1,322	46	—	—	2,743	5,826
1937	3,417	935	969	43	299	450	3,190	6,607
1938	3,690	691	1,123	68	2,000	1,100	4,982	8,672
1939 (Budget) .	4,548	594	1,353	48	2,356	700	5,127	9,675
1940 (Budget) .	5,009	716	1,440	86	2,773	700	5,830	10,839

RELIGION

In the mandated territory the propagation of and belief in any religion is entirely free, and no restriction whatever is placed thereon, no matter whether the persons concerned are Japanese, foreigners or natives, as long as it does not prejudice the public peace or good morals. As a matter of fact, since the inauguration of the mandatory administration no instance of any prohibition or restriction on account of prejudice to the public peace or good morals has occurred in the territory.

During the Spanish and German regimes, owing to the zealous evangelistic work carried on by Christian missionaries, many natives embraced Christianity, with the result that it is no exaggeration to say that to-day the religion of the natives is exclusively Christianity. The effects of the propagation of Christianity are so remarkable that the fact of the islanders being generally genial in disposition is said to be due chiefly to Christian influence. The East Hongwanji of Kyoto established a mission station in Saipan in 1919 and another in Palau in 1926 for the benefit of Japanese believers. Then Tenri-kyo, a denomination of Shinto, established a church at Palau and commenced the propagation of its creed in 1929.

Table 8. Statistics of Religious Parties

	Tenrikyo Churches	Tenrikyo Priests	Tenrikyo Followers	Buddhism Churches	Buddhism Priests	Buddhism Followers	Christianity Churches	Christianity Missionaries	Christianity Followers
1934	2	3	126	5	7	23,262	142	167	40,874
1935	2	3	129	6	11	26,150	141	156	40,749
1936	2	3	119	7	14	26,561	141	165	39,569
1937	2	3	111	9	13	40,338	140	171	39,916
1938	1	1	21	11	16	46,716	148	176	40,054

EDUCATION

In December, 1915, the Regulations for Primary Schools in the South Sea Islands were promulgated and primary schools were established in Saipan and five other places, to commence the education of native children. In July, 1918, the Regulations for Native Schools in the South Sea Islands were enacted and the primary schools were thereafter re-named native schools. The teaching staff was also augmented in force and additional schools were established.

In April, 1919 the Regulations for Primary Schools in the South Sea Islands were enacted for the education of Japanese children, and

primary schools were established in Saipan and Truk, and later in Palau, Yap and Ponape.

On the establishment of the South Seas Office, the Regulations for the Organization of the South Seas Primary Schools and the Regulations for the Organization of the South Seas Office Public Schools were promulgated, defining the organization and sphere of these schools. The native schools were thereby renamed public schools, and the regulations governing primary and public schools were revised.

Further, for the vocational education of natives the Apprentice Woodworkers Training School was established in April, 1926, attached to the Korror Public School under the jurisdiction of the Palau Branch Office.

To this school are admitted boys from all districts selected from among those who have completed the course of instruction at public schools and have gone through the supplementary course, and there they are given instruction in building and carpentry.

Primary Schools.—The primary school is principally intended for the primary education of Japanese children and is divided into two courses, ordinary and higher. On the 30th of April, 1938 there were throughout the islands 23 primary schools, six of which were provided with higher courses. Teachers numbered 108 and pupils 6,013.

Public Schools.—As of June, 1938 there were 138 primary and higher primary schools with an enrolment of 7,688 and a teaching staff of 155. As a rule, children eligible to attend a public school are those of natives, who are above eight years of age. The institution gives primary education to native children, its fundamental object being the imparting of moral senses as well as of such knowledge and capacity as are indispensable to advancement of the living of the native population, with due regard at the same time, to their physical development.

Private Educational Institutions.—The educational institutions established by private bodies were formerly confined to mission schools belonging to Christian churches. In 1927, however, two kindergartens and one private public school were established. At the end of April 1937 there existed nine private schools (consisting of one public school and eight kindergartens) with 24 teachers and 501 pupils.

Table 9. Primary Schools

	No. of Schools		No. of Class: Primary		Higher		Total		No. of Teachers		No. of Pupils: Primary		Higher		Total	
	A.	B.	A.	B.	A.	B.	A.	B.	A.	B.	A.	B.	A.	B.	A.	B.
1929 ..	9	21	23	44	2	10	25	54	19	78	611	2,043	48	489	659	2,532
1935 ..	17	24	63	48	8	11	71	59	75	83	3,532	2,350	404	637	3,936	2,987
1936 ..	17	24	72	48	12	11	84	59	83	82	4,009	2,334	496	620	4,905	2,954
1937 ..	21	24	88	48	12	11	100	59	101	81	5,159	2,399	547	612	5,706	3,011
1938 ..	23	24	108	48	12	11	120	59	131	84	6,013	2,448	624	649	6,637	3,097

Note: A. Represent ordinary Schools.
B. Represent schools for natives only.

JUSTICE AND POLICE

Judicature

Simultaneously with the establishment of the South Seas Office in 1922, the Courts of Justice theretofore forming part of the machinery of the Civil Administration Department were abolished, and Local Courts and a Higher Court were established in their place, judicial officials independent of the executive being appointed thereto to deal with civil and criminal cases. All judicial affairs in the mandated territory are to be dealt with at those courts except in such a place where there are no courts of justice, and the head of the branch bureau is authorized to deal with certain civil cases and also to render summary judgment in criminal cases of comparatively minor gravity.

Courts of Justice.—The Courts of Justice are organized on a double instance system. A court of first instance is called Local Court, and a single judge system is adopted in such courts. A court of second instance is called Higher Court, and a bench system is here adopted, three judges constituting the bench.

The Local Court gives decisions in the first instance in civil and criminal cases, besides dealing with non-contentious cases. It also has jurisdiction over judicial reconciliation, summary procedure, compulsory execution against immovable property and vessels, the procedure for public summons, bankruptcy proceedings, reconciliation proceedings, summary proceedings for taking up entrusted criminal cases, etc.

The Judge of a Local Court deals with the drawing up of notarial deeds, the authentification of private documents and other matters included in the functions of notary in Japan, and the clerks of a Local Court deal with the delivery of documents, notifications, summons, compulsory execution against movable property and voluntary sales by auction of movable property, the drawing up of protests for non-acceptance, the collection of fines, the disposal of confiscated articles, the execution of warrants and other matters constituting the functions of a bailiff in Japan.

The Higher Court reviews cases on appeal from the judgments of the Local Courts, the decisions given being in the second instance and final.

A Public Procurator's Office is attached to each of the Courts of Justice, its sphere of jurisdiction being the same as that of the Court to which it belongs.

The Public Procurator directs and superintends the judicial police in the detection of the offenders, brings judicial proceedings before the Court of Justice and directs and superintends the execution of judgments rendered.

One Public Procurator in regular employment is appointed for all the Public Procurator's Offices and is stationed ordinarily in Palau Island. The function of the Public Procurator is entrusted to Police Inspectors at the Public Procurator's Office attached to the Local Courts at Ponape and at Saipan but grave cases are usually reserved for the direct action of the Public Procurator. The Public Procurator is the central organ of detective service, and Police Inspectors and Police Sergeants, who are administrative police officers, assist the Public Procurator and engage in detective service under his direction in the capacity of judicial police officers. The head of a branch bureau and the Police Superintendent in the capacity of judicial police officers have the same competence as the Public Procurator in regard to detective service. The Local Courts are established in three places, namely, Palau, Saipan and Ponape, and the Higher Court in Palau.

In 1937 the number of criminal cases tried at the courts of justice was 276, persons found guilty numbered 272.

Police

After the complete withdrawal of the naval forces from the Islands in April, 1922, the maintenance of peace and order in the territory was placed exclusively in the hands of the police.

This necessitated an augmentation of the police force. Accordingly, for the management of affairs concerning police, sanitation and the execution of sentences, a police superintendent, police inspectors, police sergeants and policemen have been appointed to the South Seas Office, and police inspectors, police sergeants, policemen and native policemen to each branch bureau. The number of police offices including branches and the personnel of the police are as follows:—

Table 10. Number of Police Offices and of Police Officers

(At the end of Aug., 1937)

	No. of police offices incl. branches	Police superintendents	Police inspectors	Police sergeants	Chief policemen	Policemen	Native Policemen	Total
South Seas Office	—	1	3	3	4	2	—	12
Saipan Branch Bureau	14	—	3	4	5	42	12	73
Yap " "	5	—	1	—	1	6	6	15
Palau " "	8	—	1	1	2	15	12	31
Truk " "	5	—	1	—	1	9	7	19
Ponape " "	7	—	1	2	14	11	9	37
Jaluit " "	8	—	1	—	1	7	6	15
Total	42	1	11	9	28	92	52	202

Sanitation

The number of hospitals and physicians, nurses, etc. in recent years are as follows:—

Table 11. Number of Hospitals, Physicians, etc.

	Hospital: Government	Public	Private	Total	Physician	Dentist	Pharmacist	Midwife	Nurse
1927	8	..	..	8	25	5	7	9	10
1935	8	..	2	10	48	15	10	46	34
1936	8	..	2	10	49	16	10	49	13
1937	8	..	6	14	64	16	11	64	57

AGRICULTURE

The agricultural industry carried on by natives is in a very primitive state. They have no system of cultivation, growing extensively only a few crops such as tapioca, taro potatoes and yam potatoes by rotation. Though the most part of the best situated and really fertile tracts of land belong to natives, the greater portion of such land still remains undeveloped. If they were more enlightened in agricultural knowledge and taught advanced methods of cultivation, their prosperity would be remarkably advanced. With this in view, since the Islands came under Japanese administration, the authorities have been endeavouring in various ways to instruct and lead them in this respect. At the end of 1937, the total area under cultivation approximated 23,669 cho of which 1,401 cho were paddy, 22,268 cho upland. The area, the number of farming households and of population are as follows:—

Table 12. Number of Farming Population and Area Under Cultivation

	Farming		Area (cho)			Area per Household	
	Household	Population	Paddy	Upland	Total	Paddy	Upland
1928	6,338	42,967	1,215	9,584	10,799	0.15	1.14
1934	11,625	31,716	1,399	16,493	17,892	0.12	1.43
1935	12,266	31,943	1,400	19,403	20,803	0.11	1.58
1936	11,824	31,479	1,401	21,161	22,561	0.11	1.78
1937	12,954	35,444	1,401	22,268	23,669	0.11	1.72

Table 13. Principal Agricultural Production

(Quantity in 1,000 Kwan; Value in ¥1,000)

	Rice		Beans & Peas		Other Cereals		Vegetables		Fruits		Special Crops		Total Value
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	
1930	0	0	13	6	29	11	2,726	557	5,553	747	60,326	1,366	2,687
1931	0	0	11	5	25	12	2,509	400	5,177	754	102,969	1,575	2,746
1932	10	5	11	5	35	13	3,042	476	4,988	723	108,025	1,598	2,821
1933	7	4	11	5	27	11	2,392	482	6,258	938	111,758	1,850	3,290
1934	7	4	12	5	29	12	2,657	548	6,248	920	6,284	1,858	3,347
1935	7	4	11	4	51	19	2,105	439	5,534	842	151,432	2,756	4,065
1936	8	5	20	13	67	23	2,965	583	4,932	835	125,186	2,403	3,862
1937	37	7	58	10	71	9	14,474	709	28,296	1,322	555,878	2,797	4,855

Sugar.—At present the sugar industry is carried on in Saipan and Tinian, and the cultivation of sugar cane is mostly confined to those two islands, the production of the other islands being small and almost entirely consumed locally. The total area of sugar plantations in 1916-17 was 20 cho. In 1937 it was up to 11,513 cho producing 198,506 m. tons of sugar cane valued at ¥2,310,500.

Coffee.—Coffee suits the climate and soil of the islands and it has long been grown there. But the production was not large in quantity and was chiefly consumed at home. Recently many Japanese have started its cultivation in Saipan with good prospects of making a fair profit if the work be afforded encouragement. Accordingly the Government since 1927, has made grants-in-aid to cultivators of coffee.

Table 14. Output of Fruits

(Volume in 1,000 Kwan; Value in ¥1,000)

	Bread Fruits		Banana		Papaia		Pineapple		Total incl. others	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
1930	3,857	462	684	133	782	85	172	46	5,553	747
1931	3,797	547	485	89	734	73	108	26	5,177	754
1932	3,582	512	523	98	739	74	100	24	4,988	723
1933	5,042	708	596	121	446	73	135	29	6,258	938
1934	5,023	704	547	113	432	51	223	47	6,248	920
1935	4,747	667	456	99	37	12	261	59	5,534	842
1936	4,283	728	267	49	35	8	319	41	4,932	835
1937	25,312	1,162	1,090	47	562	41	1,232	66	28,296	1,322

Table 15. Output of Special Crops

(Volume in 1,000 Kwan; Value in ¥1,000)

	Cotton		Sugar-cane		Tobacco		Coffee		Tapioca		Total value incl. others
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value	
1930	5.5	6.9	59,567	1,180	3.8	28.7	19.8	4.9	729	144	1,366
1931	4.2	8.4	102,228	1,403	3.6	24.6	30.8	8.0	641	129	1,575
1932	4.8	9.6	107,282	1,426	3.2	23.6	52.9	13.1	677	124	1,598
1933	4.8	9.7	109,784	1,452	3.5	26.6	78.7	19.1	1,183	156	1,850
1934	16.4	8.6	103,845	1,636	2.6	18.4	81.0	20.1	2,339	172	1,858
1935	22.7	22.1	144,727	2,339	2.9	21.8	62.0	15.8	6,617	367	2,756
1936	27.9	27.5	118,970	1,883	1.1	8.9	100.0	25.1	2,695	372	2,403
1937	43.6	10.7	529,135	2,311	1.8	3.4	264.3	18.2	26,273	370	2,798

FORESTRY

As the islands are small in area, there are no forestry enterprises systematically undertaken, and no regulations have as yet been enacted concerning forestry, which is carried on in conformity with usage.

Timber trees in the islands are sonneratia acida, calophyllum inophyllum, terminalia catappa, pterocarpus indicus, intsia bijuga, serianthes grandiflora, kurogaki and elacocarpus sq.

As regards fruit trees, artocarpus incisa, cocos nucifera, cocoa edulis, anona muricata, pangium edule and mangifera indica may be mentioned, while fibre-yielding trees are pandanus sq., cocos nucifera, artocarpus incisa and hibiscus tibiaceus. Except cocos nucifera, however, these trees are not found in such large numbers as to merit mention.

Table 16. Production of Timber, Fagots and Charcoal

	Timber		Fagots		Charcoal		Total incl. other (Yen)
	(Cubic meter)	(Yen)	(Cubic meter)	(Yen)	(M. tons)	(Yen)	
1930	1,032	10,189	77,735	156,420	1,477	76,949	3,338,763
1931	1,101	8,308	108,234	199,394	1,407	42,901	3,570,139
1932	1,022	7,473	85,506	130,998	1,053	41,762	3,301,532
1933	3,243	15,193	61,337	11,299	903	37,851	3,418,856
1934	1,713	8,895	39,898	11,312	1,049	62,904	3,187,675
1935	4,985	17,318	40,898	11,210	1,541	66,753	4,208,206
1936	3,795	12,803	51,355	14,765	1,075	40,855	4,565,650
1937	9,939	30,183	69,458	20,838	1,727	63,879	7,021,144

Coco-nut palms have been planted throughout the islands for many years. They grow very well and the copra obtained from them is not only the chief forest product and one of the most important articles of export, but constitutes an indispensable item of the daily diet of the natives. The area of palm forests and the production of copra obtained from them are tabulated as follows:—

Table 17. Output of Coco-nuts & Copra

	Copra		Cocoanuts	
	Volume (M. tons)	Value (Yen)	Volume (1,000 pcs.)	Value (Yen)
1930 ..	11,487	967,612	106,269	2,125,380
1931 ..	10,666	587,110	136,416	2,628,321
1932 ..	10,063	706,312	120,683	2,413,666
1933 ..	10,765	862,312	122,247	2,444,941
1934 ..	12,175	570,726	123,583	2,471,650
1935 ..	13,573	1,252,174	138,340	2,766,797
1936 ..	13,000	1,672,418	136,625	2,752,506

FISHERIES

The noteworthy branches of fishery have hitherto been confined to the collection of sea-slugs, nilotic-top shells and tortoise shells, and in recent years bonito and tunny fishing has been started. Some native and Japanese catch other fish and collect other shells for their own consumption, but these are scarcely worth mentioning.

Nilotic-top shells are collected chiefly in Palau and Yap, and tortoise shells, chiefly in Palau, Yap, Truk and Ponape, but sea slugs are collected in every island. The fishing of bonito and tunny is carried on in the seas of Palau, Saipan and Truk.

In Palau and Ponape, some have been carrying on the culture of the pearl oyster. In Po-

nape the enterprise has, however, ended in failure owing to a lack of technical skill, but in Palau the industry has made very satisfactory progress.

In 1916 the "Regulations for the Fishing Industry in the South Seas Islands" were promulgated. In these regulations it is provided that as a rule persons desiring to engage in the industry shall obtain permission from the authorities, but fisheries recognized by local usage are allowed to continue without going through such a procedure. It is also provided, for the purpose of assuring the proper multiplication of nilotic-top shells, pearly oysters and tortoises, that they shall not be taken at other times than the specified periods. With regard to the acquisition of the fishery rights, no discrimination is made between natives, Japanese and foreigners, any and all persons who have obtained permission being free to engage in that occupation.

The following figures show the value of catches and manufactured marine products in the last few years:—

Table 18. Statistics on Fishery

	No. of fishing households	No. of fishing population	No. of fishing crafts: With engine	No. of fishing crafts: Without engine	Catches	Manufactures
1932	741	1,549	63	1,053	¥1,266,866	¥ 981,634
1933	803	1,539	62	314	1,790,322	1,747,595
1934	1,178	2,236	93	316	2,644,803	1,810,838
1935	1,093	2,356	108	265	1,641,357	2,238,858
1936	1,480	3,100	216	237	3,585,019	2,760,428
1937	1,837	4,755	..	..	6,862,588	5,484,774

Table 19. Fishery Catch and Products Classified
(Unit: ¥1,000)

	Catch: Bonito	Tunny	Horse Markerel	Total incl. Others	Shell fish	Manufactures: Dried Bonito	Dried Tunny	Total incl. Others
1932	944	51	51	1,182	65	718	60	892
1933	1,513	60	21	1,715	75	1,662	76	1,748
1934	2,205	116	11	2,469	135	1,715	85	1,811
1935	1,318	106	15	1,550	80	2,127	99	2,239
1936	1,479	110	20	1,689	1,900	2,671	75	2,760
1937	2,834	91	26	3,049	3,798	5,082	381	5,485

COMMERCE AND INDUSTRY

Commerce.—In sympathy with the opening of the archipelago and a growing number of Japanese immigrants, commerce is making swift developments. As at the end of 1938 there were 47 companies with paid up capital of ¥45,414,117 consisting of 15 commercial cos. 13 manufacturing cos. 9 fishery cos. 5 agricultural and forestry cos. throughout the islands. Business quarters in such leading islands as Saipan, Tinian and Palao are showing considerable prosperity, though not comparable to similar quarters in Japan. Many of the traders in the other islands transact in copras in addition to the sale of miscellaneous articles.

Industry.—The most important industry is the manufacture of sugar and its by-products, i.e. alcohol and alcoholic drinks in Saipan. Recently a certain number of persons have started the manufacture of soft beverages and canned fruits, but the amount of production is still quite small. The only handicraft of the natives is weaving fabrics from the leaves of palm and breadfruit trees. The following table shows the value and quantity of the principal goods manufactured in the islands for the last few years:—

Table 20. Industrial Production
(Unit: ¥1,000)

	Agriculture	Pastoral	Livestock	Forestry	Fishery: Catch	Fishery: Products	Mining	Mfg. Ind.	Total
1932	2,821	331	174	3,302	1,267	982	1,205	9,532	19,614
1933	3,290	440	209	3,419	1,790	1,748	1,309	15,001	27,206
1934	3,347	495	..	3,188	2,645	1,811	1,779	14,099	27,364
1935	4,065	531	308	4,208	1,641	2,239	1,762	20,716	35,470
1936	3,862	562	314	4,577	3,589	2,760	2,157	18,256	36,077
1937	4,855	659	356	7,021	6,863	5,485	....	25,015	50,254

Table 21. Principal Manufactured Goods

	Sugar (1,000 piculs)	Sugar (¥1,000)	Molasses (M. tons)	Molasses (¥1,000)	Alcoholic Liquor (1,000 litres)	Alcoholic Liquor (¥1,000)	Alcohol (1,000 litres)	Alcohol (¥1,000)	Ice (M. tons)	Ice (¥1,000)	Total incl. others (¥1,000)
1931	661	9,633	93,406	624	355	135	1,046	338	1,040	40	10,839
1932	678	7,317	13,097	218	516	212	1,500	416	1,705	59	8,313
1933	740	10,223	13,102	223	717	279	1,672	438	1,602	71	11,433
1934	751	10,245	10,557	179	641	232	1,762	431	2,867	108	11,493
1935	1,123	15,527	9,273	169	855	332	1,826	515	2,969	98	17,164
1936	819	14,265	13,224	1,273	1,031	386	2,551	1,440	3,283	115	18,371
1937	976	18,851	19,053	3,239	1,222	520	2,668	1,030	5,013	220	25,015

Mining Industry

The principal mineral products obtainable in the islands and worthy of mention is phosphate. Sulphur and manganese are also found but only in small quantities, and are scarcely worth mentioning. The mining industry in the islands is to be undertaking in accordance with the "South Sea Islands Mining Regulations" promulgated in 1916. The Regulations provide that persons desiring to undertake mining enterprises are to apply to and obtain permission from the Director of the South Seas Office, and that any persons irrespective of nationality may obtain mining rights. A person intending to undertake mining operations may enter on land, the property of other persons, and make surveys or investigations thereof or make use of it after obtaining permission from the head of the competent branch bureau. In that case he must pay rent to the owner of the land and pay compensation for all damages sustained.

The head of the competent branch bureau may, with the permission of the Director of the South Seas Office, issue the necessary rule for the safeguarding of public welfare and deposits of minerals.

In case a miner is injured, fallen ill or killed while working, otherwise than by his own negligence, the person undertaking the mining operations is under the obligation to support him or his bereaved family. He is also under the obligation to pay a certain mining tax.

Phosphate is mostly found in the Augaur Islands, which were formerly managed by a German company called the South Seas Phosphate Mining Company, Ltd. but in 1922 it was placed under the management of the South Seas Office. In 1936 with the establishment of the South Seas Development Company the phosphate business was transferred to the said company.

Bauxite.—Laterite which contains a high percentage of bauxite is found in the islands of Palau, Ponape, Yap. It is calculated that the total deposits of the mineral is approximately 4,000,000 metric tons. With the rapid increase in demand of aluminum, the development of this particular enterprise is attracting much attention.

Table 22. Production of Refined Phosphate

	Quantity (Ton)	Value (Yen)
1931	60,203	1,125,769
1932	65,610	1,205,172
1933	70,336	1,308,840
1934	72,148	1,778,750
1935	70,468	1,762,310
1936	84,773	2,156,714
1937	132,428	3,533,605

FOREIGN TRADE

Trade carried on in the mandated territory may be classified as trade between the territory and Japan and dependencies and that between the territory and foreign countries. Most of the trade is conducted between the territory and Japan and the dependencies.

Exports and imports between the islands and Japan and the dependencies are carried on at nine ports namely, Saipan, Tinian, Yap, Palau, Augaur, Truk, Ponape, Kusaie and Jaluit.

No duties are imposed on such imports and exports, in principle, but as an exception there is the institution of port clearance dues. Trade with foreign countries is carried on at Saipan, Palau, Augaur, Truk and Jaluit. No duties are imposed on exports, but customs duties are collected on imports.

Table 23. Imports and Exports

(Unit: ¥1,000)

	With Abroad				With Japan			
	Export	Import	Total	Excess	Export	Import	Total	Excess
1932	49	333	382	284	13,849	6,255	20,104	7,594
1933	584	439	1,023	145	18,156	8,550	26,706	9,605
1934	1,964	335	2,298	1,629*	16,461	12,635	29,096	3,825
1935	2,632	601	3,234	2,031*	23,741	14,620	38,362	9,122
1936	303	2,631	2,934	2,327*	24,957	16,450	41,406	8,507
1937	388	1,268	1,656	880	37,864	21,997	59,861	15,868

Note: * Indicates excess of export.

Chief exports are phosphate, copra, sugar, and alcohol, their combined value constituting more than 74% of the total value of exports. Nilotic-top shells and sea-slugs are gathered, as a rule, every other year out of regard for their replenishment, so that the value of those articles exported differs from year to year. Nearly all the exports go to Japan, the exports to foreign countries being very small quantities of miscellaneous articles going to Guam from Saipan and to the Gilbert Islands from Jaluit.

Chief imports are rice and other foodstuffs and drinks, cloth and articles made of cloth, wearing apparel and trinkets, articles made of metal, timber and articles made of wood, oil and wax and fat and articles made thereof, minerals and manufactures thereof. The combined value of those articles constitutes about 75 per cent. of the total value of the imports. Below are given the data of staple articles of export and import in the last few years:—

Table 24. Staple Exports (inclusive of exports to other parts of the Japanese Empire)

(In ¥1,000)

	Sugar	Dried bonito	Alcoholic Liquor	Nilotic-top shells	Alcohol	Phosphate	Copra
1931	9,237	701	43	58	295	865	1,127
1932	9,605	906	97	77	388	1,081	1,173
1933	12,913	1,512	121	89	391	1,362	1,509
1934	12,381	1,812	55	107	465	1,391	1,077
1935	18,134	2,216	69	87	595	2,166	1,756
1936	12,989	2,725	105	66	764	2,856	2,041
1937	19,565	5,771	19	849	2,399	3,307	15

Table 25. Staple Imports (inclusive of imports from other parts of the Japanese Empire)

(In ¥1,000)

	Rice and Paddy	Alcoholic Liquor	Cigarettes	Oil, wax etc.	Cloth, etc.	Machineries, etc.	Wood and Mfrs.
1931	757	257	296	378	562	...	499
1932	1,054	311	313	496	661	462	353
1933	1,245	414	405	647	818	372	639
1934	1,525	474	468	852	906	2,629	958
1935	2,118	634	592	1,247	1,344	2,028	1,048
1936	2,701	702	646	1,493	1,118	2,153	1,208
1937	2,682	1,087	823	1,579	1,866	2,875	1,438

COMMUNICATIONS

Postal Business.—As the post-offices are located in the islands scattered over a great expanse of water and are widely separated from one another, communications are entirely dependent on ships, and all mail matters are despatched and received when vessels on regular services call at the respective islands. The occasions on which postal matters are despatched and received in a year number 25 at the Saipan post-office, 13 at the Yap post-office, 18 at the Palau and Angaur post-offices, and 11 each at the Truk, Ponape and Jaluit post-offices. When casual vessels call, advantage is taken of it to make an extraordinary despatch, so as to secure early delivery. Among the foreign mails, those destined for the Dutch East Indies have been allotted an exchange office, viz., the Palau post-office and they are sent thence to the post-office at Menado in the Celebes by vessels regularly plying between the two places. Also on August 1, 1927, the Jaluit post-office was made an exchange office for the British Gilbert Islands, and the despatch was commenced of postal matters to the Btaritary post-office.

Telegraphic Business.—Telegrams and wireless telegrams in Japanese or European languages, destined to or coming from Japan proper or foreign countries, are dealt with, delivered, and transmitted.

Telegraphic communication is accomplished by means of submarine cables, one being the Yap-Nawa line and the other the Yap-Guam line.

The former is used for sending and receiving telegrams to and from Japan proper and foreign countries, and the latter for telegrams to and from the United States and the Philippines.

There is a wireless installation at every post-office, and the business of the coast stations and the fixed stations is dealt with there. The wireless in Palau is in direct communication with Japan proper, and, besides connecting the islands with Japan proper, controls the connections between the post-offices in the islands. The wireless in Truk chiefly functions as an intermediary between Palau and the islands in the east, and being in direct communication with Rabaul (Bismarck Group), deals with messages between the islands and other places in the Southern Pacific. The wireless installations of other post-offices connect with each other.

Table 26. No. of Mail & Telegrams, etc.

(Unit in 1,000)

	Mail				Telegrams							
	Ordinary		Parcel		Domestic		Foreign		Total		Transmitted	
Year Ending Mar. 31:	Despatched	Delivered	Desp.	Del.	Desp.	Del	Desp.	Del.	Desp.	Del.	Domestic	Foreign
1933	1,048	1,686	10	37	126	112	1.8	0.4	128	112	141	0.6
1934	1,472	1,995	11	44	171	151	1.8	0.5	173	152	194	1.2
1935	1,542	2,402	13	51	214	184	1.8	0.4	216	185	267	0.6
1936	1,856	2,862	14	58	252	218	2.1	0.7	254	218	321	0.9
1937	2,380	3,302	18	65	289	243	3.2	2.0	292	245	371	1.1
1938	2,207	3,671	24	81	362	299	3.0	2.0	365	302	455	0.7

Telephone Service.—In July, 1927, the "Rules for the Telephone Service in the South Sea Islands" were issued by the South Seas Office and subsequently the Palau post-office opened the service on September 1 of the same year and the Saipan post-office on July 21, 1928.

Postal Money Order and Savings Bank Business.—Postal Money Orders for Japan proper and foreign countries and the deposit and payment of postal savings are dealt with. The method of handling these branches of postal business is the same as in Japan proper. Statistics on the abovementioned business are tabulated as follows:—

Table 27. Postal Money Orders and Postal Savings

	Postal Money Orders (¥)				Postal Savings (¥1,000)			
	Domestic		Foreign					
Year ending Mar. 31:	Issued	Paid	Issued	Paid	Amount of deposits	Amount of refundment	outstanding at end of year	Amount per depositor (¥)
1933	4,718	4,061	5.7	6.6	1,507	1,311	1,620	129.05
1934	5,834	5,386	4.1	4.3	2,132	1,686	1,892	103.25
1935	6,785	5,891	2.2	2.8	2,010	1,816	1,961	89.63
1936	7,720	6,787	3.5	5.6	2,522	2,198	2,186	86.37
1937	8,248	7,866	6.1	9.4	3,252	2,568	2,690	91.34
1938	12,431	7,141	12.2	4.0	7,332	6,271	3,468	92.95

RAILWAYS

There is no railway in the islands for the public. The only railway existing are a light railway, 18 kilometers in length, in Angaur, for the carriage of phosphate, and another 211 kilometers in length, in Saipan constructed by the Nanyo Kohatsu Kaisha for the benefit of its sugar industry. Of the latter railway, the section between Garapan and Charankanoa, about 4 miles, is open to traffic for the convenience of the public. Vehicles, classified according

to kinds, are; bicycles 13,028, ox-cart 3,282, wagons 220, cars 3,536 totalling 16,593, exclusive of automobiles at the end of December, 1937.

South Seas Colonization Company, Limited

The South Seas Colonization Company was established on November 27, 1936 in accordance with the South Seas Colonization Company Act promulgated on July 27 of the same year by an Imperial Ordinance. The Company is to the South Seas under Japanese mandate what the Formosa Development Company is to Formosa. The authorized capital of the Company is ¥20,000,000 in 400,000 shares of ¥50.00 each. Of that amount of capital, ¥10,546,000 is put up by the Government in the shape of the right of mining phosphatic ores in Angaur and other islands and the property connected therewith. Of the ¥20,000,000 capital, ¥12,909,500 is paid up. The Company has its head office in Korror Island (Palau Group) and a branch office in Tokyo.

The particulars of the business of the Company are as follows:—

(1) Agriculture, fisheries, mining and shipping which are necessary for colonization.
(2) Emigration which is necessary for colonization.
(3) Acquisition, management and disposal of land (inclusive of lease and other rights in connection with land) which are necessary for colonization.
(4) Management and supervision of land on trust.
(5) Supply of goods necessary for colonization to farmers, fishermen and immigrants, purchase or sale of their products, or improving on them.
(6) Supply of funds necessary for colonization.
(7) Enterprises incidental to the business mentioned above.
(8) Other business than those itemized above, which are necessary for colonization.

Recent Activity of the Nanyo Takushoku K.K. (South Seas Development Co.)

Rock phosphate mining.—The deposit of rock phosphate in Angaur Island is approximately 2,000,000 tons. During 1937, 118,000 metris tons of rock phasphate were mined by the Company from which 83,399 metric tons of refined products were made. Total exports of the product to Japan Proper in the same period amounted to 89,800 metric tons. As Fuais Island is also rich in phosphate reserves, it is estimated that total deposits are almost a half million tons. Mining in this island was put in operation since June 1938. Total investment by the Company for the mining of this particular mineral in the South Seas Islands was approximately ¥9,904,000 at the end of June 1928.

Table 28. Affiliated Companies of the Nanyo Takushoku K.K. (the South Seas Development Co.) (June 1938)

Name of Cos.	Kinds	Capital (¥1,000)	Shares	Shares held by Nanyo Takushoku
Pacific Pearl Co.	Pearl Fishery	¥1,200	24,000	23,500(97%)
Nantaku Pineapple Co.	Tinned pineapples	2,000		20,860(52%)
Nanyo Aluminium Ore Co.	Mining of Bauxite and refinery	2,000	40,000	15,250(38%)
Nanyo Electric Co.	Supply of power & light	500	10,000	5,000(50%)
Nanko Marine Products Co.	Fishery, cannery & ice plant	2,700	54,000	26,190(49%)
Japan Pearl Co.	Pearl Fishery	1,500	30,000	14,875(50%)
Total investment by the Nanyo Takushoku			¥3,631,000	

Table Nos.: 1-5 a, 6-7 b, 8-27 a, 28 c.
Key: a—Nanyo-cho (South Seas Govt.)
b—Dept. of Finance.
c—Nanyo Takushoku K. K.

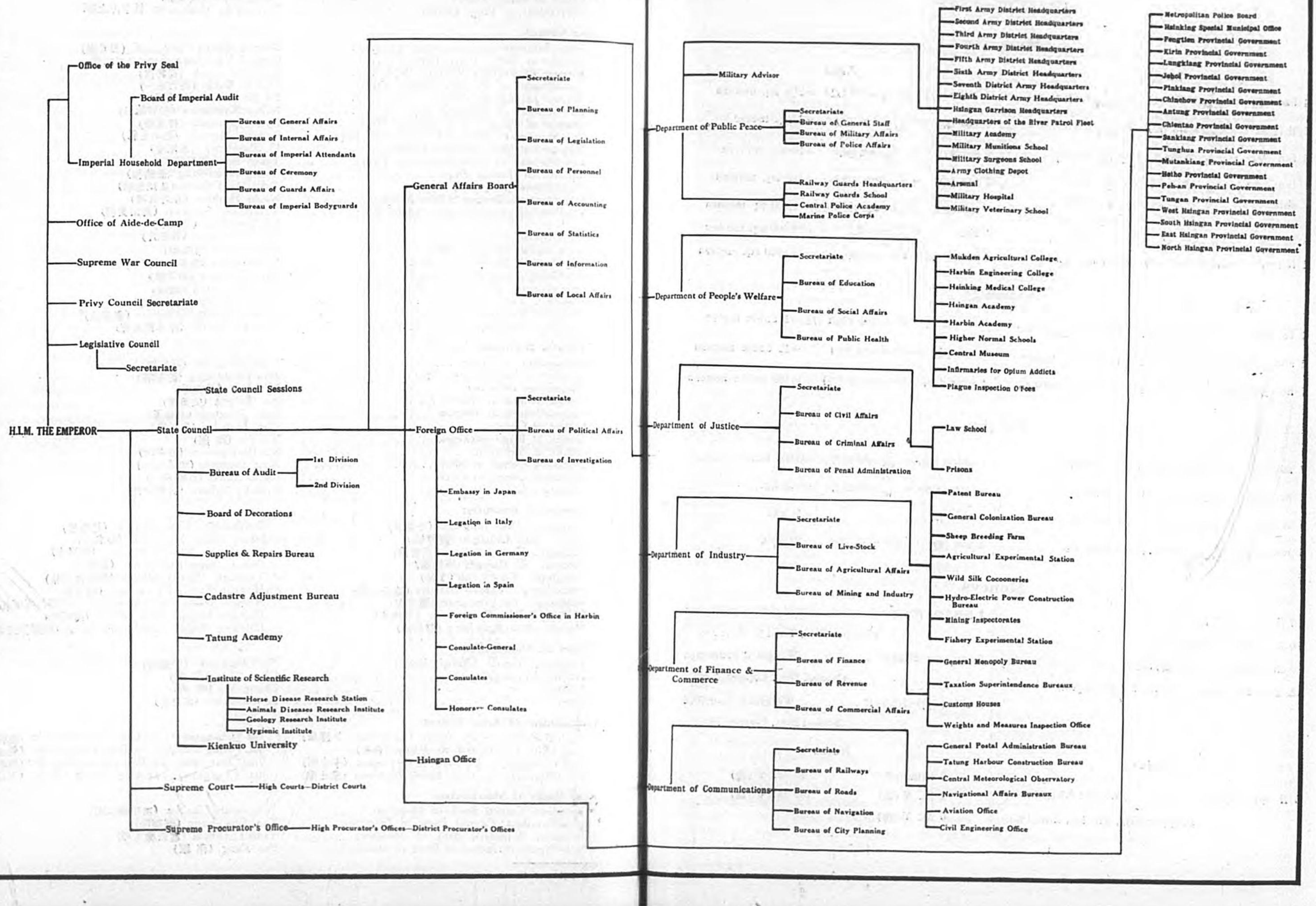
Occupants of Leading Manchoukuo Government Posts, September, 1939

Minister of the Imperial Household	Hsi Chia (熙 洽)
Vice-Minister of the Imperial Household	Shizuo Arai (荒井靜雄)
Load Keeper of Privy Seal	Yuan Chin-kai (袁金鎧)
Chief Aide-de-Camp	General Chang Hai-peng (張海鵬)
President of Privy Council	Tsang Shih-i (臧式毅)
Vice-President of Privy Council	Toranosuke Hashimoto (橋本虎之助)
State Council:	
Prime Minister	General Chang Ching-hui (張景惠)
Minister of Public Peace Dept.	General Yu Cheng-cheng (于琛澂)
Minister of People's Welfare Dept.	Sun Chih-shang (孫其昌)
Vice-Minister of People's Welfare Dept.	Shoichi Kanki (神吉正一)
Minister of Industry Dept.	Lu Jung-huan (呂榮寰)
Vice-Minister of Industry Dept.	Nenzo Kashimura (柏村秘三)
Minister of Finance & Commerce Dept.	Han Yun-chieh (韓雲階)
Vice-Minister of Finance & Commerce Dept.	Reisuke Matsuda (松田令輔)
Minister of Communications Dept.	Li Shao-keng (李紹庚)
Vice-Minister of Communications Dept.	Takeo Iino (飯野毅夫)
Minister of Justice Dept.	Chang Huan-siang (張煥相)
Vice-Minister of Justice Dept.	Tokusuke Oikawa (及川德助)
Secr.-General, General Affairs Board	Naoki Hoshino (星野直樹)
Vice-Secr.-General, General Affairs Board	Yoshitomo Susukida (薄田美朝)
" " " " "	Ku Tsu-heng (谷次亨)
Dir.-General, Foreign Office	Tsai Yun-sheng (蔡運升)
Dir.-General, Hsingan Office	Cha Ko-erh (札哥爾)
Dir.-General, Board of Audit	Shizuo Arai (荒井靜雄)*
Dir.-General, Decoration Board	Shou Yu-peng (壽毓彭)
Supt.-General, Metropolitan Police Board	Yu Ching-tao (于鏡濤)
President, Tatung Academy	Tadaya Inouye (井上忠也)
President, Kienkuo University	General Chang Ching-hui (張景惠)*
President, Institute of Scientific Research	Umetaro Suzuki (鈴木梅太郎)
Diplomatic & Consular Service:	
Ambassador to Japan	Yuan Chen-tuo (阮振鐸)
Minister to Italy (also to Spain)	Hsu Shao-ching (徐紹卿)
Minister to Germany	Lu I-wen (呂宜文)
Consul-General at Hamburg	An Tsi-yun (安集雲)
Consul-General at Warsaw	Boku Shaku-in (朴錫胤)
Consul at Chita	Chu Shih-wei (朱世偉)
Consul at Blagovestchensk	Tsi Piu (際 彪)
Consul at Shingishu	Ku Chung-shan (谷中山)
Honorary Consul at Moji	Sazo Idemitsu (出光佐三)
Honorary Consul at Osaka	Riichi Ezaki (江崎利一)
Honorary Consul at Niigata	Ryosaku Shirase (白勢量作)
Governors of Provinces:	
Fengtien: Chin Jung-kuei (金榮桂)	Lungkiang: Chao Peng-ti (趙鵬第)
Kirin: Yen Chuan-fu (閻傳紱)	Jehol: Chin Ming-shih (金名世)
Antung: Huang Fu-tsun (黃富俊)	Chinchow: Chiang En-chih (姜恩之)
Cientao: Ri Han-eki (李範益)	Peian: Feng Kuang-min (馮廣民)
Tunghua: Ting Chao (丁超)	Tungan: Tatsuo Minoike (御影池辰緒)
Mutankiang: Saburo Shibuya (澁谷三郎)	Hsingan East: Eh Le-chun (額勒春)
Sankiang: Lu Yuan-shan (盧元善)	Hsingan West: Ne-la-ko-erh-cha-pu (諾拉嘎爾札布)
Pinkiang: Wei Huan-chang (韋煥章)	Hsingan South: Shou Ming-a (壽明阿)
Heiho: Hsu Kuei-heng (許桂恒)	Hsingan North: Eh-lu-chin-pa-tuh (額爾欽巴圖)
Mayors of Municipalities:	
Hsinking Special Municipality	Yu Ching-yuan (于靜遠)
Harbin Municipality	Chao Chen (趙 震)
Mukden "	Cheng Yu (鄭 禹)
Kirin "	Lu Chih-chin (路之途)
Commanders of Army Districts:	
1st (Mukden): Gen. Wang Ching-hsiu (王靜修)	5th (Chengteh): Lt.-Gen. Ying Chen-fu (應振復)
2nd (Kirin): General Ki Hsing (吉興)	6th (Mutankiang): Lt.-Gen. Chang I-san (張益三)
3rd (Tsitsihar): Lt.-Gen. Li Wen-ping (李文炳)	7th (Chiamussu): Lt.-Gen. Chang-Wen-chu (張文鑄)
4th (Harbin): Lt.-Gen. Hsing Shih-lien (邢士廉)	8th (Tunghua): Lt.-Gen. Wang Chi-yu (王之佑)
State Banks of Manchoukuo:	
President, Central Bank of Manchou	Tetsusaburo Tanaka (田中鐵三郎)
Vice-President, Central Bank of Manchou	Kan Chao-hsien (闞潮洗)
President, Industrial Bank of Manchou	Yutaro Tomita (富田勇太郎)
Vice-President, Industrial Bank of Manchou	Pao Kang (葆 康)

Note: * Those holding two or more posts concurrently.

DIAGRAMMATIC CHART OF ORGANIZATION OF MANCHOUKUO GOVERNMENT

STANDING: NOVEMBER, 1939



Weights, Measures and Moneys

(MANCHOUKUO)

Measures

Length

1 hao (毫)	$=\frac{1}{10,000}$ chih (尺)	$=\frac{1}{30,000}$ meter
1 li (釐)	$=\frac{1}{1,000}$ chih (尺)	$=\frac{1}{3,000}$ meter
1 fen (分)	$=\frac{1}{100}$ chih (尺)	$=\frac{1}{300}$ meter
1 tsun (寸)	$=\frac{1}{10}$ chih (尺)	$=\frac{1}{30}$ meter
1 chih (尺)		$=1/3$ meter
1 chang (丈)	=10 chih (尺)	$=3\,1/3$ meters
1 pi (引)	=100 chih (尺)	$=33\,1/3$ meters
1 li (里)	=1,500 chih (尺)	=500 meters

Area

1 kung (弓)	=25 sq. chih (尺)	$=27/9$ sq. meters
1 hao (毫)	$=\frac{1}{1,000}$ mu (畝)	=1 sq. meter
1 li (釐)	$=\frac{1}{100}$ mu (畝)	=10 sq. meters
1 fen (分)	$=\frac{1}{10}$ mu (畝)	=100 sq. meters
1 mu (畝)	=9,000 sq. chih (尺)	=1,000 sq. meters
1 tien (天)	=10 mu (畝)	=10,000 sq. meters
1 ching (頃)	=100 mu (畝)	=100,000 sq. meters

Quantity

1 tao (撮)	$=\frac{1}{1,000}$ sheng (升)	=0.001 cubic meter
1 shao (勺)	$=\frac{1}{100}$ sheng (升)	=0.01 cubic meter
1 ho (合)	$=\frac{1}{10}$ sheng (升)	=0.1 cubic meter
1 sheng (升)	=27 cubic chih (尺)	=1 cubic meter
1 tou (斗)	=10 sheng (升)	=10 cubic meters
1 tang (石)	=100 sheng (升)	=100 cubic meters

Weights

1 ssu (絲)	$=\frac{1}{1,000,000}$ chin (斤)	=0.0000005 kg.
1 hao (毫)	$=\frac{1}{100,000}$ chin (斤)	=0.000005 kg.
1 li (釐)	$=\frac{1}{10,000}$ chin (斤)	=0.00005 kg.
1 fen (分)	$=\frac{1}{1,000}$ chin (斤)	=0.0005 kg.
1 chien (錢)	$=\frac{1}{100}$ chin (斤)	=0.005 kg.
1 liang (兩)	$=\frac{1}{10}$ chin (斤)	=0.05 kg.
1 chin (斤)		$=½$ kg.
1 tan (擔)	=100 chin (斤)	=50 kgs.

Moneys

10 li (厘) =1 fen (分)

10 fen (分) =1 chiao (角)

10 chiao (角)=1 yuan (圓) (23.91 grs. of Pure Silver)

M. ¥ 1.00 (1 yuan) =1 G. ¥ 1.00 (Japan)

Coins

5 li (厘) (Copper) ..... Weight 2.5 grammes
(Copper 95%, Tin 4%, Zinc 1%)

1 fen (分) (Copper) ..... Weight 3.5 grammes
(Copper 95%, Tin 4%, Zinc 1%)

5 fen (分) (Nickel) ..... Weight 2 grammes
(Nickel 25%, Copper 75%)

1 chiao (角) (Nickel) ..... Weight 3 grammes
(Nickel 25%, Copper 75%)

Notes

5 chiao (角)
1 M. ¥ (圓)
5 M. ¥ (圓)
10 M. ¥ (圓)
100 M. ¥ (圓)

CHAPTER I

GEOGRAPHY & GEOLOGY

INTRODUCTION

The Empire of Manchoukuo, roughly speaking, is a country forming the northeastern littorals of the Asiatic continent, running from the Gulf of Pohai in the south to the more or less mountainous region in the north marked off by the long stream of the Amur. In the west, beyond the long sweeping range of the Greater Hsingans the country trails off into the sands of Mongolia, and in the east, is walled in by the Changpaishan range which runs along the Korean border, reaching far up behind the Maritime Province. It is a country somewhat larger than twice the area of Dutch Borneo and about equal to those of New South Wales and New Zealand, combined, inhabited by a population estimated at roughly 38 millions.

The Hsingan mountain range forms a natural boundary on the western side. Between this range and the Changpaishan range in the southeast, one running in parallel to the other, there lie extensive plains under tillage or forests. This level land is crossed by a number of streams navigable to great distances.

Manchoukuo, except in the limited parts which were early opened to outside intercourse, still remains unexplored or unsurveyed. Facts and figures are often found wanting at this stage. No little part of information available at present as to the geography of the new empire will undoubtedly have to be later corrected or revised in the light of progress which is being made in all phases of her national life. However, in so far as possible, the official and other authentic information and figures have been taken as a basis for the present chapter.

PHYSIOGRAPHIC DIVISION

Manchoukuo falls into the following phsiographic divisions:—

1. **The Great Central Plain of North & South Manchuria.**—An extensive level land forming the basin of Manchuria. It extends from the shore of the Gulf of Liaotung in the south to the regions bordering on the rivers Nonni and Sungari in the north. To these regions the Japanese have given the nomenclatures of North and South Manchuria, though such division has been a matter of more or less conjecture in some points. The line of demarcation, according to the Japanese geographers, is a mountain range which rises between Hsinking (Changchun), the Capital of the Empire, and Kungchuling in the south and runs westwards almost in a straight line somewhat beyond Taonan. This range, rising nowhere higher than 330 metres and scarcely perceptible to ordinary travellers on the railway, forms a climatic and faunal line of division. The rivers on its southern side flow southwards, contributing to the Liao river which eventually empties into the Gulf of Liaotung, while the streams on its northern side follow the opposite direction to flow into the Nonni and Sungari.

South Manchuria or the country lying south of the above line of division, quite open to the sea in the south, has heavier rainfall, rains being more abundant farther in the interior towards Hsinking. North Manchuria or the country on the northern side of the divisional line is much drier, except in small portions in the east and those close to the eastern side of the Hsingan mountains.

The plain of South Manchuria is traversed by the river Liao which has its origin in the mountains of Jehol. Where this river is joined by the streams of the west or Hsi Liao and Huangho on the west and by the east or Tung Liao on the other side there lie great fertile plains which, because of their agricultural possibilities and other favourable conditions, become the birthplace and centre of the earliest civilization of Manchuria, Liaoyang, the Capital of ancient Manchuria, being situated approximately at the centre. Yingkow at the mouth of the Liao had for many ages been the only and the most important commercial port of the country until its trade was diverted to Dairen. Tungliao or Chengchiatun, where, as its name indicates a Hun tribe obtained a concession about a century ago from the Mongol king, developed into the commercial centre of trade with eastern Mongolia and remained a brisk mart until the railway deprived it of its bean trade. The river Hunho which joins the Liao near Niuchuangcheng, because of its shipping facilities, gave birth to the industrial city of Mukden. Hsinking, an ancient city situated farther up the river, was chosen by the founder of the Manchu dynasty for the site of his government until it was transferred to Peking.

The extensive plain region formed by the main

and tributary streams of the Sungari and the Nonni, coming down, through the virgin country of north Manchuria, is marked by the city of Harbin, for many years the centre of commercial activity in this part of the country, and the growing cities of Tsitsihar in the north and that of Fuyu in the south. These regions have always been known as the granary of Manchuria.

2. Forest Zone of the Northeast and East.—A U-shaped stretch of wooded country which begins with the Hsiao or Little Hsingan range in the north and runs in a southeasterly direction along the Amur, taking in the major portions of Kirin Province and the eastern parts of Fengtien, finally joining the Changpaishan mountains of the Korean border. This wooded mountainous zone forms the watershed of the Sungari in the northeast and those of the rivers Tumen and Yalu in the southeast. The region along the converging streams of the Nonni which spring on the southern side of the Hsiao Hsingan mountains are notably marked with by the presence of soil containing abundant sodium, a condition which has prevented agricultural activity in these parts. The sections in the east and southeast, accessible to many streams, have since old days been the source of timber supplies to not only south Manchuria and north China but to Inner Mongolia as well.

3. Dry Area of the Northwest.—A far sweeping line of level country lying on the west side of the Ta or Great Hsingan mountains, taking in part of Jehol. The entire region forms a pasture land. The city of Hailar is the centre of cattle raising which is about the sole industrial activity of the whole land. Except the growing intimacy of its relations with North China, Chahar and Outer Mongolia, the importance of this part of Manchoukuo will chiefly be confined to certain lines of agricultural work which still remain to be developed.

4. Forest Zone of the North.—The wooded mountainous region which extends on the west from the northern parts of the Great Hsingan system to the Little Hsingans on the east, embracing extensive areas along the river Amur. Though unexplored for the most part, the timber resources of this region alone are said to surpass those of the islands of Saghalien and Hokkaido combined. The construction of the railway running through the country to Heiho, facing the Russian city of Blagoveschensk, will go a long way toward opening the virgin forests which are also said to guard rich gold veins at not a few places.

Boundaries

Manchoukuo is composed (1) of what were formerly known as the Three Eastern Provinces, i.e., Liaoning also known as Fengtien, Kirin and Heilungkiang, (2) of the province of Jehol which with Chahar formerly formed eastern Inner Mongolia, and also (3) of what was created in the earlier days of Manchoukuo as the province of Hsingan out of part of Liaoning and Heilungkiang and which has since the end of 1934 been divided into four administrative sections.

Position

The territory of the Empire of Manchoukuo extends from the Kwantung Leased Territory, which rises at the southern extremity in 38° 43′, to the river Amur, reaching into 53° 30′ North Latitude. The farthest point of Manchoukuo's western boundary lies in 115° 20′ East Longitude while the eastern end runs to 135° 20′ East Longitude, marked by the confluence of the Amur and Ussuri rivers.

Area

The area of Manchoukuo which had long been a matter of more or less conjecture, was officially announced on March 25, 1935, for the first time in the history of the country, though the figures in more than one case are given out in the form of advance estimates. The area of the Empire according to the different administrative districts, including the railway zone under Japanese jurisdiction, are as follows:—

Table 1. Area

Province	Sq. Kms.
Kirin	89,910
Lungkiang	77,906
Heiho	109,813
Sankiang	84,853
Pinkiang	102,113
Chientao	29,395
Antung	36,603
Fengtien	75,549
Chinchow	29,462
Jehol	96,585
Mutankiang	33,176
Tunghua	31,620
Hsinking Special Municipality	191
Harbin Special Municipality	929
Peian	70,898
Tungan	55,868
West Hsingan	80,411
South Hsingan	79,022
East Hsingan	106,751
North Hsingan	160,396
Total	1,303,143

MOUNTAINS

The most prominent mountains are the Hsingan Mountains which are composed of the following three systems:—

Great Hsingan.—The Great Hsingan Mountains form a natural border of Inner Mongolia extending from the Wutaishan mountains bordering the northern side of the Yellow River to the western region of Heilungkiang, separated from the Yablonoi and Stanovoi mountains by the river Amur. These long mountainous ranges are for the most part gently rising ground, seldom rising higher than 2,000 meters, though 200 kilometers wide at some points.

Among the more prominent peaks are Yikilishan, Chichichangshan, and Shihchangshan, all of which, however, fall below the height of two thousand meters.

Ilihuli.—The Ilihuli Mountains begin where Mount Ilihuli forms a right angle with the northern extremities of the Great Hsingans, close to the northern border. Thence these mountains run down along the curving stream of the Amur losing themselves in the Little Hsingans. The as Erhkoloshan, a volcano about 600 meters high. In the southern part of this system is the dormant valcano Uyunholdongi, well known to geographers.

Little Hsingan.—The Little Hsingan Mountains begin in the neighbourhood of Uyunholdongi and run in an eastern direction. This mountain range, nowhere rising above 1,200 meters, presents the general appearance of wooded plateaus, rising out of the marshy low plains. These mountains form the watershed of the branching streams of the rivers Amur and Sungari in these parts of North Manchuria.

Changpaishan.—The Changpaishan Mountains are a far stretching system running in parallel to the Great Hsingans, from the Korean border to the coast of Ussuri Province. The southern section branches off into another system forming the backbone of the Liaotung Peninsula. The middle section forms the watershed of the Tumen and Mutankiang, running northwards, and the Sungari and Yalu running westwards and southwards respectively. Except the highest peak, Paitoushan, 2,744 meters high and lying in the middle part, the mountains are below two thousand meters in height, presenting rather features of extensive wooded plateaus. The northern portions branch off into the ranges known respectively by the names of Laoyehling, and Changkwangtsailing, which reach as far north as the mountain range of Kuantashan. Among the more familiar peaks of those forming the ridge of the Liaotung peninsula are Fenghuangshan and Motienling of more or less historic interest, and Tsienshan and Tahoshangshan often mentioned because of their scenic attraction.

The watershed of the Liaoho and Heilungkiang, forming a natural line of division between North and South Manchuria, is a line of gently sloping ground running from Mount Changpaishan in a northwesterly direction until it reaches the eastern slope of the Great Hsingans. The whole divide extends over a distance of more than 800 kilometers, though it seldom rises more than 250 meters in height.

Yinshan.—The Yinshan Mountains join the southwestern end of the Great Hsingans in the west and decline to the plains of the Liao river in the east. The peaks of this system are generally high and marked with sharp declivities and rocky features, forming defiles and glens at many places. The two ranges, branching off in a southeasterly direction, parallel to one another, are known respectively as the Tsilaotu and Sungshanling ranges.

Table 2. Principal Mountain Systems in Manchoukuo

Principal Range	Sub-Range	Tributary Mountains	Height (metres)	Main Peaks	Height of Peaks (metres)
Changpaishan	Changpaishan	—		Paitoushan	2,774
	〃	Feitehlishan	More than 2,000	Feitehlishan & Maotsushan	—
	〃	Iluhayafan (Laoling)	—	Laoling	1,000
	〃	Heishan	1,000-2,000	Laopaishan	—
	〃	Yingehling	2,000 maximum	—	—
	Hsiao (Little) Changpaishan	Moutanling	1,000-2,000	Chingling	1,013
	〃	Changkwangtsailing	850 maximum	Changkwangtsailing	793
	〃	Laoling	—	Daoling	1,200
	Kuanta (Kentai)	—	250-270	Hounishihshan	—
	〃	Kongtaishan	—	—	—
	〃	Lungchaokou	—	—	—
	〃	Chakulanling	—	Kuantashan	—
	〃	Natanhatalaling	—	Shuangyashan & Fulishan	—

Principal Range	Sub-Range	Tributary Mountains	Height (metres)	Main Peaks	Height of Peaks (metres)
Changpaishan	〃	Aluhaweichu-ling	—	—	—
	Laosungling (Mukotehsiang)	Halupaling	800 maximum	Halupaling	800
	〃	Changlingtsu	—	—	—
	〃	Laoyehling	1,200 maximum	Laosungling	800
	〃	Meling	—	—	—
	〃	Takaoliling	—	—	—
	Changpaishan Western Branch (Kirin-Hata)	Chahaliang	700-1,000	—	—
	〃	Kuleling	〃	—	—
	〃	Mayenhotaling	〃	—	—
	Southern Watershed	Imenshaling	700-750	—	—
	〃	Taling	500-700	—	—
	〃	Aiho Western	700-maximum	—	—
	〃	Matienling	800-1,100	—	—
	〃	Tsienshan		—	—
Hsinganling	Greater Hsinganling (West Branch)	Yikilishan	1,210 mximum	Yikilishan	1,210
	〃	Shihchangshan	—	Shihchangshan	—
	〃	Chichichang-shan	1,360 maximum	Chichichangshan	1,360
	Great Hsinganling (East Branch)	Ilihuli	600 maximum	Erhkoloshan	600
				Uyunholdongi	—
				Achatehshan	—
				Hosenshan	—
	〃	Suchen		—	—
	〃	Chalahamutu		—	—
	Hsiao (Little) Hsinganling		1,221 maximum	Mahalashan	1,221
	〃	Fuszukuan	—	—	—
	〃	Chushan	—	—	—
	〃	Fulin	—	—	—
	〃	Laolung	—	—	—
	〃	Kulukuluto	—	—	—
	〃	Heishan	—	—	—
	〃	Talitai	—	—	—
	—	Tsilaotu	720 maximum	Maochinpaling (Machintaba)	720
Yingshan (Gachar)	〃	Sungshangling	1,600 maximum	Ifoloshan	1,600

Volcanoes.—In addition to those already mentioned the following are recorded; Shater, 123° 37′ E.L. and 49° 47′ N.L.; "Kankui" named by Mr. Niiobi of the South Manchuria Railway, 124° 35′ E.L. 49° 38′ N.L.; Koronan 125° 14′ E.L. 49° 14′ N.L. These volcanoes, though prominent for topographical reasons, are not high, assuming in most cases the form of a cinder cone.

Plains and Steppes.—The plains of Manchuria roughly speaking, extends over the great basin formed by the mountain ranges on the east and the west sides. The plain of North Manchuria, lying north of the divide running from east to west below Hsinking (Changchun) and drained by both Nonni and Sungari, are generally formed of alluvial deposits, with grass-covered, sandy ground at places. The soil is suitable for growth of beans and wheat.

The plain south of the above divide is drained by the river Liaoho and its tributaries. This part of the country is somewhat lower in comparison with the area on the other side of the divide and is of diluvial formation with occasional occurrences of alluvial deposits mixed at places with loess. The southern portion of these central plains is suitable for cultivation of beans and kaoliang.

These eastern slopes of the Great Hsingan mountains, in which the Liao, Heilungkiang, Nonni and Sungari have each their origins, form extensive steppes good for cattle breeding.

RIVERS

The rivers of Manchoukuo fall into two systems, the one representing those streams which flow in northerly or northeasterly directions to empty into the Japan Sea; and the other those which run in a southwesterly direction to flow into either the Sea of Pohai or the Sea of Pechili. Among the first group are to be noted Amur, Sungari, Nonni and Tumen. The second group includes Liaoho, Yalu and Talingho. What may be noted as characteristic of all the Manchoukuo rivers is that their waters are turbid, containing a considerable amount of mud or sand, and that their lower courses are marked with many turns and bends.

Heilungkiang (Amur).—The Heilungkiang or Black Dragon river in Chinese, better known abroad by the Russian name Amur, forms the northern boundary of Manchoukuo. This river, the upper reaches of which are known as the river Argun, has its origin on the western side of the northern extremities of the Great Hsingans. Later joined by the river Onon, the Amur runs in an easterly direction, forming gorges through the Hsingan mountains until it receives the waters of the Sungari and Ussuri rivers. At this point the Amur turns northwards and empties into the Sea of Tartary, north of Nikolaevsk. The total length of the Amur is roughly estimated at some 4,400 kilometers of which three-quarters drain Manchoukuo soil. The navigable distance is about 3,040 kilometers. The river begins to freeze up during the first three weeks of November, and the thawing sets in between the close of April and the early part of May, free navigation being possible for not more than 155 to 200 days in the year.

Sunghuakiang (Sungari).—The Sunghuakiang or more popularly known by the Russian name Sungari, forming the biggest tributary of the Amur, rises in the northeastern part of Mount Paitoushan and, passing by the city of Kirin in its northerly course, flows through the central plain until it is joined by the Nonni near Fuyu. Making a turn here in an easterly direction, it goes on to form the boundary between Heilungkiang and Kirin Provinces as far as Ilan or Sanhsing, where it receives the waters of the Mutankiang. Thence following a northerly course and passing by the city of Harbin, the Sungari joints the Amur at Tungkiang or Lahasusu. The total length is something more than 2,120 kilometers. The river drains for the most part what is known as the granary of North Manchuria.

The Sungari, from its natural features, may be divided into four sections; (1) from the upper reaches to the city of Kirin, 595 kilometers; (2) from Kirin to Nonni, 392 kilometers; (3) from the Nonni to Harbin, 245 kilometers; (4) from Harbin to the Amur, 695 kilometers. The first course, because of many shoals and rapids, is negligible from the point of view of shipping, being open to navigation only by flat bottomed river boats. The section between Kirin, which is the terminal point for ordinary shipping, and the Nonni is navigable by steamers of light draught. The course between the confluence with the Nonni and Harbin is 250 to 850 meters broad and 7 feet deep, though there are frequent shoals where the depth is not more than 3 to 4 feet. The river extends near Harbin to a width of one kilometer, though it falls off to less than 500 meters broad in the low water season. The course between Harbin and the Mutankiang, though abounding in shoals alternating with deep pools, are quite possible for navigation by steamships of more than 1,000 tons. The deeper parts range from 7 to 14 feet, some places being even as many as 30 feet deep. The last course between the confluence with the Mutankiang and that with the Amur offer better conditions of navigation, the depth ranging from 5 to 20 feet. The water-course in this part is from 200 to 300 meters broad. The Sungari is frozen for six months of winter, the section around Harbin freezing between the close of October and the middle of the next month. The thawing in this part begins on April 1st and lasts to the middle of the same month. The lower section around Lahasusu is seldom freed from ice before the end of April. The Sungari, generally speaking, is open to navigation for 200 to 210 days in the year.

Nenkiang (Nonni).—The Nonni originates in the Ilhulishan mountains and runs down southwards, draining the northwestern regions of North Manchuria. Receiving the waters of many tributaries on its course, it passes through the regions of Mohken (Nenkiang) and Tsitsihar until it is farther on joined by the river Taorho, in the west. Thence the stream goes on in a southeastern direction and flows into the Sungari. The total length of the river is given as some 800 kilometers. Though shipping has seen but little development upon the Nonni or its tributaries, the course between Tsitsihar and the Sungari, a distance of 450 kilometers, offers good conditions of navigation, there being about 30 meters of water along the central water course. The section between Tsitsihar and Mokhen, though 150 to 420 meters broad and quite deep, is being availed of by sailing boats

as present. The Nonni is closed to shipping by ice from the first week of November to the early part of April of the following year.

Tumenkiang.—The Tumenkiang or the river Tumen springs from the eastern side of Paitoushan and flows northwards, swelling on its way with the tributary waters of Korea and Kirin. Northeast of Yenki, of Chientao, the river makes a sharp turn in a southeasterly direction and flows into the Sea of Japan, south of Possiet Bay. The Tumen whose total length is estimated at something like 2,000 kilometers, forms for the most part the boundary between the Korean peninsula and the southeastern region of Manchoukuo, and that between Korea and Soviet Russia towards its end. Despite its length, the Tumen is navigable only a distance of 95 kilometers from its mouth up to the confluence with the river Hunchun. The river is frozen from the middle of November to the end of March.

Yalu.—The Yalu rises on the southern side of Mount Paitoushan and follows a northwesterly course as far as Linchiang where it turns southwards, forming the boundary between Korea and Manchuria. Joined by the Hunho and later by the Aiho, both coming down the Manchurian plain, the main stream empties below Antung into the Yellow Sea forming extensive deltas at its mouth. The total length is given as upwards of 790 kilometers. Though navigable up to Antung, a distance of 28 kilometers, the watercourse is narrow and featured by many bends making navigation both difficult and dangerous.

Liaoho.—The Liaoho is composed of two streams, the Hsiliaoho whose upper reaches are known as Shiramuren rising on the eastern slopes of the Hsingan range in Jehol, and the Tungliaoho originating on the western side of Mount Saghalyan of the Changpaishan system. The western stream, absorbing a number of tributaries of more or less size, flows in a northeastern direction until it is joined by the eastern stream near Sanchiangkou, or below Chengchiatun, to swell into a watercourse of considerable magnitude. From that point the river follows a southern course receiving the confluent streams of Taitzuho and Hunho, finally emptying below Yingkow into the Bay of Liaotung. The total length of the Liaoho, taking the longer course of the western Liaoho, is about 2,540 kilometers. The river is navigable by small boats up to Chengchiatun, a distance of about 880 kilometers. The presence of silting sand at its mouth considerably deprives it of its value as a watercourse. The river is frozen for four months of winter.

Talingho.—The Talingho rises in the Sungling mountains east of Chienping, Jehol, and joined by a number of tributaries on its southeastern course, flows into the Bay of Liaotung eastwards of Chinchow. The total length is about 425 kilometers.

Luanho.—The Luanho originates on the western side of the Yinshan range in Jehol and flowing in a southeasterly direction close by the city of Jehol, passes into Chinese territory eventually to empty into the Sea of Pohai. The length of the river is some 400 kilometers.

Mutankiang.—The Mutankiang, also known as Ningtaho, second in size only to the Nonni among the tributaries of the Sungari, rises on the northern slope of the Changpaishan range and flows northwards until it joins the Sungari near Sanhsing beyond the North Manchuria Railway line. The river forms on its way Lake Chingpo, also known as Lake Pirton. The length of the river is some 475 kilometers. While the stream is suitable for flowing down rafts, it is not navigable because of its swift currents and rocky bottom. The river is frozen from the close of November to the middle part of April.

Hulanho.—The Hulanho is a slow moving stream running down the southern slopes of the Folun mountains and joins the Sungari just below the city of Harbin. The length of the stream is about 375 kilometers. With 3 to 8 feet of water under ordinary conditions, the river is navigable up to Hulan by steamboats of 3 to 3.5 feet draught. It is closed to traffic by ice from November to April.

Ussuri.—The Ussulikiang or Ussuri river has its sources, on the Manchurian side, in the northern parts of the Changpaishan range. Joining the Mulingho, it flows into the confluent waters coming down northward by the town of Iman. From that point onward the Ussuri forms the boundary between Manchoukuo and the Maritime Province of Soviet Union, until it eventually flows into the Amur near Habarovsk. The total length of the river is estimated at 1,312 kilometers, including the longest tributary of Hula. With its water seldom falling below four feet and usually rising to 15 feet in the high water season, the river is navigable by ships of four feet draught. On its tributaries Mulingho and Naoli there is heavy traffic of small steam-boats and junks. The Ussulikiang is closed by ice from the middle of November to the middle of April.

Table 3. Principal River Systems

River	Navigable Length (Kms.)	Sources	Tributaries	Emptying into
Heilungkiang (Amur) (4,400 kms.)	3,040	Onon, Ingoda, Silka, Kolulienho, & Ehlukonoho Rivers.	Zeya, Bureya, Sungari, Ussuri & Argun Rivers.	Japan Sea
Sunghuakiang (Sungari) (2,120 kms.)	1,330 (from Kirin)	Toutaokiang, Sayinnoin, Liangtaokiang, Nenkiang (Nonni) Rivers.	Lafaho, Changyenho, Huifaho, Itungho, Lalinho, Hulanho, Ashihho, Fuikutoho, Moyenho, Muanho, Wokengho Rivers.	R. Amur
Nenkiang (Nonni) (800 kms.)	—	Hsinganling, Ilihuri Mts.	Yaluho & Chuoluho Rivers.	R. Sungari
Taoerho	—	Eastern Skirts of Hsinganling Mts.	Kweliuho & Chiaoliuho Rivers.	R. Sungari
Ussuri (1,312 kms.)	—	Daubihe, Sandagou, Urahe & Iman Rivers.	Sungachaho, Mulingho & Naoliho Rivers.	R. Amur
Tasuifenho	—	Tumen Mountain, Northern Skirts of Mukotehhsiang Mts.	Huputoho & Fuyehkouho Rivers.	Japan Sea
Tumenkiang (2,000 kws.)	95	Southern Skirts of Changpaishan Range.	Kayaho, Choshinko, & Hunho Rivers.	Japan Sea
Yalu (790 kms.)	160	Western Skirts of Paitoushan, Kyesenko, Choshinko, Hunho & Aiho Rivers.	Hunho, Tapushihho & Aiho Rivers.	Yellow Sea
Liaoho (1,900 kms.)	880	Silamulunho, Laohaho & Tung (East) Liaoho Rivers.	Silamulunho, Laohaho, Tungliaoho, Hunho, Shaosuhuangho, Liangtzuho, Chingho, Tsaiho, Hunho, Sutzuho, & Taitzuho Rivers.	Liaotung Bay
Luanho (400 kms)	—	Haintontokulushan, Mongolia.	Isunho, Jeho & Paoho Rivers.	Pohai Bay
Talingho (425 kms.)	100	Kienpin-hsien, Jehol.	—	Liaotung Bay
Hsiaolingho	—	Minganshan Mts. Skirts, Chaoyang-hsien, Chinchow, Juerhho & Haliutuho Rivers.	—	Liaotung Bay

LAKES

Two types of lakes occur in Manchuria; the one is an ordinary permanent lake of fresh or salt water; and the other, what is called a lake of playa type, which is dessicated in the dry season. Of the latter sort the most conspicuous instance is Tabusu-nor, a round shaped lake about 8 kilometers in diameter, lying 95 kilometers southeast of Taonan. When dry, the lake appears white with the heavy deposits of salt.

Among the permanent lakes the largest is Lake Hsingkai or Hanka the northern portion of which belongs to Manchoukuo and the southern portion to the Soviet Union. It measures about 90 kilometers from north to south and 50 kilometers from east to west.

Lake Tapaku or Lesser Hanka lies north of Hsingkai with which it is joined by a river. Its circumference is about 60 English miles.

Lake Kingpo or Pirton lies on the upper course of the Mutankiang, about 50 kilometers south of Ninguta, Kirin Province. It is about 40 kilometers from north to south and 8 kilometers from east to west. The northern part is called North Lake and the southern part South Lake.

Dalai-nor, also known as Lake Hulun, lies in the western part of Hsingan Province, south of Manchouli. It measures about 20 kilometers in length and 10 kilometers in width.

Lake Bail-nor (Buir-nor) is a salt water lake lying south of Dalai-nor and is half as large in its water area. These two lakes are joined by the Urson river.

Yuehliangpao is a lake about five English miles in circumference, lying north of Talai and connected with the Nonni river. The lake abounds in fish.

Table 4. Principal Lakes

Lake	Location	Dimensions (Kms.)	Circumference
Hingkai (Hanka)	At the border of Pinkiang Province and Soviet Territory.	S. to N. 90 E. to W. 50	252
Tapaho (Hsiaohingkai)	North to Hingkai Lake.	S. to N. 40	120
Pirton (Kingpo)	Southwest to Ningan, Pinkiang.	E. to W. 8	40
Dalainor (Hulun)	West to Hailar.	S. to N. 20 E. to W. 10	—
Buirnor (Salt)	South to Hulun.	S. to N. 25	—
Yuehliangpao	Jalaid Banner, Hsingan.	E. to W. 35	10
Tabusunor	West Uchumuchin Banner, Mongolia.	—	—
Talinor	Northwest to Keshikten Banner, Hsingan.	S. to N. 3 E. to W. 65	120
Talakannor	West Jarod Banner, Hsingan.	—	85

COASTLINE

The coastline of Manchoukuo, extending from the mouth of the Yalu river to Shanhaikwan, where the Great Wall comes down to the sea, is marked with few harbours or bays. The total coastline is no more than 700 kilometers, slightly more than one eleventh of the total outline of the country. The coast of the Yellow Sea runs almost in a straight line from northeast to southwest. Because of the existence along the whole line of shoals from 2 to 6 kilometers broad, the waters are shallow and offer little shipping facilities. The coastline of the Pohai Sea, however, is longer and more irregular in its contour, providing harbors of more or less value, amongst which may be mentioned Yingkow on the Liaoho and Hulutao on Lienshan Bay.

HARBOURS

The most important is Dairen, known in the late nineteenth century as Victoria Bay and later as Dalny under Russian administration on the eastern side of the Liaotung peninsula, 20 miles northeast of Port Arthur. Protected by land on three sides, the harbour is open on the east, with the island Erthtaohsu lying off the entrance. The harbour is provided with breakwaters eight in number and extending in all over more than 4,000 meters, and the water within the breakwater covers an area of upwards of 3,100,000 square meters. The depth of the water within the harbour is 8 to 11 meters at the southern end of the Liaotung peninsula berthing at a time 37 steamships of 5,000 tons. While the harbour is not free from ice between December and February, the sea routes are kept open by means of ice-breakers.

Port Arthur.—Port Arthur is a land-locked harbour situated at the southern end of the Liaotung peninsula and the only port in Manchoukuo that is free from ice all winter. As its Chinese name Liushun—available travel route—indicates, it was known from ancient times as the landing place for those proceeding into the interior of Manchuria. Fortified first under the Manchu dynasty, and later leased by Russia and next by Japan, it remained as a naval base under the administration of the Japanese navy until in 1927 it was made a commercial port in the full sense of the term.

The eastern section of the harbour, having a depth of 8 to 9 meters, is taken as a naval base. The western portion, known as Western Harbour, is open to commercial shipping; but shoals are frequent in that part. The only anchorage available for steamers measures but 430 meters wide and 1,280 meters deep, though its water of 9 meters easily harbours steamships of 6,000 tons. The section used for junks is 2 to 4 meters deep.

Hulutao.—Hulutao is a piece of land projecting into the sea of Lienshan Bay, approachable by a railway, about 12 kilometers long, branching off at Lienshan station, 33 miles west of Chinchou. The water is deep and free from ice all the year round. The harbour construction scheme was originally conceived and undertaken by the Chinese authorities to provide a rival port of Dairen. After repeated abortive attemps to carry out the scheme, the Mukden authorities concluded in January, 1930 a construction contract with the Netherlands Harbour Construction Company for 6,400,000 gold dollars. The work was begun in July of the same year, but had to be stopped in September of the next on account of the Manchurian Incident. In 1936 the port had a capacity of handling 60,000 tons

Yingkow.—Yingkow Harbour, situated at the mouth of the river Liaoho, was established in 1861 when the British Consulate was transferred here from the old port town of Neuchang, some 60 Chinese miles farther up the river, one of the first five ports opened by the Tientsin treaty concluded in 1858 between China and Great Britain. The harbour had grown since then to be the busiest port of South Manchuria until Dairen, under Japanese lease began to take away its trade through its better facilities and equipment as a commercial port. Although the section used for mooring steamships is about 13,500 metres in length, the quay for berthing ocean going craft is no more than 4,486 metres long. The section outside the harbour is used exclusively by junks.

The depth of the river Liaoho is constantly changing on account of the sand washed down by the stream. At the entrance to the harbour there are extensive sand bars where the water is no more than 8 to 9 feet deep at low tide. The river within the harbour is on an average 750 metres wide, though it narrows to about 560 metres around the wharf of the South Manchuria Railway. The depth within the harbour is from 20 to 33 feet at low tide, the deepest portions being as much as 50 to 70 feet deep. The harbour is practically closed by ice from the middle of December to the latter part of March.

Antung.—Antung, which is among all Manchurian harbours the most important as a shipping port for timber, is situated 25 miles above Hsintao at the mouth of the Yalu River. The water around Antung is 1,000 to 1,500 metres wide and 3.7 metres deep at low tide. The steamships entering Antung are limited to tonnages below 7 to 8 hundred. The lower reaches where the water is about 10 feet at low tide are used as the anchorage for vessels of 1,200 or more tons. Between Antung and Hsintao and Santaolang steam launches and lighters are operated. The port of Antung is closed to traffic by ice during the four months of winter.

GEOLOGY OF MANCHOUKUO

Although considerable light has been thrown upon the geology of Manchuria and Mongolia during the last century, the available information is still, for the most part, either fragmentary or local. In so far as this field of science is concerned, the whole country of Manchoukuo remains a matter of more or less conjecture. Generally speaking, the land of central Manchuria and Mongolia is marked by the presence of rocky formations of high antiquity and by the frequent occurrences of very recent rocks, lacking in strata of intervening periods. The strata of the former description are, for the most part, marine while those of the latter are terrestrial. What is more, the strata are generally found in horizontal lines, showing that the land, except the limited areas affected by greater warping movements, has been under relatively little pressure.

Manchuria.—A general idea of the geology of Manchuria, so far as has been investigated, may be had from the table below:

Table 5. Geologic Formation of Manchuria

Chiefly based on the report by Professor Murakami

Geological Period	Principal Rocks	Principal Fossils
Cainozoic Era:		
Quarternary Period	Sands, gravels, clays loess, basalts.	Mammoth, bison, deer, reindeer elks, rhinoceros.
Tertiary Period	Shales, sandstones, tuffs, basalts, trachyte, andesite.	Ferns, sago-palms, Glyptostrobus, Comtoriphyllum, Populus, insects, spiders, torstoise, fresh-water fishes, etc.
Mesozoic Era:		
Cretaceous Period	Sandstones, shales.	Eggs of seaturtles, fresh water fishes, etc.
Jurassic Period	Sandstones, shales, marls, conglomerates, coals, granite-porphyry, quartz-porphyry, liparite.	Ferns, sago-palms, gingo-trees, conifers, bivalves, primordial mammals, etc.
Triassic Period	(Wanting).	

Geological Period	Principal Rocks	Principal Fossils
Palaeozoic Era:		
Permian Period	Limestone, sandstones, shales, coals.	Lepidodendron, Sphenopteris, cordaites, Fusulia japonica, crinoids, corals, etc.
Sub-carboniferous Period Silurian Period Devonian Period Ordovician Period	(Wanting).	
	Limestone, shales, clay-slates, marls, sandstones.	Cephalopods (orthoceras, etc.), gasteropods (maelurea, etc.), brachiopods (Obolus, etc.), trilobites (Ptychasyis), fucoids.
Cambrian Period	Limestone, marls, shales, clay-slates, sandstones, conglomerates, gabbro, Granites, porphyrites.	Brachiopods (obolus, obolella, etc.), pteropods, lamelli branchia, gasteropods (more than 70 species), trilobites, etc.
Protozoic Era	Crystalline schists, silica, clay-slates, Lydian stone, limestone, dolomite, ironstones, Granites, gabbro.	Fucoids.
Archaean Era	Gneisses, crystalline schists, silica, crystalline limestone, granites.	

Geological Characteristics.—The following may be enumerated as geological characteristics of Manchuria: (1) granite and other rocky strata of high antiquity are seen in well developed states: (2) conspicuous absence of Silurian, Devonian; Sub-carboniferous and Triassic rocks; (3) scarcity of volcanic action and earthquakes, showing relatively small areas of exposed recent volcanic rocks; (4) the long geological history of the land as shown by a wide distribution of granite areas and extensive exposure of rocky beds of high antiquity, a point also confirmed by the fact that the rock beds than of the middle of the Mesozoic era are invariably either terrigenous or lacustrine.

What stand out as notable characteristics from the tectonic point of view, are the Hsingan and the Changpaishan ranges, forming between them the extensive basin of south and central Manchuria. The former mountain range is formed by a long folding of rocks, the western side of which is covered by sand, presenting an appearance as of plateaus. The eastern side of the range is marked by precipitable declivities with an occasional presence of small faults. The latter range is the western ridge of the above central basin.

What is of considerable geological interest is the Sungling mountain range which forms the boundary between Jehol and Fengtien Provinces, close to the Pohai Sea. The northern section of the range follows a northeasterly course as far as Tiehling on the main line of the South Manchuria Railway, above Mukden, and then turns eastwards reaching as far as Paitoushan mountain close to the Korean border. The areas south of this range abounds in strata and beds of Cambrian, Ordovician and even earlier times, embracing extensive veins of fire proof clays, magnesite and haematite. The land north of the range is wanting in those ancient rocks or any of those valuable mineral deposits, the granite and gneiss beds being generally under the Mosozoic strata. Along the above mountain range are noted conspicuous overthrusts of Palaeozoic strata above more recent rocky formations. These overthrusts, not without association with the general warping of the Mongolian land, are attributed to the middle part of the Tertiary period. As a stratigraphic feature of more recent date may be noted the Sungling range passing almost east and west, south of Hsinking, forming the watershed of Heilungkiang and the Liaoho plains, which joins the above Sungling east of the South Manchuria Railway line. This elevated system in parts still continues its upheaval movements. The western sector, as shown by the evidence of recent volcanic action, must have ceased its movement only recently. The eastern extremities of this mountains range, close to the eastern coast of the Korean peninsula, still continue the perpendicular movements which commenced in the latter part of the Tertiary period.

Geology of Mongolia.—Of the geology of Mongolia, which remains for the most part to be investigated, a general idea may be had from the table below, largely based on the work of Berkey, Morris and Grabau:

Table 6. Geologic Formation of Mongolia

Geological Period	Principal Rocks	Thickness in meters	Principal Fossils
Cainozoic Era:			
Quarternary Period — Alluvium	Sands, Gravels, Clays, Lacustrine deposits, Loess.	1-30	
Quarternary Period — Diluvium	Sands, Clays, Gravels, Loess, Volcanic products.	30-300	Elephas antiquus, horses, rhinoceros, etc.
Tertiary Period	Clay, Silt, Sands, Gravels, Shales, Basalts.	1200	Elephas antiquus, rhinoceros, boars, hipparion, serridentius, boluchitherum, Menodus, Protitanotherium, Teilhardia, Eudinoceras, Schlosseaia, Paleostylops.
Mesozoic Era: Cretaceous Period	Granular red sandstone, Clays, Sands, Shales, Granites, Phorphyries, etc.	300-600	Protoceratops, Ignanodontia, Prodeinodon, Protiguanodon, fresh-water shells, etc.
Jurassic Period	Conglomerates, Sandstones, Shales, Marls, Coals, Eruptive blocks, granites, Porphyries, etc.	150-3,000	Small fragmentary botanical fossils.
Palaeozoic Era: Permian Period	Conglomerates, Sandstones, Shales, Limestones, Marls, Granites, etc.	15-600	Productus, Orthotychia, Martinia, Lyttonia, Spirifer, Spiriferella, Streptorhynchus, Camarophoria, Hemiptychina, Enteleles, Marginifera, etc.
Dinantian Period	Conglomerates, Sandstones, Clay-slates, Limestones, Dolomites, Batholites of Granite, Intrusive Rocks, etc.	15-300	?
Protozoic Era: Older (Huanhai System)	Grits, Clay-slates, Igneous Rocks, Veins & Stocks.	3,000-6,000	?
Newer (Wutai System)	Crystalline-schists, Phyllites, Limestones, Dolomites, Quartzite, Greenstones, Intrusive Igneous Rocks, etc.	?	
Archaean Era: (Taishan System)	Crystalline Limestone, Crystalline-schists, Gneisses, Intrusive Igneous Rocks, etc.	?	

Of the geological features of Mongolian land the following points may be noted, in addition to those which are common also to Manchuria: (1) the comparatively low areas are under desert sand, seldom exposing rocky beds; but the mountains regions as a rule consists of rocks of antiquity; (2) the Jurassic rocks are notably differentiated from the Cretaceous and later formation in the points mentioned below:—

(A) There occurs a great unconformability between the Jurassic and the Cretaceous rocks. The stratified formations of the former period are marked with frequent and complex plications and faults under the pressures of the movements of upheaval. The mountains bear marks of severe destructive work of magma and scarcely less destructive effects of weathering. The rocks of Cretaceous and later times as a rule exhibit perfect conformability, though they have evidently lain under warping movements on gigantic scales at one time or another. (B) The former rocks which A. W. Grabau has termed as Mongolian geosyncline are marine formations of the palaeozoic era, and widely distributed and of considerable thickness. The latter are without exception fresh water or windborne formations, being narrowly distributed and gnerally in thin layers. (C) The former have gone through heavy metamorphic processes in consequence of the intrusion of igneous rocks, while the latter exhibit little evidence of such phenomena. (D) After the Cretaceous era there were generally up and down warping movements on large scales; nor were block movements absent. However, the stratigraphic layers lie as a rule horizontally. As a consequence of the same warping movements what had been sea was turned into land and still later converted into quasi-plains by secular weathering. Upon the depressions caused by subsidence were laid

fragmentary deposits.

The deposits made under these conditions were invariably terrestrial. The attitude of the mountains existing about the country seems to have been determined sometimes around the Cretaceous or Tertiary period. The linear directions of these mountain ranges, therefore, run generally in conformity with those of the basins. On the same view it is explicable that the Hsingan mountains, among others, were upheaved by the subsidence of the Mongolian basins.

From the above it is to be concluded that the above line of distinction of geognostic and stratigraphic importance, drawn so clearly through the middle part of the Mesozoic era, is due to the heavy igneous eruptions of the period preceding it and the total subsidence of the same in the period following.

CLIMATE

Manchuria, Mongolia and the contiguous regions are important from the climatic point of view, chiefly because they are the areas of continental cyclones which frequently disturb monsoonal winds at certain seasons. Great diurnal as well as seasonal variation in the temperatures is another characteristic of the climate of Manchoukuo. The climate of North Manchuria is marked by continental features, while that of South Manchuria is considerably tempered under the influence of the sea.

Cyclones.—The cyclones that cross the eastern littoral regions of eastern Asia and appear on the China and Japan Seas generally originate in Mongolia and along the Yellow River. They as a rule follow a easterly course and, passing through or near Japan, proceed on the Pacific. While on the continent these cyclones are but lowly developed, their first effect is seen in the disturbed state of the monsoonal winds. This is specially notable in winter. The northerly or northwesterly winds, the prevailing winds of the season, suddenly drop when a cyclone rises in Mongolia or eastern Siberia, and this condition is followed by cloudy skies, or by more or less rain or snow where the cyclonic centre moves. Out upon the Japan Sea, the cyclone suddenly develops its strength, with the result that the prevailing north or northwestern wind gathers violent force for a certain length of time, accompanied by a sudden barometric fall. These continental cyclones in their passage over the Mongolia deserts take up sand at dry seasons to such degree that the sky is overcast as by heavy clouds. The wind-borne sand is sometimes carried even as far as the western shores of Japan.

Temperature. — Manchoukuo approximately lies in the same latitudes as southern Europe, but its temperature is continental, showing little oceanic influences. The highest temperature on record is 42°.6 centigrade at Chalantun (July 23rd, 1919), while the lowest record is 50°.1 at Mientuho (January 16th, 1922). The hottest month is July and the coldest January. Observations show that the mean temperatures falls as we move further inland in a northwesterly direction from Dairen to Manchouli.

Table 7. Climate Conditions of Manchoukuo

(1937)

	Temperature (C.)		Precipition per year (mm)	Rainy days	Clear days
	Maximum Average	Minimum Average			
Hsinking	23.5	–16.9	660.9	106	107
Harbin	23.2	–20.2	577.3	108	88
Tsitsihar	22.5	–20.2	464.0	95	110
Heiho	21.6	–23.5	515.1	115	87
Fuchin	21.4	–21.8	581.7	115	79
Mutankiang	21.9	–20.4	533.2	113	70
Yenki	24.2	–15.9	323.6	88	83
Yingkow	24.9	– 9.8	659.9	83	123
Mukden	24.8	–13.0	678.4	92	116
Jehol	25.5	– 9.6	506.1	84	118
Chalantun	21.7	–18.9	490.2	84	98
Hailar	21.0	–20.3	322.8	96	90

The isothermal of 0°, which comes from northern Saghalien to descend along the Maritime Province, runs between Pukotu and Chalantun and from that point on tends northwards as it further proceeds westwards, until it passes south of Lake Baikal eventually reaching as far as the north of the Baltic Sea. It may be seen from this that the greater portion of Manchuria and Mongolia is enclosed between the thermals of 10° and 0°. The regions of north Manchuria, because of their proximity to the coldest Siberian areas, register an average annual temperature of 4° or so below zero. The difference of temperature between the north and the south areas may be seen from the fact that the average temperature in January at Dairen is 5°.7, while that at Bolkovska, close to the Siberian border, is 31° below zero, there being differences of more than 25° degrees. The isothermal of 20° below zero runs westwards from Taipingling, east of Kirin, and passes between Hsinking (Changchun) and Harbin until it extends into the areas south of Lake Baikal. Under this condition the average temperature of Mongolia in January falls below 20° below zero. The northern areas are situated close to Siberia, where the mean temperature in winter falls below 30° below zero, being one of the coldest spots in the world. The average temperature of July ranges between 20° and 24°, showing relatively but small regional variations. The isothermal of 24° runs in the east from the mouth of the river Tumen of the Korean border, following a northwesterly directions to pass between Mukden and Hsinking and proceeds thence in a westerly direction, ultimately traversing the plains of Mongolia. It may therefore be seen that the average temperature in July throughout Manchoukuo is around 24°, though the eastern regions close to the Maritime Province and those up in the north close to the Siberian borders, registers temperatures below 20°.

Rainfall.—The year is distinctly divided into the wet and dry seasons, the former from the beginning of June to the end of September and the latter from the beginning of November to the end of April. Taking the rainfall at Hsinking as representative of the general precipitation of Manchoukuo, observations show that the rains during July and August make up 55% of the total annual fall, while the falls during four months ending September make up 77% of the total annual fall.

In point of distribution of precipitation, the areas along the main line of the South Manchuria Railway form a dividing line. The areas to the east of this line have a rainfall ranging from 600 to 1,000 millimeters, while the areas to the west have a fall from 600 to 100 millimeters. The precipitation grows less as we go further west. The rainfall at Manchouli is less than 300 millimeters. The areas along the above railway line record a fall ranging from 600 to 700 millimeters.

The heaviest rainfall recorded in twenty-four hours was at Yingkow August 13th, 1911, when 209.2 millimeters of rain fell. On the same day Mukden had a fall of 148.7 millimeters which remains a record volume of this city. To the west of the Hsingan mountains the fall diminishes to 80 millimeters. Although no observation has been made farther out in the Mongolian regions, the annual rainfall may be assumed to be about 250 to 350 millimeters, since those of Irkutsk and Urumtsi are known to be respectively 428 and 259 millimeters.

From the agricultural point of view, it may be observed that the rainfall during July and August seems to afford an adequate volume of rain for the growing season. As representative of the central grain belt of Manchoukuo, the rainfall of Mukden may be taken for example. Between the beginning of May and the end of October the fall is recorded at 602 millimeters. For comparison the same seasonal rainfall of some northern cities of Japan, where the same months are also the growing season, may be taken: the city of Sapporo registers 553 millimeters and Niigata, on the Japan Sea coast, 834 millimeters, while the city of Tokyo records 1070 millimeters. Mukden has more rain than Sapporo. The figures of Niigata and Tokyo are affected by the fact that this particular time embraces the season of typhoons which are accompanied by rain, as a rule.

Humidity.—The average humidity of Manchoukuo ranges from 60 to 68%, or 10 to 20% less than that of the mean humidity of Japan. The driest months are April and November. In the former month especially, the humidity not uncommonly falls to 10% at Hsinking.

Evaporation.—Evaporation in Manchoukuo is from 1,400 to 1,600 millimeters annually, approximately twice the mean figures recorded in Japan. The highest figure is for May when the monthly average from various towns is upward of 200 millimeters. The lowest figure is for January when the monthly average falls below 50 millimeters.

Amount of Cloud.—The lowest amount of cloud on record is the annual average of 3.5 per cent at Chengkiatun. The average annual amount from various towns of the country is

below 5 per cent. More than 200 days of the year are clear. Except the three summer months, fair or clear days prevail in unbroken succession. In winter especially, the skies are without a speck of cloud, as a rule. The annual sunshine hours, though subject to variation according to latitudes, number from 2,500 to 2,900, or approximately 20 per cent more than the figure credited to Japan.

Velocity and Direction of the Winds—The velocity of the wind, as may be expected under the continental conditions of the atmosphere, is not great, as a rule, in comparison with places under the influence of the sea. However, during three months in spring ending in May, strong winds prevail every day. The number of the so-called storm days, when the velocity of the wind is greater than 10 metres per second, as recorded at the Dairen observatory on top of Wakakusa hill, is on an average 121 in the year, while the observations made at the old establishment placed under shelter, registered but 17 days of storm. The annual records made at Kungchuling and Hsinking are respectively 50 and 62 days. The greatest velocity of wind recorded in Manchuria is 46.3 metres per second at Kungchuling March 23rd, 1919. Stormy winds are rare up in North Manchuria.

At Dairen, Port Arthur and other southern places in the areas close to the sea, the northwesterly winds prevail in winter and southerly winds in summer. These southerly winds turn southwesterly as they proceed further inland. In the northern portion of South Manchuria where Kungchuling and Hsinking are situated, and in the eastern section of North Manchuria marked by towns like Imienpo and Mutankiang, southwesterly winds prevail throughout the year, with practically no change in their direction. In the western areas of North Manchuria northwesterly winds generally prevail at all seasons.

Table 8. Direction of the Wind

Name of District	Most Usual Direction of the Wind		Average Velocity (metres per Second)		Number of Stormy Days
	January	July	January	July	
Manchouli	Southwesterly	Easterly	2.3 metres	2.7 metres	7
Hailar	Westerly	Westerly	1.1	2.0	3
Mientuho	Westerly	Easterly	1.1	2.0	16
Pukotu	Northwesterly	Easterly & Southeasterly	3.7	2.2	19
Chalantun	Northwesterly	Northerly	3.2	2.3	0
Angangki	Northwesterly	Southwesterly	3.9	4.8	27
Anta	Westerly	Southerly	3.6	3.6	9
Harbin	Westerly	Southerly	5.3	5.2	13
Yaomen	Southwesterly & Westerly	Southwesterly	2.3	3.2	34
Imienpo	Southwesterly	Southwesterly	3.5	2.8	11
Mutankiang	Southwesterly	Southwesterly	2.3	2.4	15 or less
Taipingling	Northerly	Southeasterly	4.5	2.9	7
Yenki	Westerly	Northwesterly	3.1	1.4	16
Sanhsing	Southeasterly	Southwesterly	3.6	2.1	9
Hsinking	Southwesterly	Southeasterly	2.7	2.2	21
Mukden	Northerly	Southerly	2.1	1.9	6
Dairen	Northerly	Southerly	5.2	4.9	121
Vladivostok	Southwesterly	Southwesterly	8.4	7.2	93

Frost and Snow.—The earliest date of frost is September 3rd at Mientuho, North Manchuria, and the latest is November 13th at Port Arthur in the southern section. The frost comes in the early or middle part of September in the areas west of the Hsingan mountains, and in the opening part of October at Harbin, Anta and Sanhsing. The area embracing Imienpo, Hsinking, Kungchuling, Kaiyuan, Taonan, etc., sees the first frost in late September, while Yingkow and Mukden follow about a week or ten days later, as a rule.

The end of frost is in the south region towards the end of April and in the northern parts mostly between the close of April and the middle of May.

Snow begins to fall in the north about the end of September and in the south around the end of October, a difference of one full month. The greater portions of the country seldom see the first snow before the latter part of October. The snowy season in the north closes around May 10th and in the south about April 10th, a difference of one full month also. In other words, the northern regions have two more months of snow than the southern areas. Snow falls on an average on from 20 to 40 days in the year. The depth of snow generally falls short of 10 centimetres.

Observatories.—Meteorological observatories are established at the following places at present:—

Port Arthur, Dairen, Yingkow, Chengteh, Mukden, Hsinking, Hailar, Heiho, Ssupingkai, Chihfeng, Suifenho, Harbin, Manchouli, Koshan, Hsingan.

FLORA AND FAUNA

Flora

As general characteristic of the Manchoukuo flora, it may be noted that the central plains of alkaloid soil is covered with grass, with no occurrence of trees except a genus of elms (*Ulmus punila*). Wherever immigrants have recently settled are to be seen a cluster of willow and other trees. However, the northern section of the Great Hsingans, Little Hsingans and the mountains ranges in the eastern parts of Manchuria, embrace vast domains of virgin forests. The mountains range of the Liaotung peninsula and the Sungling range are bare save for small wooded areas seen at places.

Native Flora.—Upon the central plains occur *Quercus mongolica* in the north as well as in the south, besides the particular elm specie above referred to. Of the conifers the Mongolian red pine (*Pinus sylvestris var. mongolica*) is confined to the region west of the northeastern section of the Hsingan mountains, while the Korean pine (*Pinus Koraiensis*) spread over the Little Hsingan and other mountains in the eastern part of Manchuria. South of Tiehling the Manchurian black pine (*Pinus tubulaeformis var. mukdensis*) is of frequent occurrence, while in the Liaotung peninsula this is replaced by the Manchurian red pine (*Pinus tubulaeformis var. rubescens*).

In contrast to the western side of the Hsingans where grows the Mongol red pine as mentioned above, the eastern side, though totally wanting in the same specie, offers what is regarded as a purely Mongolian specie of vine, *Vitis amurensis*, besides *Phellodendron amurensis*, *Juglans manshurica*, *Schizandra chinensis*, etc.

The watershed along the Antung-Mukden railway seems to form a line of division between the floras of Korea and South Manchuria. To the east, but not to the west, of this line are found varieties of violets such as Viol *xanthopelala*, *hirtipes*, *Raddeana*, *albida*, *Savatieri*, *Persicaria Makinoi*, and others like *Iris Rossii*, *Epimedium*, *macranthum Pulsatilla dauvica*, *Jeffersonia dubia*, etc.

In the southern parts of the Liaotung peninsula occur some flora of the temperate zone such as *Zizyphus vulgaris var. spinsus*, *Vitex incisa*, *Euonymus Kiautschovica*, *Gleditschia Koraiensis*, *Ailanthus glandulosa*, etc. The frostless period in this part is as long as 200 days in the year.

Exotic Flora.—Quite many varieties of species have intruded from other countries. Among them may be noted *Robinia pseudacacia*, *Amorpha fructicosa*, *Acer negundo*, *Populus pyramidalis*, *Laburnm vulgare*. Of these the first and third mentioned species predominate. The former is distributed as far north as Harbin, while for the latter the line of Hsinking (Changchun) seems the northern limit.

Interesting Manchurian Plants.—There are varieties of flowering and other plants not without special interest. Amongst these the following points may be noted.

The maiden-hair tree is found on islets near Dairen and Port Arthur, though the sago-palm of Japan occurs in no part of this country. The specie seems confined to the peninsula and islands in its proximity.

Varieties of iris are found practically all over the plains of Manchuria. Of these, *Iris lactea* var. *chinensis* is most frequently met with. Its characteristic, not unlike that of other species of the same genera, is seen in its leaves growing in a twisted form. Other common species are *Iris orientalis*, *ventricosa*, *ensata*, *laevigata*, *tigridia uniflora*, *Rosii*, *manshurica*, *minuata*.

Upon the sunny hillside *Selaginella Rossii* is seldom missed. *Hyosciamus niger* var. *chinensis* the seed of which is valued in China for its medicinal properties is of not rare occurrence on the plains north of Tangkangtzu and Lienshankwan. *Clycyrrhiza echinata* the root of which is valued as a simple, is of frequent occurrence upon the grassy plains of Inner Mongolia. Among the common herbs and flowering plants may also be noted *Convalaria majalis* in northern regions, six different species of the lilacs of which *Syringa* predominate, *Amblygonum pilosum*, the Chinese aster (*Callistephus chinensis*), *Delphinium gradiflorum*, a specie of the peony (*paeonia albiflora var. spontanea*).

The commonest among the lilies is *Lilium concolor* luxuriating on all hillsides. There are also found *Lilium tenuifolium*, *Cernuum*, *Callosum*, *amabile*, *danricum*, *Maximowiczii*, *ligrinum*, *distichum*. The chrysanthemum species are a Siberian specie (*Chrysanthemum sibiricum*) and the no less common *Chrysanthemum lavendulaefolium*.

What may also be noted as a predominating feature of the Manchurian flora is that many varieties of the bramble and wormwood are met

with almost all over the country. It is also noteworthy that not a few species of seaside flora are found far inland, a fact to be accounted for by the soil being impregnated with salt. The following species may be found as far north as Chengchiatun, Taonan, Tsitsihar and Manchouli:

Tribus terrestris, Apocynum venetum, Atriplex patula, Statice chinensis, Triglochin palustre.

Amongst the seaside flora *Salicornia herbacea*, which in Japan is confined to a few seaside places in Hokkaido and Shikoku, is met with in all parts of the Manchurian seashores. Among the species similar to those of Europe are *Statice chinensis, Bulomus umbellatus, Lemnatrisulca.*

Sand Dune Flora.—Upon the sand dunes of Manchuria and Inner Mongolia the willow and elm frequently occur, showing that these sandy places are by no means without subterranean water. The species special to the sand dunes are *Imperata cylindrica, Tonrnefortia sibirica, Corispermum stauntoni, Agriophyllum arenarium.*

Forest Zone.—The great forests of the Hsingan mountains chiefly consist of *Larix dahurica, Betula latifolia,* and *dahurica.* The above specie of the pine is for the most part found on the northern side of the mountains. The mountainsides all along the western section of the North Manchuria Railway line are bare in consequence of uncontrolled disafforestation. These places are covered with carpets of flowering plants during the three summer months. In the eastern mountains we find some species of pines (*Abies holophylla, Larix dahurica* var. *Principis. Ruprechtii*). The other common species are *Acer* ginnala, *Vitis amurensis, Juuglans manshurica, Schizandra chinensis.*

The mountains in the Liaotung peninsula are without forest of any notable size. The Mongolian oak (*Quercus mongolica*) and the Manchurian black pine (*Pinus tubulaeformis* var. *mukdensis*) are not infrequently met with, though the hillsides are generally covered by grass.

FAUNA

While the fauna of North Manchuria has been fairly well studied by European, especially Russian naturalists from early times, that of central and southern Manchuria has been almost totally neglected. This is especially true with regard to Jehol where, except a scientific expedition sent out in 1933 under the auspices of the Japanese newspaper Asahi Shimbun, nothing like research has been made in its history. The following is based on the information so far available on the subject.

Mammals.—Of the mammals of Manchuria more than 100 species have been described. Among the common inhabitants of the eastern mountains are the sable, the Manchurian ermine, the Siberian weasel, the lynx, the Amur racoon-dog, squirrel, the Korean stripped squirrel, the flying squirrel, the Manchurian assapan, the Manchurian hare, the red deer, the Korean antelope. The grassy plains and deserts in the western regions are the habitants of the vole, the ground squirrel, varieties of mouse, the flying hare, the badger, the fox, the sheep, the argali.

What is remarkable about the Manchurian fauna is the abundance of large mammals such as the tiger, the leopard, the lynx, the wolf, the red wolf, the Korean black bear, the ground bear, etc.

Fur-bearing Animals.—In the abundance of fur-bearing animal life Manchoukuo is surpassed by few countries of the world. To catalogue the more common species: the sable, the ermine, the weasel, the fox, the racoon, the badger, the lynx, the mountain cat, the wolf, the otter, the hare, the squirrel, the vole, the antelope.

Avifauna.—Of the rich avifauna of Manchoukuo more than 400 species have been observed. One of the remarkable feature is the abundance of birds of prey throughout the country. In the eastern mountains are found mostly those species which nest up in the trees. Among these are the owl, many species of singing birds, the pigeon, the cuckoo, the woodpecker. Upon the hills and plateaus of the western regions, as may be expected from the physiological condition of the country, we find those birds which live in undergrowth, such as the quail, the bustard, the partridge.

The region around Chengchiatun, Taonan and Angangki are a rich resrvoir of partridges. The mountains along the eastern section of the North Manchuria Railway abound in pheasants and ptarmigans. Bustards are most common around Payintala. To the rivers Liaoho and Sungari huge numbers of water fowl such as ducks, wild geese and swans are attracted in autumn, to migrate in winter to southern latitudes. Of the avifauna there are but few species that are not common to Europe.

Reptiles and Amphibians.—Of these genera about a score of species of reptiles and as many species of amphibians have been observed. Mention must be made of snapping turtles which are abundant in the rivers Liaoho and Sungari, because any sort of turtle is taboo in China. The edible green frog, which the Chinese call "farm chicken" and the brown frog which they call "mountain clam," are both valued for their eggs.

Fishes.—There are more than a hundred varieties of fresh water fish found in Manchoukuo. Lake Dalainor and the river Sungari are specially rich in big fishes such as carp, crucian, sturgeon, catfish and those called by the Chinese as *Pangtouyu, Paiyu, Kantiaoyu.* Among the last named fish some measure six feet long. *"Paiyu"* —white fish—of the Sungari is regarded as one of the delicacies to adorn the festive table in China, especially at new Years' time.

Nothing has been done by way of investigating the sea fish of Manchuria. The species most commonly seen are those of shallow waters such as codfish, hair-tail, guchi, flatfish (*Paralichthys olivaceus*), halibut, Shark, sea-bream, *Pseudosciaena japonica.*

In molluscs the Manchurian shores are rich. Abundant prawns and sea-slugs are caught. Likewise for food are caught jelly-fish, cuttle-fish, octopus. Among the shellfish may be noted oyster, clam, *Corbicula leana,* sea-mussel, a specie of pullet (*Tapes philippinarum*), razorshell, *Solecurtus constricta,* whelk.

With regard to the insect fauna no research has yet been made, except in certain limited ways. The Chinese oak silk-worms are extensively bred in the Liaotung peninsula and on the lower courses of the Yalu. Some varieties of beetles and scarabs are found practically in all parts of Manchuria. The mountain streams in the northern and eastern regions abound in Daurian crayfish.

Distribution of Fauna.—The Manchoukuo fauna belong to the boreal zone. From the physiographical and climatic conditions, however, the country falls into three sub-regions: (1) Mongolian, (2) Siberian and (3) North China.

The Mongolian Sub-Region embraces the area west of Taonan, Chengchiatun and Paintala, where desert animal life is represented by such mammals as Manchurian mole, Mongolian vole, the shrew, the flying hare, the Mongolian badger and a specie of mountain cat, desert fox, the argali. The mountain quail, a specie of pheasant, bustard and lark are the more representative ones of the avifauna of the sub-region.

The Siberian Sub-Region covers the area of North Manchuria which is drained by the Sungari and Nonni rivers. The animal life of these areas are also common to Siberia. Principal mammals are mole, Ussuri vole, hedge-hog, lynx, leopard, racoon, sable, ermine, weasel, Amur badger, hare, squirrel, red deer, musk-deer, east Siberian reindeer, etc. The avifauna is represented by pheasant, ptarmigan, grey starling, snow-owl, and varieties of woodpeckers. Of the reptiles, the Saghalien viper and the Siberian lizard are noteworthy. The typical amphibians are the salamander and Manchurian toad. Among the finny tribe may be noted the salmon, sturgeon and the river lamprey.

The North China Sub-Region covers the area drained by the river Liaoho and the Liaotung peninsula, the part popularly known as South Manchuria. The fauna of this part is common to North China and Korea. Among the mammals are Korean mole, ground mouse, Korean porcupine, racoon, a specie of wild dog called *Nukute,* squirrel, etc. The representative birds are the Korean pheasant and Peking coal-tit. The typical fishes are the eel, *Zacco platypus,* a specie of sheat-fish, a specie of killie-fish (*Poecilia latipes*), Korean goldfish.

CHAPTER II

OUTLINE OF HISTORY

ANCIENT TIMES

Manchuria first emerges in history as the homeland of the nomadic Tungus, a race quite different from the Chinese in all essential and dominant characteristics. These original inhabitants of present Manchoukuo were known by the Chinese people as the Suchen, and in a later period as the Ilou or Wu-chi, etc. They mostly inhabited the upper reaches of the Hurka River and along the Sungari. It is recorded that in the year 352 A.D., when the Mujung declared independence and as late as the beginning of the Ming Dynasty, Manchuria and Korea were ruled by Non-Chinese tribes. But it was not until 1636, when Nuerhachi, the leader of the Nurchens, established the Taching Dynasty, that the name of Manchuria entered history.

About the year 244 B.C., Chao Hsing, ruler of the Yen Kingdom, began to build a barrier in what is known as modern Shansi against the barbaric tribes in the west and in the north. The work begun by Chao was continued by later emperors until it was completed during the Ming dynasty, forming what is known as the Great Wall and extending over a distance of 2,000 miles from Eastern Turkestan to northern Hopei, down to the sea at Shanhaikwan. This gigantic work was conceived and built as a barrier against the Mongol and Manchou tribes who had frequently raided Chinese territory.

It is a matter of historical truth that the Chinese in those remote days and for centuries after, looked on those tribes on the other side of the Wall as alien enemies and the vast territory there as alien lands. Changes in the situation were seen only in the Han, Tang and Ming Dynasties when the Chinese influence extended over a portion of what is present Manchuria and Mongolia. This expansion of Chinese was set back by Manchou and Mongol Tartars who under the leadership of such ruler as of Khitan and Nurchen, and like Genghis Khan broke through the Great Wall and ruled part or the whole of China.

Coming down as recently as the middle of the 17th century, Manchuria was regarded by the Manchou emperors as a sort of reserve or crown land, separate from China and closed for many years to Chinese immigration.

Aboriginal Tribes and Their Kingdoms

The Tungus.—Amongst a number of aboriginal tribes who made their abode in Manchuria at one period or another, the most important is undoubtedly the Tungus who are known to have been there as early as 2,000 years before the dawn of the Christian era. There were also tribes, known amongst the Chinese for many centuries by the names of Suchen, Tung-hu, Mais, Fuyu, Kaokuli, Khitan, Nurchen, etc. They were hunters and herdsmen, leading a life nomadic and of primitive order. It was therefore but natural that when they came in contact with Chinese refugees and immigrants of superior culture, they should have absorbed something of what had been brought from beyond the Great Wall. From these aboriginal tribes came a number of Kings which are known on record as Fuyu (37 B.C.-494 A.D.), Kaokuli (37 B.C.-668 A.D.), Pohai (717-927 A.D.), Khitan (916-1125 A.D.), Chin (1115-1234 A.D.), and Later Chin (1616-1644 A.D.).

These tribal Kingdoms, though some of them had reason to enter into tributary relations with China, were all independent in a full sense of the term. They made war and peace at their pleasure and sent envoys to foreign courts.

The people of Fuyu, an agricultural tribe of considerable means and power, inhabited the plains of Kirin and Taonan, a number of them having settled on the plains surrounding the present capital city of Manchoukuo, Changchun, now called Hsinking.

The Kaokuli who were of the same origin as the Fuyu were a warlike people and mostly lived in the valley of the Yalu River, dominating at a time the northern part of Korea and the greater part of South Manchuria, with the River Liao as its western boundary. It was with the object of checking the activity of this warlike people that the Han Dynasty of China maintained friendly relations with the Fuyu. With the Kingdom of Kaokuli, which later formed one of the three kingdoms into which Korea was divided, Japan engaged in warfare more than once. The Kaokuli conquered the Fuyu in 493, but when they were in turn threatened by Chinese invasion in 662, they made an alliance with Japan, though they were to be overcome by the Tang Emperor a couple of years later.

Upon the heels of these two states came the kingdom of Pohai which marked the appearance of a northern tribe called Khitan upon the plains of Manchuria. The new born kingdom practically covered the territories of the old Fuyu and the Kaokuli. It lasted about 300 years, until it was subdued by the Khitan Tartars. While it lasted, this kingdom maintained friendly relations with both China and Japan. History records that Pohai and Japan exchanged envoys and had trade relations.

While Pohai was evolving from a tribe to a state in Kirin and elsewhere, another group of nomads, the Khitans, steadily rose to power near the southern part of Jehol and west Fengtien. A small tribe in the beginning, the Khitans, under the able leadership of their chieftain Yalu Apochi, came in course of time to extend their territory both westward and eastward, until at the beginning of the 10th century they ruled over 8 administrative areas and 41 districts. Yehlu Apochi still went on making conquests and in 916 proclaimed himself emperor of an independent state, with the dynastic title of Liao. His son Yehlu Takuang further extended the power of the Khitans as far as the northern parts of Chihli and Shansi. Peking was for the first time raised to the status of a capital where the Khitan ruler now chose to reside. The great Empire now extended over Mongolia, Manchuria, northern China and through North Korea as far as the coast on the Japan Sea.

The Nurchens.—The tribe next to come to power was the Nurchens or Golden Tartars, who were originally one of the Moho tribes and were also known as the Black River Moho. They are known to have made their home in certain parts of Heilungkiang (Amur) Province, but it was not until the first half of the 10th century that they began to be known as Nurchens. They revolted against Liao in 1114 A.D., under the leadership of their chieftain Akuta. They were so successful in their military campaign that the Nurchens leader established in the following year an empire with the title of Chin (Gold). They carried everything before them until in 1122, Peking having been taken by assault, the Khitan Emperor sought safety in flight. The reign of the Northern Sung Dynasty was then overthrown. By 1129 the whole of China north of the Yangtze River was under the rule of the Chin Emperor, a regime that was to last until 1234 when the irresistible Mongols rose to supremacy.

While nothing could withstand the advance of the Mongol hordes, the Nurchens themselves were responsible in part for their own downfall. When they came in contact with the Chinese and their ways of life, the hardy warriors of the north were quickly softened by the ease and luxury of the Sung civilization, so much so that when the Mongol Tartars rose under the mighty Genghis Khan, the once conquering race of Chin proved itself utterly helpless against the invading forces. And as if to hasten their own fall that was already in sight, the Chinese, true to their traditional diplomatic axiom, deserted the people with whom they had sworn friendship much to their own advantage, and now leagued with the new rising Khan against the tottering regime of their brother kingdom. Only in this case the double-crossing diplomacy, so often successful, failed to work out so well; for the Chinese themselves were later to be trampled upon by the warriors from the Mongolian plains.

The Mongols.—The Mongols who conquered the major part of Asia and a portion of Europe originated in Northwestern Manchuria, near the Hsingan Mountains. They were hunters and herdsmen and remained in obscurity until the great Genghis Khan rose to organize them into an invincible military force. They swept Manchuria and crushed the Kingdom of Chin. The once mighty Dynasty of Sung had completely passed away when Kublai Khan established himself at Peking in 1264.

The Mongols gave the Chinese the first foreign dynasty in their history—the Yuan Dynasty. But the Chinese began to revolt against the Mongol rule in 1341, and twenty-seven years later, 1368, the Yuan Dynasty was overthrown, to be replaced by a Chinese Dynasty, the Ming.

Although defeated and subjugated by the Mongols and now falling back before the rising force of the Ming, the old tribesmen of the old Chin, the Nurchens, were never annihilated. One group of them, called Haisi Nurchen, was still in possession of the western portion of the valley of the River Sungari, from the present Petuna to Harbin; for, the Ming Dynasty, even in the heyday of its career, never extended much further than what is present Fengtien or Mukden Province. Another group of these tribesmen had established themselves in the section of the country from the east of the Changpei Range to the valley of the Hurka, all about the Sanhsing district. They were called Chienchou Nurchen. There was still another group settled over the banks of the Amur River —the Wild Nurchen.

It was from amongst these tribesmen of the north that a man, a young chieftain, was to appear who was destined to change the course

of Chinese history and his descendants sat on the Dragon Throne in Peking for nearly three hundred years. Based in the castle at Hotuala and known by the name of "Dragon-Tiger General," Nuerhachi, the young leader, soon brought together the Nurchen tribes under his control. In 1616 Nuerhachi rose against the Ming, calling his domain the Kingdom of Later Chin. He took Mukden, Liaoyang and Kaiyuan, driving the Chinese into the valley of Liao. While achieving brilliant military success in many directions, the Nurchen leader was never successful enough in his lifetime to break through the Great Wall into northern China.

Upon his death in 1626 his fourth son Taitsung succeeded his and headed the house of Aisin-Chuehlo, the ruling house of what was later to be titled by him the Taching Dynasty, discarding the title of Later Chin. It was this young leader who gave the name of Manchuria to the land of the Nurchens for the first time in its history.

But it was not Taitsung, the founder of the Taching Dynasty, who dealt the last and final blow to the Ming regime of China. It was his younger brother, acting as Regent of the infant successor, that now led the Nurchens finally to complete the work of the late chieftain, his elder brother—the conquest of China. The Manchou leader entered Peking in May, 1644. The infant Manchou Emperor moved his capital from Mukden to Peking in September. The Manchou dynasty of Taching was proclaimed over all China in October of 1644.

Manchuria Under Manchou Rule

After the House of Aisin-Chuehlo had taken Peking and consolidated its position in China, many Manchous, especially officials known as "bannermen," migrated to China, while the homeland of the Manchou rulers was regarded as an extramural region apart from China. Manchuria was treated as "a crown land" and reserved exclusively for the Manchou race. Heilungkiang and part of Kirin were kept as royal parks where people were altogether forbidden to go. The Chinese people were carefully excluded from Manchuria, and this situation would have lasted but for the depopulation and impoverishment that Manchuria was later to see; an alarming state of affairs which eventually gave rise to Chinese immigration northward beyond the eternal Wall.

The Manchou ruler established a military administration over Manchuria, maintaining the old Manchou personnel and customs wherever possible. Mukden, Kirin and Heilungkiang had each a military governor vested with complete authority, both civil and military. These positions being open exclusively to officials of Manchou origin, Manchuria was always under rule of its natives, Manchou Tartar or "Banners," and this state of affairs continued down to 1907, when an Imperial edict was promulgated relating to provincial governors in the Three Eastern Provinces of Manchuria, by which these provinces, like those of China proper, were placed under the rule of civil administrators under a Viceroy or Governor-General.

For 268 years Manchuria remained under the rule of Taching, or the Manchou Dynasty. In 1912 China went through a great political upheaval, changing from a monarchy to a republic, and the last of the Manchou Emperors, Pu Yi, declared his abdication.

In point of international intercourse, the first instance of Manchuria having anything to do with an outside nation other than China was recorded in 1687, when disputes arose with Russia over some boundary questions. Next, when Great Britain and France waged war with China, their combined squadrons made use of Port Arthur as the base of operations. Two years later, Newchwang was opened to foreign trade. But it was not until the coming of the aggressive Russians some three decades later that Manchuria really assumed importance as a factor of international significance.

MODERN TIMES

Manchuria Under the Republic.—The first change to be made in the administrative system of Manchuria or the Three Eastern Provinces upon the establishment of the republican regime, was the appointment to each province of both a civil governor and a military governor. The latter under the orders of the President and the Minister of War at Peking concerned himself only with military affairs. But the powers of these military governors steadily increased as the central authority declined, so much so that when the question arose of joining the Allies against Germany in 1916, the military governors, amongst whom Chang Tso-lin of Mukden was prominent, asked President Li Yuan-hung to dissolve the Parliament which was opposed to the contemplated step, and amend the Constitution so that war could be declared without the consent of the Legislature. When the President turned down their request, Chang Tso-lin and other military governors declared their provinces as independent of the Central Government, a stand which eventually led to their secession.

When Soviet Russia concluded a separate treaty of peace with Germany at Brest-Litovsk, China had reason to fear a possible extension of Russian disturbance into her territory. Chang Tso-lin was appointed in September, 1918, Governor-General of the Three Eastern Provinces and named in 1921 Superintendent-General of the Mongolian Frontier. In the spring of the following year Chang Tso-lin had trouble with General Wu Pei-fu, a leader of the Chihli party. In the ensuing civil war the Mukden chief was defeated and forced to withdraw his troops from the province of Chihli. President Hsu Shih-chang immediately issued an order dismissing him from the posts he had held. But a number of associations in Manchuria joined in passing a resolution against the presidential order, stating that the lives of 30,000,000 people of Manchuria depended on the fate of General Chang.

Independence of Three Eastern Province

Chang Tso-lin was quick to rise to the occasion. In May, 1922, he made a declaration of independence of the Three Eastern Provinces, which was communicated to the foreign ministers at Peking and to the foreign consular body at Tientsin. This declaration of independence ran in effect as follows:

(1) The Three Eastern Provinces of Manchuria, and Mongolia, Inner and Outer, cannot be recognized as parts of the Republic of China.

(2) Chang Tso-lin who holds a peculiar positions in these regions shall hold himself responsible for safegurding life and property therein, maintaining at the same time cordial relations with foreign nations

(3) The Treaties hitherto concluded between the Mukden Dynasty and the Chinese Republic shall be respected.

(4) Any foreign minister or consul desiring to negotiate should apply to his office.

(5) Any treaty to be concluded by the Peking Government relating to Manchuria must have his direct approval.

Whatever Peking might have said to this, Chang Tso-lin now considered himself and acted as the de facto ruler of an independent Manchuria. A couple of years later, or in October of 1924, he concluded, without reference to Peking, a separate agreement with Soviet Russia relating to the Chinese Eastern Railway, in the name of the "Government of the Autonomous Three Eastern Provinces of the Republic of China"

March on Peking.—Chang Tso-lin now turned his eye towards Peking. The October of the same year saw him engaged in war with Marshal Wu Pei-fu of Chihli. In December of the following year he clashed with Marshal Feng Yu-hsiang, and four months later he was again fighting with Feng. This time he was so successful that he entered Peking in December. He had in the meantime assumed the leadership of the so-called anti-"Nationalist" armies in North China. There was now little doubt that Chang was aspiring to the office of president on which he had his eye some long time since. He held a series of councils with military leaders about him and, ostensibly at their request, he was installed on June 18, 1927 as Tayuan-shuai, i.e., Grand Marshal of the Military Government of the Republic of China, and declared the vast territory north of the Yangtze to be under his rule.

The Grand Marshal, however, was not left unchallenged. The "National armies" under the command of General Chiang Kai-shek, Marshal Feng Yu-hsiang and General Yen Hsi-shan were ere long pushing their campaigns against Peking. In the spring of 1928 the Grand Marshal found the situation so unsatisfactory that he decided in June to withdraw from Peking to old Mukden. It was on this trip back to the Manchurian capital that Chang Tso-lin was fatally injured by an explosion caused in the train he and his suite were travelling.

Upon the death of Chang Tso-lin the control of Manchuria passed to his son, Chang Hsueh-liang who, unlike his father, pursued a policy or reconciliation with the National Government at Nanking. When civil war broke out in 1930 between the Nanking Government and the coalitions armies of Yen Hsishan and Feng Yu hsiang, the young Marshal of Mukden observed neutrality, until a turn in the situation gave him a chance to make an armed mediation and a pretext to send his military forces beyond the Great Wall. The Manchurian forces took the first opportunity to take possession of the railway zones in both Chihli and Honan Provinces. These provinces were formally placed under Chang Hsueh-liang when he accepted office with the Central Government as Deputy Commander-in-Chief of the National Army.

Manchuria under its often agressive military ruler, Chang Tso-lin, for the most part remained free from political or other disturbance, though her military forces had more than once got within the Great Wall to engage in warfare of one kind or another. Under the strong ruling hand of Mukden it had preserved a peaceful order of things internally; and except at the time of Kuo Sung-ling's revolt in December, 1925, it had never been menaced externally. But Manchuria, under the rule of young Chang Hsueh-liang, was to involve itself in serious troubles of international character; first with Soviet Russia in 1929, and next with Japan in 1931.

Early Japanese Relations with Manchoukuo.—Although Japan's relation with Manchuria began early in the 8th century when she opened trade with the Kingdom of Pohai, a relation that was to continue more than two centuries, it was not till the time of the Sino-Japanese war of 1894 that Japan came to regard Manchuria as a political proposition of international importance. In the course of the war with China which was caused by a controversy over Korean independence and lasted six months, the Japanese armies took possession of the southern parts of Fengtien (Mukden) Province from the Yalu River to the Liao River at Newchang as well as Port Arthur and Weihaiwei. The war ended by the Treaty of Shimonoseki of April 17, 1895.

FOUNDING OF MANCHOUKUO

As a result of the downfall of Chang Hsueh-liang in Manchuria, subsequent to the outbreak of the Sino-Japanese conflict in September, 1931, a movement for independence was started in many parts of the country. This movement resulted in the establishment of independent or selfgoverning organs of administration in important localities under such men as Yuan Chin-kai of Mukden, Tsang Shih-i of Mukden, Hsi Chia of Kirin, Chang Ching-hui of Harbin, Kan Chao-shan of Peishan-Taonan, Kan Chang-shan of Ssupingkai and others. They became leaders of this movement in their respective localities. In Inner Mongolia, the sentiment for independence also became very strong.

In the latter part of September, 1931, shortly after the outbreak of the Mukden incident, some Manchurian newspapers reported that the Commander of the Japanese army in Kwantung had dispatched a messenger to Chang Hsueh-liang at Peking, requesting him to return to Mukden and take charge of the affairs of the Three Eastern provinces. When this report was published, those connected with the movement for creation of a new sate in Manchuria and Mongolia, promptly expressed their objection to the return of Chang Hsueh-liang and made an appeal to the Japanese Commander. In this appeal, signed by a number of legal bodies and representatives of Liaoning (Fengtien) Province, they objected to Chang Hsueh-liang's return on the grounds that his administration had brought about a general state of disorder and corruption in Manchuria and Mongolia.

Transitional Measure

As a transitional measure what was known as the Local Order Maintenance Committee was organized. On November 7, the Committee issued the following announcement to apprise the public of its temporary assumption of administration in Liaoning Province:

"Since the outbreak of the recent incident, the administration of the province has been suspended, and the Committee has undertaken the maintenance of order. Apart from the question of inquiring into what has taken place or what is likely to occur in the future, this Committee takes over the administration of the province in an effort to protect its inhabitants. The Committee is endeavouring to sever relations with the former Chang Hsueh-liang government and the Nanking Government, to safeguard the people in their work, to define the duties and functions of the officials, and to enable the people to be at ease and observe laws. We hereby declare to the people that all central government offices as well as prefectural offices should strictly observe the orders of this Committee. Dated November 7. The Committee: Yuan Chin-kai, Yu Chung-han, Chang Chen-chi, Chin Liang, Kan Chao-hsi, Weng En-yu, Ting Chien-hsiu, Kao Yu-chun."

In Kirin also, a similar movement became active, and the Governor of the Province announced the principles of the new administrative policy which was to be based upon the wishes and interests of the people. The leaders of this movement conceived a plan of unifying Manchuria under a government independent of the Nanking Government or of the influence of Chang Hsueh-liang. On January 17, 1932, these leaders met at Mukden and made basic arrangements for the establishment of a new government.

The first practical step towards the realization of this scheme took shape at the "State Founding Conference" held at Mukden for three days, February 16 to 18. Those present at this conference were Tsang Shih-i, Ma Chan-shan Yu Chung-han, Hsi Chia, and Chao Hsin-po and it was called the conference of the "Five Big Leaders." At this conference, all important preparation for the formation of a new state in Manchuria were completed. On February 25, the Executive Committee, on the founding of a new government, made an epoch-making announcement, declaring that the new state to be formed in Manchuria would be called "Manchoukuo" and the new era would be called "Tatung." Also it was announced that Pu Yi, the former Emperor of China, would be installed as Chief Executive of the new state. The Executive Committee then announced the organic law governing the formation of the new Manchuria state.

Declaration of Establishment of the New State

The declaration of the establishment of the new government in Manchuria was formally made on March 1, and it marked the founding of a new nation in Manchuria and Mongolia. On March 1, all Manchuria feted the birth of the New State. The declaration of the establishment of Manchoukuo by the Government of Manchuria reads as follows:

"March 1st, 1932
(First Year Tatung)

"The Territory of Manchuria and Mongolia is a region remote and isolated on the Continent of Asia. In the records of the past, it is noted that its history is long; that the country often experienced unifications and disruptions within its border; that the soil of the land is fertile and that the people had exhibited honesty and simplicity in their manners and customs. After, however, opening the country to intercourse with outside countries the population increased in number and the products in volume, thus turning the country into a land of abundance and promise. On the contrary, since the establishment of the Republic following the Revolution of 1911, the military factions of the Eastern Provinces, taking advantage of civil wars in China proper, usurped administrative power and brought the Three Eastern Provinces under their control. Twenty years will have passed since the revolution, during which time warlords have sprung up in succession who, completely disregarding the welfare of the people, indulged themselves in greed, extravagance and dissipation. While they were bent upon the pursuit of self-interest and greed, the people, on the other hand, were subjected to extreme torture with the burden of overtaxation at the will of the war-lords. As a result the currency system was completely ruined, and the business conditions of the country became stagnant and finally ruined.

"At such a critical moment, however, the warlords, giving rein to their ambition, advanced their army south of the Great Wall, thus causing unnecessary strife and killing and wounding a large number of people. Although they met with reverses many a time, never did they come to a realization of their own folly. They lost the faith and respect of the foreign powers. They engaged in wars with neighbouring countries. With utter disregard of the spirit of friendliness and cordiality of foreign countries, they encouraged anti-foreign movements.

"Laxity in the police administration provoked disturbances in the country, permitting ravages by thieves and bandits. The acts of looting, arson and massacre by these lawless elements drove the entire population to terror, exposing them to hunger in all corners of the country. To leave these thirty million people of Manchuria and Mongolia in their hands means their exposure to atrocity and lawlessness, finally leading to their extinction. It is the people's desire to extricate themselves from the extreme danger and horror. Happily, through the aid of the army of a neighbouring country, it was made possible to expel these corrupt elements from the area where they had built a stronghold for many years past. Thus the home of misrule and corruption is now put to a thorough cleansing. This we believe, is a Heaven-sent opportunity to the people of Manchuria and Mongolia for their resurrection. We should rise to the occasion and strive for our regeneration and rebirth with courage and determination.

"In turning our eyes to China proper we note that rival warlords have been engaged in intermittent warfare ever since the revolution took place. In later years despotic rule was exercised over the country by one party alone. Under the guise of the Three Principles of the People, the people are put to death in the name of Min-shen; their leaders are bent upon only self-interest and moved by greed while they go in the name of Min-chuan, and in their eyes there is nothing but their own party, although they profess the principle of Min-tsu. In this manner, though they profess that the country is ruled with fairness and equality, the practice of the party leaders is in utter contradiction to what they profess, thus not only deceiving themselves but the people at the same time.

"Of late years, internal strife has become frequent, with rivals aiming to partition each other's territory. It is to be noted that even the existence of the ruling party itself is now in danger. In these circumstances, it is impossible to expect from them consideration of the national welfare. At this time the country is overrun by Communist bands whose baneful influence is fast penetrating into the flesh of the people and into the very heart of the national government. Facing these deplorable conditions we are compelled to look back to the days of the Ching and Min dynasties and also to the Yao and Shun, and deplore to see how far away we have gone from the golden age in our history. What is important, this feeling of ours is equally shared by friendly nations abroad.

"The result of twenty years' experiences has convincingly taught us that we must bravely face the realities and take the task upon ourselves to reform our national life and seek a revival of the old golden age. The fact must be borne in mind, however, that evil influences are still at work amongst us, and should we evade the issue at this time and fail to check the spread of Communism, it is but obvious that the destruction of the nation would be inevitable. At this critical moment unless the people of Manchuria and Mongolia awake in good season to a realization of the heaven-given call for their liberation from the most corrupt political state, their extinction will be also inevitable.

"After thorough deliberations for several months past and after a number of meetings held by the leaders of Fengtien, Kirin, Heilungkiang and Jehol Provinces, Harbin Special District, and also those under the various banners of Mongolia, the conclusion was made with unanimity that they should look for a practical application of good rule rather than for mere expressions in words in administration of state affairs. Be the form of government what it may, the primary duty of the state is to give assurance of peace and security to the people.

"Manchuria and Mongolia had been, in the past, a separate state detached from China proper. In the present situation we are pressed to strive for national independence. In accordance with the will of the thirty million people, we hereby declare on this day that we sever our relations with the Republic of China and establish the State of Manchoukuo and that we hereby make a public proclamation of the fundamental principles on which this new state has been established.

"It is believed that statecraft should be founded upon the principle of Tao, or the Way, and Tao should be of Tien, or of Heaven. The principle on which this new state is founded is to follow the way of "Tien" (Heaven); that the people will have peace and security. The government must conform to the will of the people and not personal views should be permitted to prevail in the affairs of the state.

"There shall be no discrimination, with respect either to race or creed, among those people who now reside within the territory of the new state, including the races of the Hans, Manchous, Mongols, Japanese and Koreans; nationals of other countries as well may upon application acquire as permanent residents equal treatment with others and their rights shall be guaranteed thereby.

"It shall be the internal policy of our new state to

renounce such policies as were adopted in the dark days of the past, to revise laws and enforce local autonomy, to draft able men into the service of the government and elevate officers deserving of promotion, to encourage industry, unify the currency system, open the national resources, maintain the standard of living, adjust and regulate the administration of the police, eliminate banditry, and to further promote and popularize education, to respect Li-chiao, the teaching of Confucianism and to apply the principle of Wangtao Chui and practice its teachings. Thus it is designed to give enlightenment to the people who live within the state and maintain the honour of perpetuating the peace of Eastern Asia, thus setting a model example of good government to the world.

"The foreign policy of the new state shall be to seek and further promote cordial relations with foreign powers, win their faith and respect, strictly observing international conventions. The debt obligations accruing within the territory of Manchuria by treaty stipulations with various countries prior to the establishment of the new state shall be acknowledged according to the usage of international convention. Foreign investment by all nationalities uniformly shall be welcomed for the furtherance of trade and exploitation of natural resources, thus bringing the principles of the open door and equal opportunity and the like to a fuller realization.

"The foregoing articles hereby proclaimed are the fundamental principles whereon the new state has been established. The newly-formed government will assume all responsibilities from the day of the establishment of the new state, and the government hereby declare under oath made to the thirty million people, with sincerity and good faith, that these things shall all be fulfilled."

Simultaneously with the issuance of the above declaration, the Organic Law of the Central Government, the Law Guaranteeing the Rights of the People, and other regulations were promulgated. These laws and regulations were intended to be the basis of the provisional constitution pending the enactment of formal ones.

A new era dawned in Manchuria and on its thirty million people on March 9, 1932 when Pu Yi, the former boy-emperor of the Ching dynasty of China, was inaugurated as "Chieh Cheng" (Chief Executive) of the New State of Manchoukuo at Hsinking, the Capital, with proper ceremonies and public acclamation that marked the inauguration of the long-desired autonomy and the emancipation of the people from the tyranny of military rulers.

In the presence of all noted leaders of Manchuria, Provinces of Mongolia, the public and many foreign residents, the State Seal and the Seal of the Chief Executive were formally offered to Pu Yi. Upon the acceptance of the post of "Chieh Cheng" by Pu Yi, Cheng Hsiao-hsu read the public declaration of the Chief Executive which was as follows:—

Public Declaration of the Chief Executive

"Humanity should uphold morality. There are different races in the world, and if self-advancement is attempted by any race by oppressing another, morality will be lost. All mankind should respect humanity and justice. But there are international conflicts. To harm others and to profit oneself is against humanity and justice. In establishing this State, morality, humanity, and justice have been adopted as the basic principles. When racial differences and international conflicts are removed, we shall be able to establish an eternal reign of justice. All our people should therefore devote their efforts to the realization of this ideal."

The New Flag

Shortly after the ceremony of inaugurating the Chief Executive, that of hoisting the new national flag was held. The new flag of five colours, representing the five races or the Hans, Manchous, Japanese, Korean, and Mongols, was formally hoisted while Pu Yi, other dignitaries of the new government and the public assembled on the occasion saluted this national emblem of peace and unity.

On March 10, the following day, the Govenment of the new country was formally organized with the appointment of important officials. The new era was titled Tatung (great unity) and the territory governed by the new government of Manchoukuo consists of the former three provinces of Fengtien, Kirin, Heilungkiang, and the new province of Jehol. Hsinking, the most important city located in the centre of the territory, was selected as the new capital.

Foreign Minister's Note

Desiring to have the new state of Manchoukuo recognized by the Powers of the world Foreign Mininster Hsieh Chieh-shih of Manchoukuo sent a note to all Foreign Powers on March 12, requesting recognition. The same note read as follows:—

"Sir:

I have the honour to inform you that the Provinces of Fengtien, Kirin, Heilungkiang and Jehol, the Tungsheng Special District and Mongolian Mengs (Leagues) under several banners, have united themselves to establish an independent government severing their relations with the Republic of China, thus creating "Manchoukuo" (State of Manchuria) on March 1, 1932.

"It must be known to you that the old military authorities, headed by Chang Hsueh-liang, who ruled the North-Eastern Provinces, sought only their self-interest and failed to give adequate consideration to the welfare of the people; further, that the entire populace was subjected to extreme suffering through outrageous exactions which were results of a corrupt discipline in official circles; and that the relations with foreign nations were greatly impaired through the enforcement of anti-foreign policies. Furthermore, in China proper there is to be found no unified and stable government due to constant factional strifes of a murderous nature among various military leaders of their own race, which make it impossible for the people at large to enjoy a single day of peace.

"Thereupon, the people of Manchuria, at the opportune time of the downfall of the old military power, have established a new State with a unity of effort and a single purpose.

"The Government of Manchuria proposes to perfect the institutions of law, to establish security for the life of the people and to exert all possible power for the promotion of their happiness and peace.

As regards relations with foreign nations, it has been definitely decided that diplomatic intercourse should conform to the several principles herewith stated, that is to say:

"1. That the Government will conduct the affairs of the State according to the primary principle of good faith and confidence and according to the spirit of harmony and friendship, and pledges itself to maintain and promote international peace.

"2. That the Government will respect international justice in accordance with international laws and conventions.

"3. That the Government will take over those obligations incurred by the Republic of China by virtue of treaty stipulation with countries, in the true light of the law of nations, and discharge these obligations with good faith.

"4. That the Government will not infringe upon the acquired rights of the people of foreign countries within the limits of the State of Manchuria, and further that their persons and properties shall be given full protection.

"5. That the Government welcomes the entry of the people of foreign nations into, and their residence in, Manchuria and that all races shall be accorded equal and equitable treatment.

"6. That trade and commerce with foreign countries shall be facilitated, thus contributing to the development of world economy.

"7. That with regard to the economic activities of the people of foreign nations within the State of Manchoukuo, the principle of the Open Door shall be observed.

"It is the earnest desire of this Government that your Government will fully understand the object of the establishment of the State of Manchuria of which you are herewith appraised and that formal diplomatic relations will be established between your Government and the State of Manchuria.

"With assurances of highest esteem and distinguished consideration.

Respectfully,
(Signature) HSIEH CHIEH-SHIH,
Minister for Foreign Affairs.

March Twelfth, First Year of Tatung."

Recognition By Japan

The State of Manchoukuo was given the first formal recognition by Japan on September 15, 1932, when a protocol was signed between Manchoukuo and Japan.

The protocol signed between Japan and Manchoukuo on September 15, 1932, is as follows—

JAPAN-MANCHOUKUO PROTOCOL

"Whereas Japan has recognised the fact that Manchoukuo, in accordance with the free will of its inhabitants, has organised and established itself as an independent State; and

"Whereas Manchoukuo has declared its intention of abiding by all international engagements entered into by China in so far as they are applicable to Manchoukuo;

"Now the Governments of Japan and Manchoukuo have, for the purpose of establishing a perpetual relationship of good neighbourhood between Japan and Manchoukuo, each respecting the territorial rights of the other, and also in order to secure the peace of Far East, agreed as follows:—

"1. Manchoukuo shall confirm and respect, in so far as no agreement to the contrary shall be made between Japan and Manchoukuo in the future, all rights and interests possessed by Japan or her subjects within the territory of Manchoukuo by virtue of Sino-Japanese treaties, agreements or other arrangements or of Sino-Japanese contracts, private as well as public;

"2. Japan and Manchoukuo, recognizing that any threat to the territory or to the peace and order of either of the High Contracting Parties constitutes at the same time a threat to the safety and existence of the other, agree to cooperate in the maintenance of their national security; it being understood that such Japanese forces as may be necessary for this purpose shall be stationed in Manchoukuo.

"The present Protocool shall come into effect from the date of its signature.

"The present Protocol has been drawn up in Japanese and Chinese, two identical copies being made in each language. Should any difference arise in regard to interpretation between the Japanese and the Chinese texts, Japanese shall prevail.

"In witness whereof the undersigned, duly authorized by their respective Governments, have signed the present Protocol and have affixed their seals thereto.

"Done at Hsinking, this fifteenth day of the Ninth month of the Seventh year of Showa, corresponding to the fifteenth day of the Ninth month of the First year of Tatung.

(L.S.) NOBUYOSHI MUTO
Ambassador Extraordinary and Plenipotentiary of His Majesty the Emperor of Japan.
(L.S.) CHENG HSIAO-HSU
Prime Minister of Manchoukuo."

BIRTH OF IMPERIAL REGIME

In accordance with the basic principle which guided its birth and after two years of preparations, the State of Manchoukuo adopted an Imperial rule on the auspicious day of March 1, 1934, making the second anniversary of its founding, and its Chief Executive Pu Yi was enthroned as first Emperor of the new Empire.

Simultaneously with the adoption of the Imperial rule, various governmental systems were revised. The name of the country remained the same as before as Manchoukuo but that of the era was changed from Tatung to Kangte. On and after March 1 the Empire of Manchoukuo is ruled over by an Emperor. With the honour and prestige of the Emperor unimpaired, His Majesty presides over the administration of the country as Ruler, gives sanction to various laws to be enacted, orders their promulgation, oversees the judicial authorities in their administrations of justice and controls the army, navy and air force of the rising State.

(For Chronicle of Important Events see 1939 issue pp. 621—625).

CHAPTER III

RACES AND TRIBES

The Prehistoric Peoples of Manchuria and Mongolia.—Varieties of neolithic remains are distributed throughout China, Manchuria, Mongolia and Siberia. Some of them, such as ancient Chinese copper vessels, earthen tripods and polished stone tools, are common to China, Manchuria and Mongolia, a fact suggestive of the relations which existed between the peoples of these countries in prehistoric ages. In contrast to this, however, must be noted an outstanding fact that the palaeolithic remains unearthed further north in Manchuria and Mongolia are exclusively crude tools of chipped flint. The line of distinction is so clearly drawn there that one may doubt if these northern inhabitants had any close ethnic affinities with those in the south. Theories have been advanced as to the prehistoric inhabitants of these countries, but none of accepted authority as yet. Much remains to be done in these lines. In the meantime we shall have to confine our attention to those peoples whose history has been preserved in one form or another, and also to those whose racial and tribal life continues to this day.

PEOPLES OF MANCHOU

Suchens.—The Suchens, also known as the Chishens and Hsichens, are the oldest people known in history. They are recorded to have presented thorn arrows and stone bows to Wu Wang, the founder of the Chou dynasty, who ruled China in the twelfth century B.C. Through misinterpretation of ancient chronicles, these people have been identified with the I-lous of Tungusic origin who rose to prominence as inhabitants of the Ninguta region in the Han period (206 B.C.—25 A.D.). They are described as inhabitants of the "north country" in the histories written in the times of the Ch'in and Han dynasties. It is a matter of historical truth, however, that at this period "the north country" did not extend so far north as to embrace what is at present known as Manchuria. The Suchens must have inhabited Jehol or southern Mongolia.

Ancient Ch'aohsien (Korean) Tribe.—Legend makes Chitzu or the Viscount Chi, a former vassal of the Chou dynasty, the father of the Korean people. While he was a Han or Chinese, as his followers were, the people he ruled represented one of the earliest tribal indigenes of Manchuria. This tribal people has never been really identified; but in San Kuo Chih (History of the Three Kingdoms), compiled in the Chin period, reference is made to this under the head of the Wei tribes. They are said to have lived in the region of Liaoyang.

Shanjungs.—They are a tribe of unidentified origin who lived to the west of Shanhaikwan. They are recorded to have been frequent invaders of China in the time of Huan Wang, the 14th emperor of the illustrious Chou dynasty. Against this tribe the lord of Yen had to appeal to the Chou emperor for his military aid. From this it may be assumed that the Shanjungs were quite equals of the Cathayans in point of military equipment, having developed iron arms and a military art of quite their own.

Tunghus.—This tribe next appears in history towards the close of the Chou dynasty (1122—255 B.C.). Tunghu—Eastern Hu tribe—was so named because they lived to the east of the state of Chao whose historians refer to them as lightly armoured and well mounted barbarians. They made repeated attempts to invade the states of Yen and Chou. While their kingdom has never been exactly identified or traced back, their western border was in constant contact with the 'Huns' of western Chahar. Their eastern limit extended about as far as Liaoyang, occupying extensive areas, running from east to west, outside the Great Wall. This tribal kingdom was overthrown by the Huns about the time Han was at war with Chou. The defeated tribe broke up in two groups, the one later known as Wuhuans and the other as Sienpis.

Wuhuans and Sienpis.—Of the Wuhuan tribe nothing has been heard of for more than a hundred years, until in 73 B.C., in the reign of Emperor Chao Ti, of Former Han, "the Wuhuans of Liaotung" are recorded to have revolted. The rebel tribe was successfully overcome by a Cathayan force of 2,000 horses. It is presumable that the Wuhuans had grown into a military factor of not inconsiderable strength.

The Sienpis has remained in obscurity for about two hundred and fifty years. In the time of Kuang Wu Ti, the first emperor of the Later Han dynasty (25—55 A.D.), they are said to have invaded Liaotung. Later, under the leadership of Tanshihhuai the Sienpis rose to power. Their royal court was set up near Changchiakou. Having conquered all the eastern territory of the Huns in the 11th century, the Sienpi kingdom, according to a Chinese historian, had extended over a distance of more than 12,000 li from east to west and more than 7,000 li from north to south, "embracing therein mountains and rivers, and marshes and briny lands." In 178 A.D. they are said to have defeated great Han armies. The Sienpis maintained their power until their Northern dynasty was overthrown by a Sui emperor. A part of the Sienpis emerged as Mujungs in the time of the Chin, while another became the Khitans in the period following the Sui and Tang dynasties.

Fuyus.—In the first description given of the Fuyus in the above quoted "San Kuo Chih," they are represented as a tribe living south of the Sungari, having as their neighbours the Kaokulis in the south, the I-lous in the east and the Sienpis in the west. Physically, large framed, and by nature cautious and non-aggressive, they are represented as an agrarian tribe of quite peaceful disposition. In contrast, it may be noted that the Kaokulis, though apparently of the same racial stock, are described as "impulsive by nature and of aggressive bent of mind." What is noteworthy is that the Fuyus wore garments of white cloth as the Koreans do at present, and their strongholds were built in a circular form, as mountain castles of Korea are known to have been in old times.

Mais and Kaokulis.—What is called the Mai tribe in Chinese history was another of those closely allied with the original stock of the Korean race. They are said to have inhabited "Toumoleu," which is now by common consent considered to be around the confluence of the Amur and Sungari. The Kaokuli tribe is generally regarded as of Fuyu origin. They first made their home in the valley of the Tungchia river, a tributary of the Yalu. Later, they extended their influence further northwards. Under the leadership of Chumêng or Tsoumou, the Kaokulis had extended their rule in the first quarter of the 4th century as far south as the Daidoko or Taidong-gang river in northern Korea. They rose at a time to such power as few ancient tribes of Manchou ever did. Their civilisation, too, was by far above that of the others. Their kingdom came to an end in the Tang period (615—907 A.D.).

I-lous.—This tribe sprang into prominence during the Han period. They lived over the area extending from Ninguta to Vladivostock. Physically, not unlike the Fuyus, their language was different to that of the Fuyus or the Kaokulis, according to San Kuo Chih. They were cave-dwellers. They lived on corn and clothed themselves in hemp and animal hides. They were one of the stone-age tribes, judging from the fact that they used poisoned stone arrow-heads; but they were not strangers to the plough, since it is also stated that they lived on "five sorts of corn and were possessed of hemp cloth."

Wei.—The Han period finds a tribe known as Wei living in Manchou, side by side with the Fuyus. They were later overcome by the latter tribe, with the result that they separated themselves in three groups one of which migrated to Korea, while the others lost themselves amongst the other tribal inhabitants they later came in contact with.

Wuchis.—Of this tribe of uncertain origin the Wei Shu, the history of the Wei dynasty or the House of Toba, says in part as follows: "The Wuchis live north of Kaokuli, where once the Suchens had lived. Each village is ruled by its own master. There is no unity among them. Bold and brave, they are the strongest of all the eastern barbarians. Their language is different from the others.... They live in fortified caves, shaped like a mound and opening above. Ladders are used for ascending and descending. Their land is without cattle, and the cart horses are used for ploughing. They have millet and wheat."

These people made an alcoholic drink by chewing rice. They generally decorated their heads with the tails of tigers and leopards.

Among the Japanese antiquaries it is generally held that this tribe lived around Shihtouchengtzu between Hsinking (Changchun) and Harbin.

Shihwêis.—This tribe rose to power contemporaneously with the Wuchis, of whom they were close northern neighbours. They were nomads at some season, while at other times they were engaged in agriculture and cattle breeding. They spoke a language not unlike that of the Khitans. Composed of five tribal groups, they rose to considerable power in the period of Sui and Tang. Legend has it that the later Mongols of historic fame sprang from this tribe.

Mujungs.—A tribe probably of Sienpi origin. The early part of the Chin dynasty, or the fourth century A.D. found this growing tribe on the lower course of the Shiramuren which is the upper portion of the Liao river. Under the direction of successive able leaders, this tribe gradually rose to power. Mujungtsun, one of their chieftains, having captured Peking, declared himself Emperor of Yen and called his territory Ch'ien Yen. His capital was removed from Lungcheng to what is at present known as Chengteh. His territory extended

chiefly over a northern part of China and a western part of Manchou, including the Liaotung peninsula. The dynasty of the Mujungs is generally called Ch'ien or former Yen in contrast to the dynasties of Later Yen, Western Yen, North and South Yen that followed in that order.

Mohos.—The Moho tribe is of historical import because of the kingdom of Pohai they founded and also because they figured as a chief civilising influence of the Far East in the Tang period. History first records the Mohos as composed of seven tribal groups of which the two groups of Sumo-moho and Heishui-Moho are most important. The former inhabited the region of Kirin along the Sungari, while the latter were on the lower course of the Amur. Ta Tsujung, the founder of Pohai, is generally thought of Kaokuli origin, but it seems equally true that his followers were mostly Sumo-mohos who had early come in contact with the civilisation of Tang through their sojourn in Yingchu and Yuchow. Pohai, until it was overthrown by the Khitans in 926 A.D. after two centuries' existence, materially assisted in introducing the civilisation of Tang into Manchuria and Japan, with the latter having diplomatic and other relations for many years. When the Pohai kingdom came to an end, more than 100,000 Mohos found shelter in the Korean peninsula where they must have influenced in no mean measure the civilisation of the peninsular inhabitants.

Khitans.—This tribe, undoubtedly closely related with the Mohos, are first found along the upper course of the Shiramuren. After unsuccessful struggle with the Turks in the west, the Khitans became tributary to the Sui dynasty. They were later divided into eight groups which in the tenth century A.D. were again united by an able chieftain named Yeh-lu A-pao-chi who later became Emperor T'ai-tsu of the Liao Kingdom. In developing his country, this emperor made free use of the cultural and industrial attainments of Cathay. Iron and salt deposits were exploited; and agriculture was encouraged under Chinese direction. Liao steadily grew until at the period of Sung (960—1127 A.D.) its territory embraced practically all of North China, bordering on Manchuria and Mongolia. When the Liao kingdom was overthrown by Kin in the first quarter of the twelfth century, it meant that the last of those of direct Sienpi origin had passed out of the history of the Far East.

Nurchens.—The Nurchens, who have been called Manchus since their Ching dynasty was establish over China in the 17th century, are the only tribal entity remaining from antiquity. They were erroneously confused with the Suchens by some Chinese historians. They originally lived on the upper reaches of the Sungari, not far from the headwaters of the Yalu and mount Chingpaishan. They were known to Cathay of the Tang period. In 1115 a Nurchen chieftain named A-ku-ta declared himself the Emperor of the kingdom of Chin (Gold). In consequence of successful military adventures, he eventually annexed the Khitan kingdom in 1125. In the following year the Chin army occupied Pienching, the present Kaifeng in Honan province, the capital at the time of Sung. When the Chin kingdom was overthrown by the Mongols in 1234, the surviving Nurchens left China, returning to their original homeland in the north.

The Nurchens now made their abode around the region of Sansing or Han, on the right side of the Sungari. The Chienchou-Nurchens who are of the most historical importance among the three groups into which they had now divided themselves, later moved to the region of Kirin. These Nurchens were again divided into three section of Chienchou Guard, Chienchou Left Guard and Chienchou Right Guard. From the first named came Nurhachi, the founder of the Ching or Manchu dynasty. In 1616 he declared himself the emperor of the kingdom of Ta Chin and in 1636 his grandson occupied Peking to inaugurate the Manchu rule in China the regime which, though it saw the illustrious age of Chienlung, was by revolution brought to an end in 1911. The child emperor Hsüan T'ung abdicated. Fate disclosed to none at the time of how this child ruler was to become some two decades lated the Emperor of the Manchou empire.

Of the Manchou population some estimate it at as many as 7,000,000 while others give something less than 1,000,000, the lowest estimate being around 600,000. From their physical characteristics the Japanese anthropologists differentiate them from those who are called by European scholars by the generic, and often misleading name of Tungus. The Manchou is regarded as a distinct type evolved from the ethnic stock that early made its abode around the foot of Mount Changpaishan. The Manchou is smaller of stature than the Chinese. He is also characterized by olive or light brown complexion, slightly prominent cheek bones, black hair and eyes, the shape of the eye resembling that of the Mongol type, beards and whiskers sparse and shaven except by old men. The women are smaller than the men, showing little difference from the Chinese women in point of stature. They have never practised foot-binding, though in all other points they have completely become Chinese.

RACES AND TRIBES OF NORTH MANCHURIA

Tunguses.—Several tribes of pure Tungus origin are found in some northern parts of Manchuria. The name Tungus embraces a number of Orochon tribes which are often designated by the animals they breed or the characteristics of their habits, such as (1) Reindeer Orochons; (2) Horse Orochons; (3) Dog Orochons; (4) Steppe Orochons; (5) Forest Orochons. The Tunguses are indigenes of Siberia, who are in Manchoukuo more or less distributed through Kirin and Heilungkiang provinces. The more important of these tribes are described below.

(1) **Gold or Goldis.**—Of all Tungus tribes this particular group most resembles the Mongol in external characteristics. They speak the same language as the Mongols. They are met with about Sanhsing, being the descendants of the Heishui Mohos. Because men's heads are clean shaved, the Chinese referred to them as "fish-skin pated" or "hairless" men. Their complexion is almost sickly pale. The face is long, the forehead low, the eyes narrowly slit, and the body of medium size. Their disposition is simple and peaceful, with artistic bent as is shown in their carvings.

(2) **Orochons.**—They are mostly found on the upper and middle courses of the Amur and in the Hsingan mountains. Those who live in the former region, as their tribal name Orochon, "reindeer owner," indicates, train the wild reindeer both for mounts and pack animals. Hunting is their chief pursuit. Those who live in the Hsingan mountains raise horses instead of reindeer. Physically, they are small and lean. The head is broad, the features flat, the chin protruding, the nose small, the lips thick, while the eyes are either brown or dark and narrow, and the beards sparse.

(3) **Daours (Dauers).**—This tribe is found in the region around Taitsihar. It is one of the richest and by far the most cultured of all northern tribes. Those who are at present entrusted with local administration of the same region are mostly men of this tribe.

(4) **Solons.**—This tribe, often erroneously described by Japanese as cannibalistic, inhabits from the west of the Hsingan mountains to the river Hailar and its tributaries. It is hardly possible to distinguish this tribe from the Mongols. Known as good fighters from early days, the men of this tribe formed the backbone of the resistance offered to the invading Cossacks in the 17th century. They are characterized by tall stature, hardy frame, elongated head, deep black hair, round broad features, narrow eyes, flat nose, big mouth and thick lips. They are mostly nomadic.

Giliaks.—This ancient tribe of which there is no more than 5,000 population represents, with the Ainus of Hokkaido, the oldest denizens of north Asia. Approximating the Tungus in many physical points, this tribe is distinguished by the black lank hair common to the men who are often hairy. Other physical characteristics are prominent cheek bones, small deep set eyes, flat nose, yellowish skin, broad head, and low stature. They live in caves in winter and in huts in summer.

RACES AND TRIBES OF MONGOLIA

The inhabitants or indigenes of Mongolia were, from an ethnologic point of view, unknown to China before the Chou dynasty (1122-255 B.C.), when they began to be described as northern barbarians.

Hsiungnu (Huns).—This tribe was the first to come into the history of ancient Cathay. The period of Ch'in and Han, more than two centuries before the dawn of the Christian era, found this tribe as a powerful factor among the northwestern neighbours. They inhabited the present Inner and Outer Mongolia, later separating in northern and southern groups. The latter was at a time powerful enough to impose peace upon the Han dynasty. They later met with reverses at the hand of the Sienpis and Wuhuans, until eventually they broke up in small groups, fleeing westwards.

Tingling.—This northern tribe of uncertain origin is described to have been a terror to the northern group of the Huns in the Later Han period (25—221 A.D.). In a historical account of the Chin period, the 4th century, a portion of this tribe is described to have penetrated as far south as Shansi. The theory held by some European antiquaries that this tribe was a pure indigene of Siberia is unsupported by fact.

The House of Toba.—This tribal group, like the Mujung, is of Sienpi origin. In the last quarter of the 4th century it rose to prominence. Invading what is now known as modern Shansi after successful military campaigns against the Huns and Wuhuans, it set up in 386 the dynasty of Northern Wei. This dynasty eventually acquired control of all China north of the Yangtze, flourishing under a succession of able rulers. However, in 535 the kingdom was divided into Eastern Wei and Western Wei.

Juanjuan.—This is a group originated from the Tunghu stock, being related with the Toba. It is said that Tai Wu Ti of the Wei dynasty, in contempt of the ignorance of this tribe, so called it, comparing it to crawling insects. This, however, appears doubtful in the light of what is written of the tribe in the Nan Chi (Southern History), where it is said that the

men of this tribe wore brocade and other clothing of high craftsmanship. Their territory at a time extended "from the western frontier of Korea to the end of the Gobi desert." They were dispersed after disastrous struggle, first, with the above Wei emperor and, next at a later period, with Wen Ti of the Ch'i dynasty and, at the last, with the Turks.

Turks.—The Hsiungnu, undoubtedly of mongrel stock, are also called Turks because, it is said, in their early days they held their stronghold for generations at a fortified hill called Chinshancheng which, because of its likeness to a helmet was called Dürkö, the origin of the name Turk. Living close to the northwestern frontier of China, they had developed into a powerful kingdom in the period of Sui and Tang. They made frequent incursions into China. The Emperor Wu Ti of the later Chou took a Hsiungnu woman for his consort. At the close of the Sui dynasty a number of Chinese are said to have joined the Turks. Later, this tribal kingdom was split into an eastern and a western group. Their final downfall came about in the 7th century when the Ouigours (Wigours), a tribal force of the same ethnic stock, became ascendent.

Tiehlo.—This is another offshoot of the Hsiungnu tribe. Under this general tribal name existed a great number of divisions over areas extending to the east of Hsihai, mostly in the mountains. North of the river Loho about 20,000 of their soldiers had established themselves at the period of Sui. Farther west, as many of their soldiery were found close to Mount Paishan. They served under the eastern and western Turks. They were nomadic, fierce of nature, making predatory raiding their chief pursuit. They were good horsemen. Those who lived to the west are said to have been skilled in horticulture.

Mongols.—The Mongols, in a broad sense, include those of pure Mongol origin, who are represented by the Khalkas, and those of mixed Mongoloid origin such as Kalmuks, Buriats and other Mongolian inhabitants of more or less allied ethnic stock. Some hold that the Mongol is of the same race as the Tartar, and some consider the latter as offspring of the former. All these, however, still remain disputed points.

Khalkas.—The Khalkas comprise a number of related tribes such as **Kalmuks, Paerhhu (Barokh), Buriats, Ordos, Wulyanghai,** etc. Of these, the first and third mentioned are best known. Those of pure Khalka origin are mostly found in eastern Mongolia, numbering about 250,000. The mighty Genghis Khan is said to have been offspring of this tribe. They are not tall of stature, but strongly built with broad shoulders, though the neck is rather small and short. Other external characteristics are black hair, broad flat features, prominent cheek bones, flat nose, pointed chin, sparse beard, oblique and dark brown eyes and yellow tan skin.

Kalmuks.—This Mongol tribe is said to have originated in the Sungaria region. They call themselves "Eleuths" and "Oelöd." They inhabit the southwestern region of Mongolia, Sungaria, and as far as the Tibetan frontier. In Russia, they are distributed over some southern areas and the regions of the Don and Volga. Modern anthropologists call them Western Mongols. Their present number is estimated at 500,000. In old times they were strong and warlike people, but they have scattered over wide areas through war and migration. They are generally characterized by a hardy frame, though medium of stature, round head, short limbs, narrow eyes of lifted outer angle and also eyes set widely apart, flat features, etc. Both males and females are good riders.

The Kalmuks also comprise a number of tribal sub-divisions such as **Sungars, Torgods, Khoshods,** etc.

Buriats.—While the name Buriat is used to designate one of the great tribal divisions of Mongols, some scholars consider them as a part of the Khalkas, estimating their population anywhere between 120,000 and 250,000. Those who regard the Buriats as Siberian indigenes seem to have confounded them with Siberian Yakuts and Tunguses. This is, however, still a disputed point. They all live after the fashion of nomads, being distributed over Mongolia and Siberia, mostly clustering around the tundra and lake Baikal regions. In external characteristics they are, generally speaking, low of stature and short of limbs. Their skin is dark brown and the head round and big. They live in tents and clothe themselves in skin and fur. The women are decorative. They are industrious and thrifty, many of them being prosperous.

Ch'en Pa-erh-hu.—What the Chinese call the Ch'en Pa-erh-hu (Old Barga) is a tribe resembling the Daur. Though few European scholars have noted this tribe, its tribesmen, according to the Chinese historians, constituted one of the eight banners from very early days. Of the Pa-erh-hus, the older group was called **Ch'en Pa-erh-hu** and the new group **Hsin Pa-erh-hu** (New Barga). Because of their military occupation they in part settled on the frontier of Heilungkiang province and in part over areas extending from the Nonni to Holunbuir which is commonly called Barga. Both old and new groups live in nomadic fashion. The older tribesmen resemble the Solons in physical characteristics, but speak a different tongue. Men representing the new group who are now found in Outer Mongolia, originally lived on the northern slopes of the Hsingans. They were transferred southwards by the Manchou authorities at the beginning of the 19th century.

Wulyanghai.—This tribe is said to have been the origin of the Khorchins. It was undoubtedly first found in east Mongolia. The first emperor of Ming, according to Chinese history, receiving their homage, organized them as an outer guard force and stationed them at Ulyangha. Geographically, they are allied with the Olot tribe, but generally described by the Chinese as a separate tribal group.

CHAPTER IV

POPULATION

Introductory Remarks

One of the striking phases of Manchoukuo is the notable increase of the population in the last thirty years, and the predominance of Chinese immigrants. In 1907 the population was estimated at between sixteen and twenty-two millions. According to the return at the end of December, 1937 Manchuria harboured a population of 38,139,978 of which 36,949,975 was accounted for by Manchoukuo and 1,190,003 by the Kwantung Leased Territory.

The Manchoukuoans, inclusive of the Chinese immigrants who comprise more than a third of the population, accounted for approximately 96% of the total population of Manchuria in 1937. The Koreans followed with 2.5% and the Japanese with 1.6%. In other words, throughout the whole of Manchuria in 1937 there were 593,000 Japanese as compared with 36,544,000 Manchoukuoans and 935,000 Koreans. Other nationals represented 67,110.

Table 1. Population of Manchuria Classified by Nationality

(Unit: 1,000)

	Manchoukuo				Kwantung				
	Manchoukuoans	Japanese	Chosenese	Total incl. others	Manchoukuoans	Japanese	Chosenese	Total incl. others	Grand Total
1932	28,903	566*	...	29,606	1,049	243	30	1,324	30,930
1933	30,191	39	552	30,880	1,098	280	30	1,409	32,288
1934	32,052	76	663	32,869	1,150	315	31	1,498	34,367
1935	33,258	128	743	34,201	1,234	350	35	1,621	35,822
1936	34,218	190	864	35,338	1,274	370	35	1,681	37,019
1937	35,534	418	931	36,950	1,010	175	4	1,190	38,140
1938	...	...	...	...	1,039	181	4	1,226	...

Note: The population of the S. M. R. Zone is included under Kwantung from 1932 to 1936, from 1937 it is included under Manchoukuo due to abolition of extraterritoriality.
* Includes Koreans.

Population by Provinces.—The largest number of inhabitants are located in the fertile plains of Central Manchuria wherein is located the province of Fengtien which accounted for 9,391,982 persons in December, 1937. This was followed by Kirin province with a population of 5,223,558 and Pinkiang with 4,545,437.

Table 2. Population by Provinces

(December, 1937)

Province	No. of Households	Manchoukuoans	Japanese	Chosenese	Others	Total
Hsinking*	67,077	261,691	65,222	7,045	734	334,692
Kirin	760,374	5,121,521	25,538	76,192	310	5,223,558
Lungkiang	398,182	2,488,272	13,836	6,121	941	2,509,170
Heiho	15,065	63,179	2,508	983	892	67,562
Sankiang	211,538	1,192,467	9,340	22,525	219	1,224,551
Mutankiang	119,053	544,977	22,372	66,214	3,807	637,370
Pinkiang	744,081	4,438,443	32,971	36,197	37,826	4,545,437
Chientao	117,198	158,331	13,037	473,526	126	645,020
Tunghua	124,387	718,274	2,795	75,710	9	796,788
Antung	323,548	2,161,963	19,368	44,234	95	2,225,660
Fengtien	1,484,652	9,110,271	180,382	99,916	1,433	9,391,982
Chinchow	711,353	4,157,127	16,534	16,822	78	4,190,561
Jehol	709,108	3,628,361	6,366	871	66	3,635,664
West Hsingan	100,682	513,916	612	805	22	515,355
South Hsingan	136,059	818,985	1,199	3,891	11	824,086
East Hsingan	16,488	90,424	1,611	328	2,092	94,455
North Hsingan	21,691	65,529	4,232	240	17,660	87,661
**Total	**6,060,536**	**35,533,729**	**418,300**	**931,300**	**66,326**	**36,949,975**
Kwantung	206,245	1,009,870	174,587	3,917	1,629	1,190,003

Note: * Hsinking Special Municipality.

Population of Principal Cities.—The largest city in Manchoukuo is Mukden which had a population of 810,465 in December, 1938. This was followed by Harbin with 460,206. The population of the cities is given below:

Table 3. Population of Principal Cities

(Cities with over 30,000 inhabitants only)
(June, 1938)

Hsien	Cities	Manchoukuoans	Japanese	Chosenese	Others	Total Population	Total Households
Hsinking	Hsinking	274,133	76,135	9,133	893	360,294	71,461
Kirin	Kirin	118,651	10,115	3,397	116	132,279	27,386
"	Huatien	29,495	292	627	—	30,414	4,393
"	Kungchuling	27,970	4,881	786	6	33,643	7,052
	Fuyu	56,864	114	74	13	57,065	10,941
Lungkiang	Tsitsihar	86,886	8,878	634	408	96,806	21,242
"	Taonan	42,740	749	384	15	47,888	8,825
Sankiang	Chiamussu	65,560	3,713	1,420	53	70,746	12,452
"	Fuchin	41,147	308	83	20	41,558	7,792
"	Poli	35,973	518	1,036	..	37,527	6,760
"	Ilan	30,128	239	348	5	30,720	6,865
Mutankiang	Mutankiang	69,628	13,949	16,745	29	100,351	23,991
Pinkiang	Harbin	397,690	29,876	5,128	34,759	467,453	101,393
"	Hulan	49,083	224	107	9	49,423	9,148
"	Acheng	33,002	285	353	255	33,905	6,827
"	Shuang Cheng	52,027	278	190	44	52,539	8,649
"	Hailun	46,727	571	358	28	47,684	8,808
"	Suihua	36,266	598	133	29	37,026	6,890
"	Payenchieh	37,770	128	35	4	37,937	5,992
Chientao	Lungching	8,033	1,308	25,201	37	34,579	7,897
Tunghua	Tunghua	38,852	1,720	1,950	17	42,539	7,194
Antung	Antung	176,890	17,239	16,583	47	210,759	40,432
Fengtien	Mukden	662,757	90,633	17,498	1,128	772,017	151,723
"	Fushun	181,880	26,350	6,398	42	214,670	41,113
"	Penhsihu	61,795	5,243	346	—	66,384	10,726
"	Liaoyang	84,559	4,771	384	12	89,726	15,834
"	Anshan	93,857	25,429	900	49	120,235	21,901
"	Haicheng	33,805	1,134	89	2	37,030	5,952
"	Yingkow	152,186	5,612	1,611	61	159,470	27,886
"	Kaiping	33,684	440	33	1	34,158	5,298
"	Tiehling	44,182	3,339	1,267	4	48,972	9,533
"	Chengchiatun	47,672	977	507	—	49,156	9,314
"	Hsinmin	32,691	245	58	1	32,995	6,434
"	Ssupingkai	48,447	6,763	967	63	56,240	11,951
"	Kaiyuan	29,901	2,379	2,098	2	34,380	6,417
"	Hsifeng	33,484	154	244	4	33,886	5,747
"	Sian	31,339	873	259	4	32,475	7,329
"	Shanchengchen	28,843	269	1,747	3	30,482	5,607
Chinchow	Chinchow	95,824	8,489	599	13	104,935	20,790
"	Ichow	30,108	156	10	1	30,275	5,915
Jehol	Chengteh	38,729	4,074	384	8	43,199	8,803
"	Chihfeng	38,609	1,029	64	11	39,712	8,053
Hsingan S.	Tungliao	39,146	637	655	10	40,448	7,952

Population by Age.—The population of Manchoukuo by age of the various nationalities are tabulated as follows:

Table 4. Population By Age in Manchoukuo

(End of 1936)

	Manchoukuoans		Japanese		Chosenese		Others	
Age	Male	Female	Male	Female	Male	Female	Male	Female
0–14	6,432,904	6,266,634	26,508	23,408	148,743	140,962	6,408	6,380
15–49	9,983,921	7,477,506	77,946	54,068	285,307	226,164	19,895	20,904
50–59	1,252,010	9,917,145	3,703	1,927	19,904	18,135	5,010	3,423
Total including over 60	18,682,169	15,535,343	109,126	80,382	466,211	397,746	34,030	32,273
Grand Total ..	34,217,512		189,508		863,957		67,003	

Population by Occupation

Approximately 60% of the people of Manchoukuo were engaged in farming in 1937. There were a total of 22,268,543 persons eking their living from the industries of agriculture, live-stock and forestry in Manchoukuo. Commerce accounted for 1,756,377.

When the figures are analyzed it is found that the ratio employed in the various industries differs with the nationalities. In the case of the Japanese 18.7% of them were engaged in the official or free occupations, followed by commerce with 18.4%.

Table 5. Population Classified by Occupations

(December 1937)

	Manchoukuoans	%	Japanese	%	Chosenese	%	Others	%	Total	%
Agriculture and Forestry	21,722,254	60.1	10,098	2.4	527,463	56.5	8,728	13.1	22,268,543	60.2
Aquatic	50,053	0.1	235	0.0	5,428	0.6	293	0.4	56,009	0.2
Mining	172,773	0.5	25,638	6.0	5,331	0.6	322	0.5	204,064	0.5
Mfg. Ind.	1,032,967	2.9	39,910	9.5	30,057	3.2	6,659	10.0	1,109,593	3.0
Commerce	1,636,297	4.6	73,134	18.4	40,676	4.3	6,270	9.4	1,756,377	4.5
Transportation	109,455	0.3	29,194	6.9	5,075	0.6	3,388	5.1	147,112	0.3
Official and Free Occupations	1,317,560	3.7	78,413	18.7	37,657	4.0	9,322	14.0	1,442,952	3.9
Domestic Workers	2,838,110	8.0	22,014	5.3	62,882	6.3	12,670	19.2	2,935,676	7.8
Other Occupations	1,701,209	4.8	40,876	9.8	55,052	5.9	9,479	14.3	1,806,616	4.9
Without Occupations	4,953,053	15.0	98,788	23.0	161,999	17.4	9,190	13.7	5,223,030	14.5
Total	35,533,731	100.0	418,300	100.0	931,620	100.0	66,321	100.0	36,949,972	100.0

Foreign Population.—The principal foreign population of Manchoukuo and Kwantung, excluding Japanese and Koreans, is as follows:

Table 6. Population by Races in Manchoukuo

(1937)

	Men	Women	Total	No. of Households
Manchoukuoans	18,782,004	15,571,998	35,354,002	5,540,108
Mongols	538,352	448,128	986,480	172,913
Mohammedans	104,356	81,895	186,251	36,020
Others	3,703	3,295	6,998	1,725
Japanese	232,908	185,392	418,300	112,342
Chosenese	502,669	428,838	931,507	176,015
Others	65	48	113	27
Soviet Russians	3,552	3,717	7,239	2,622
Poles	689	633	1,322	483
British	191	202	393	167
Americans	102	83	185	82
Germans	199	134	333	138
French	80	242	322	72
Italians	19	11	30	17
Others	1,040	820	1,842	799

References:
Table Nos.: 1 a & b, 2 a, 3 c, 4 d, 5 a, 6 d.
Key: a—S. M. R. Cod.
b—Kwantung Bureau.
c—General Affairs Bd., Manchoukuo.
d—Dept. of Peoples Welfare.

CHAPTER V

IMMIGRATION

The flood of immigration into Manchuria started some three decades ago and in 1927 reached its peak when more than a million Chinese came into the country. Since 1928 the rate of immigration has fallen off considerably. In 1935 the Manchoukuo government instituted a regulation towards restricting the immigration of Chinese and partly as a result of this regulation such entries decreased in 1936 and 1937. But with the inauguration of the Five Year Plan in 1937 the demand for Chinese laborers was felt again, the result being that in 1932 a total of 573,786 laborers entered Manchoukuo. In the same year a total of 282,689 laborers left Manchoukuo, leaving an influx excess of 291,097. This influx excess represented a record figure of recent years.

Table 1. Movement of Chinese Laborers

	Entering Manchoukuo			Leaving Manchoukuo			
	Laborers	Family Members	Total	Laborers	Family Members	Total	Increase
1930	....	....	748,213	....	....	488,504	259,709
1931	....	....	467,402	....	....	461,339	6,063
1932	....	....	414,034	....	....	498,783	–84,749
1933	....	....	631,962	....	....	497,246	134,698
1934	....	....	690,925	....	....	439,628	251,297
1935	....	....	519,552	....	....	495,009	-24,543
1936	358,122	65,323	423,445	366,761	69,745	436,506	–13,061
1937	319,286	42,861	362,157	259,098	37,696	296,794	65,363
1938	492,376	81,410	573,786	252,798	29,891	282,689	291,097

Japanese Immigration

Manchuria claims about forty-six per cent. of the entire Japanese overseas population. At the end of 1937 the number of Japanese, not including the Koreans, in Manchoukuo and Kwantung Leased Territory numbered 592,346. A study of their occupation shows that most of them were engaged in business and industrial and communication activities. Very few were doing farming. This characteristic of the Japanese in Manchuria offers a marked contrast to those immigrants in Brazil, America and other lands, among whom farmers predominate.

Before the establishment of Manchoukuo the Japanese communities in Manchuria were practically limited to the Kwantung Territory, the railway zones and the open marts. With the birth of the new State, however, Japanese nationals began to spread to every section of the country, thanks to the freedom of residence, travel and business which was allowed them by the new regime.

The encouragement of agricultural emigrants to Manchoukuo by the Japanese Government is bringing more settlers of the class into the new State but their number is only a small fraction of the other classes of Japanese who have thronged to Manchuria since the Manchurian Incident. Most of these new arrivals are engaged in government service, communications, manufacturing, business and mining. Of those in government service the majority are employed by the Manchoukuo Government. The Manchoukuo State Railways are also using an increasing number of trained Japanese experts, especially since the purchase of the North Manchuria Railway (formerly the C. E. R.) by the Hsinking Government. The staffs of the numerous industrial firms which have sprung into being during the past few years, are also mostly Japanese.

Most of the immigrants are accounted for by the poor rural districts of Japan and for this reason the Department of Overseas Affairs has given monetary assistant in various forms to benefit the settling farmers.

The area of land allocated to the Japanese settlers under the care of the Department of Overseas Affairs is given as follows:

Table 2. Japanese Immigrant Groups Settled in Manchoukuo

(at end of 1938)

Group No.	Province of Settlement	Year	Area Allocated (cho)	Immigrants: Household	House head	Wife	Others	Total
1st	Sankiang	1932	45,559	301	294	295	606	1,195
2nd	"	1933	14,014	351	346	303	581	1,230
3rd	Pinkiang	1934	10,656	203	203	193	277	673
4th	Mutankiang	1935	26,500	412	412	345	304	1,061
5th	"	1936	22,507	1,039	1,039	751	609	2,399
6th	Mutankiang	1937	32,400	1,381	1,381	367	823	2,581
	Pinkiang	"	13,350	463	463	117	237	817
	Lungkiang	"	14,600	390	390	109	156	655
	Sankiang	"	58,600	1,348	1,348	490	989	3,327
	Total		118,950	4,092	4,092	1,083	2,205	7,380
7th	Pinkiang	1938	154,163	3,200	1,172	67	49	1,286
	Lungkiang	"	7,663	200	34	8	11	53
	Mutankiang	"	4,239	200	59	—	—	59
	Sankiang	"	16,012	400	123	9	13	145
	Kirin	"	32,560	900	343	87	203	633
	Total		214,637	4,900	1,730	171	275	2,176
8th (estimate)	Sankiang, Pinkiang, Mutankiang, Lungkiang & Kirin.	1939	451,871	9,900	...	...	...	...

Governmental Assistance

The most notable of the Japanese immigrants into Manchoukuo are those sent by the Japanese Department of Overseas Affairs, who are known as "self-guarding immigrants." Taking the opportunity of the growing interests of the Japanese in Manchuria due to the Manchurian Incident, the Department of Overseas Affairs drew up the outline of a plan for sending Japanese emigrants to Manchuria in February, 1932 and has since sent five batches of emigrants who have established their settlements in Manchuria at the following places:

Economic Standing of Japanese Settlers

A conception of the economic standing of the Japanese settlers is supplied by the following data prepared by the South Manchuria Railway Company's North Manchuria Economic Research Bureau on the settlement at Chifuri (Hunanying) which consists of four households, comprising four men, four women and five children. The capital invested on this unit farm up to 1938 reached ¥7,700 which is divided as follows: Land (72 hectares), M¥3,600; Houses, M¥2,800; Farm Implements, M¥420; Livestock, M¥950; Total, ¥7,770.

The income and expenditures of this group in 1936 is as follows:

Income

Farm Products (Supplies in storage, and products for home consumption considered as income)	M¥4,126.39
Livestock Products	36.82
Secondary Occupations (Transportation Carpentry, Minor Farming)	316.90
Total Income	M¥4,480.11

Expenditure

Seeds	M¥ 253.98
Wages for Employed Hands	1,138.92
Livestock	276.00
Upkeep of Farm Tools	84.00
Upkeep of Buildings and Houses	150.00
Losses and Damages (Five horses stolen and one dead)	700.00
Total Expenditures	2,762.90
Net Income	1,717.21
Net Income per Household	429.00

The foregoing figures do not include living expenses. In taking this vital item into consideration, the following is arrived at:

Living Expenses

Food	M¥ 376.28
Furniture	153.65
Clothing	210.46
Lighting and Fuel	169.18
Sanitation and Health	44.78
Library fee	8.05
Social expenses	77.46
Amusements	1.97
Incidentals	65.80
Miscellaneous	39.29
Insurance	36.00
Total	1,182.92
Net profit	534.29
Net profit per household	133.57

Table 3. Economic Condition of Japanese Settlements

(End of 1938)

Group:	Area under Cultivation (cho): Paddy	Upland	Total	Live-stocks (No.): Cattle	Swine	Sheep	Goat	Chicken	Duck
1st	205	1,830	2,035	78	836	800	14	1,232	278
2nd	134	1,798	1,932	144	1,427	1,949	11	2,400	127
3rd	250	1,551	1,801	84	535	494	21	289	—
4th	440	2,106	2,591	220	288	1,003	13	230	43
5th	635	3,171	3,806	484	318	481	12	375	143
6th	727	5,399	6,125	126	76	—	7	52	12
Total	2,491	15,855	18,346	1,136	3,480	4,727	78	4,578	603

Table 4. Crop Yield of the Settlements

(1938)

Group No.	Rice (koku)	Soya Bean (koku)	Wheat (koku)	Barley (koku)	Oat (koku)	Millet (koku)	Maize (koku)	Sweet potato (kwan)
1st	1,463	2,928	920	1,628	3,884	1,644	694	51,750
2nd	1,554	4,475	3,537	715	2,854	925	289	42,400
3rd	1,808	4,680	2,020	2,946	1,428	1,755	453	40,250
4th	4,380	2,700	1,477	1,572	2,894	131	200	55,248
5th	5,530	3,568	1,046	1,271	2,050	476	505	92,500
Total	14,735	18,351	9,000	8,132	13,110	4,931	2,141	282,148

Table 5. Condition of Free Pioneers

(As at end of October, 1938)

Croup Name:	Area under cultivation (cho)	No. of Families	Total population
Railway Self-protective Village	8,383	448	1,415
General Free Pioneers	42,116	766	1,692
Forestry Pioneers	4,426	255	1,194
Tobacco Farming Pioneers	50	10	33
Young Men's Voluntary Groups	...	...	16,340

Table 6. No. of Chosenese Immigrating into Manchoukuo in 1937

		No. of families	Population	Location of Settlements
Group immigrants	Spring	2,339	12,159	Antu, Wangtsing, Yenki, Yingkow
Free immigrants	"	694	3,007	Yingkow, Liuho, Muling
Special immigrants	"	253	1,030	Hwaiteh
" "	Autumn	774	3,039	Tiehling, Yenki, Panshih, Chinchow, Weiho, Tailai
Total		4,060	19,235	

Free Immigrants

Besides the Japanese immigrants sent by the Japanese Department of Overseas Affairs there are a number of immigrants who have set up their settlements independently under the supervision of various organs, societies or religious bodies. These colonists numbered 2,150 as at the end of 1937 and had under cultivation an area of 12,661 hectares.

Chosenese Farming Immigrants

The immigration of Koreans to Manchuria with Chientao as a centre is very old in origin. Korean immigrants mostly worked on the paddy fields which are not suited for Chinese farmers. But the famine which had come at close intervals since 1920 had dealt a serious blow to these Korean farming immigrants. This, coupled with the frequent occurrence of battles caused great difficulties to them in the way of getting repayments from their Chinese debtors or securing credit. To make the situation worse, since 1929 they had suffered from a serious set-back of silver price and pressure brought to bear upon them by the Chinese authorities. The Manchurian Incident offered them a rare opportunity to revive. They have well availed themselves of the opportunity thus offered. The authorities of the Government-General have not remained inactive. On the contrary, they have a plan for the emigration of Korean farmers to North Manchuria extending over a period of ten years and have estimated ¥50,000,000 as a necessary expenditure. On the other hand, directly after the Manchurian Incident, the Government-General caused needy Korean farmers to set up a

"safe farming village" by granting them a certain sum of money. These safe farming villages are now in four different places, namely, Yingkow, Tiehling, Suihua, Hotung. The village at Yingkow was established in May, 1933. There are about 1,000 households and paddy fields are under tillage to the extent of 2 cho 4 tan per household. The results of farming for 1934 were very satisfactory as the rice crop was 2 "koku" 3 "to" per tan on the average. The Suihua farming village covers an area of 1,000 cho. The area of paddyfields is 2 cho 4 tan per household. At present there are 350 households. The area under plough for 1935 was 840 cho. Earnings are estimated at ¥420 per household. The rest of the Korean settlements are the same as the foregoing in style. The Tiehling settlement was started in 1932 with 190 households. The number of households increased to 233 in 1933 and to 242 the following year. The area under cultivation is 700 cho. The Hotung settlement was started in 1933 with 852 households including some local inhabitants. The number of their households increased to 1,000 in the spring of 1935. The area under tillage is 2,000 cho all representing paddy-fields.

Immigration Companies

Two immigration companies, one for transplanting Chosenese into Manchoukuo and the other for Japanese have been established. The Chosen-Manchoukuo (Sen - Man) Colonization Company is capitalized at ¥30,000,000 and is guaranteed a dividend of 5% by the Government-General of Chosen. The Company intends to settle one million colonists in Manchoukuo, representing 160,000 households.

The Manchuria Colonization Company for helping Japanese to settle in Manchoukuo was established in December, 1935. The Company is capitalized at ¥15,000,000 and plans to settle 200,000 Japanese immigrants in North Manchuria with Ilan as the center in the course of ten years.

Twenty-Year Japanese Immigration Plan

Even before the fifth detachment of the experimental mass immigration found its way into Manchuria, the most prospective outlook shown by the First and Second Settlements led to the calling of a colonization conference at Hsinking late in November, 1934. It was attended by more than fifty experts, involving practically all governmental agencies, both Japanese and and Manchoukuo, and other organizations and individuals interested in the immigration question. As a result of general reviews and constructive deliberations, not only an encouraging possibility of the settlement of Japanese farmers in North Manchuria was revealed, but a new start was made in handling the immigration question with added seriousness. The new impetus thus given led to the creation in 1935 of a Colonial Affairs Administration Section in the People's Welfare Department of the Manchoukuo Government for the purpose of assisting Japanese into Manchuria. At Tokyo, the Manchuria Colonization Society was organized in November, 1935, for the purpose of arousing popular interest through publicity, assisting and training prospective emigrants, and acting as an inquiry office as well as an advisory body. Then followed the establishment of the Manchuria Colonial Development Company in December, 1935.

Table 7. Twenty-Year Plan for Implanting 1,000,000 Japanese Families (5,000,000 Persons) in Manchuria

(A) Stages

	Families
1st stage	100,000
2nd stage	200,000
3rd stage	300,000
4th stage	400,000
Total	1,000,000

(B) Location of Settlements

	Hectares
Immigrant farmers:	
Vicinity of Chiamussu	1,000,000
" " Hulin	1,000,000
" " Haolichen	1,000,000
" " Aigun	500,000
" " Menkiang	1,000,000
" " Lungchen	1,000,000
" " Wuchang	300,000
" " Chuho	50,000
" " Puhsi	1,000,000
" " Chinchow	500,000
Total	7,350,000
Livestock-farming immigrants:	
Vicinity of Solun	500,000
" " Kailu	500,000
" " Kulun	500,000
" " Linhsi	500,000
" " Chalantun	500,000
Immigrants settling in suburbs of cities:	
Mukden, Hsinking, Harbin, Hailun and Tsitsihar	.....
Mining immigrants:	
Vicinity of Oupu	.....
Immigrants engaged in lumbering:	
Kirin Province	500,000

Reorganization Manchuria Colonial Development Company

The Manchuria Colonial Development Company (Manshu Takushoku Kabushiki Kaisha) was established at Hsinking with an authorized capital of ¥15,000,000 as a special Japan-Manchoukuo corporation. It was created for the purpose of assisting settlers through acquisition

of land suitable for settlement, supervision and distribution of such land, and provision of financial aids and other necessary equipments and facilities for settlers. One-third of the capital was provided by the Manchoukuo Government, one-third by the South Manchuria Railway Company, and one-third by the general public in Japan. The actual establishment of the Company took place late in December, 1935, with a paid-up capital of ¥9,000,000 and started its activities in January, 1936. The Company succeeded to a tract of land, about 1,000,000 cho, originally acquired by the East Asia Land Development Company (Toa Kangyo Kabushi Kaisha), and in April, 1936, drew up a plan for settling 20,000 Japanese farming households in ten years, beginning with 1,500 households during 1936. Each household was to have 20 cho of land and necessary assistance in the settlement. For this purpose, the Department of Colonial Affairs in Tokyo placed at the disposal of the Company a special fund of ¥1,135,000. It was under this plan and through the general supervision of the Manchuria Colonial Development Company that the Fourth and Fifth Settlements were actually realized during 1936 and 1937.

In the meanwhile appeared a still larger plan for settling one million Japanese farming households involving five million farmers in twenty years. After studies and deliberations, this plan was adopted by the Tokyo Government as a national project in August, 1936. This program divides the settlers into two general classes: (1) those receiving direct governmental aid and protection, and (2) those receiving aid from private organizations or relying upon their own resources. Each household in the former subsidized-immigrant group was to receive approximately one thousand yen to cover travelling expenses, housing allowance, purchase of farming implements, leasing of land, and other necessary expenses, while the latter free-immigrant group was to receive about ¥300 to cover travelling expenses and acquiring farm lands. For the sake of convenience, the twenty-year period is divided into four five-year stages and the number of immigration was allotted as follows: 100,000 households during the first stage, 200,000 households during the second stage, 300,000 households during the third stage, and 400,000 households during the fourth stage.

The 70,000 farming households which were to migrate into Manchuria during 1937-41 were to be selected from among sturdy farmers all over Japan: 26.14% from six prefectures in the Tohoku (Northern) region of Japan, 11.68% from seven prefectures in the Kanto (Eastern) region, 22.45% from nine prefectures in the Chubu (Central) region, 8.28% from seven prefectures in the Kinki (Mid-Western) region, 11.36% from five prefectures in the Chugoku (Western) region, 6.66% from four prefectures in the Shikoku region, and 13.43% from eight prefecture in the Kyushu region.

For the realization of such a large immigration project, the existing Manchuria Colonial Development Company was considered to be quite inadequate. At first an increase of its authorized capital to ¥50,000,000 was seriously considered but eventually, by May, 1937, both Tokyo and Hsinking decided to establish a new and stronger corporation to succeed to the existing one. The Tokyo Government approved the treaty thereon on July 2 and the Privy Council on July 28, while the Hsinking Government passed upon the same plan on July 7 and the Privy Council on July 28. As a result, the Japan-Manchoukuo Treaty and accompanying documents were signed on August 2, 1937, by Ambassador General Kenkichi Uyeda and Premier Chang Ching-hui. Three days later, Japanese and Manchoukuo committees, each with fifteen members, were named to make necessary preparations for the establishment of the proposed Company. The Manchuria Colonial Development Company (Manshu Takushoku Kosha) thus prepared was established on August 31, succeeded to the Manchuria Colonial Development Company (Manshu Takushoku Kabushiki Kaisha) on September 1, and began its official life on the same date. The new Company is a Manchoukuo special corporation with an authorized capital of ¥50,000,000 (Japanese Government, ¥15,000,000; Manchoukuo Government, ¥15,000,000; South Manchuria Railway Company, ¥10,000,000; and Japanese-Manchoukuo public, ¥10,000,000). Its fundamental purpose is the same as that of its predecessor and it took charge, not only of the already settled groups, but also of the new project for the settlement of 1,000,000 households with 5,000,000 farmers in twenty years already outlined. To assit its various activities the Manchuria Colonial Development Committee, composed of seven Japanese and seven Manchurian members, was created at Hsinking on September 1, 1937, while the Manchuria Colonization Society (Manshu Iju Kyokai) in Japan was transformed into a legal corporation on April 30, 1937, and enlarged the scope of its activities to harmonize with the new outlook.

According to this new plan, the Japanese Government was to advance necessary subsidies and to despatch leaders for the purpose of

establishing and managing settlements for three years, while the Manchuria Colonial Development Company was to loan out necessary funds. The total fund required during this first three year period was estimated at 2,560 yen per household. Besides 240 yen advanced by the Japanese Government for travelling expenses, the Japanese Government was to furnish 650 yen as subsidy and the Manchuria Colonial Development Company was to loan out 1,910 yen toward these expenses. In the case of the free immigrants, the Japanese Government was to subsidize up to 500 yen per each household for necessary expenses. Under this general plan, the Manchuria Colonial Development Company in cooperation with the Japanese and Manchoukuo Governments, took charge of the sixth wave of 3,787 immigrants in 18 groups during June and July, 1937, and settled the seventh batch of 1,156 immigrants in 22 groups during February, 1938. It may be added that roughly 15,000 other persons, who were trained for immigration, 10,000 of whom are subsidized group immigrants and the remainder free immigrants, joined the army in connection with the current China Incident and could not participate in the scheduled settlement.

Immigration of Japanese Youths in 1939

The Manchuria Colonial Development Co. has planned to bring over 30,000 Japanese volunteer youth immigrants from Japan for the year 1939. According to the plan, 4,800 youths were to arrive in May, 5,100 in June, another 5,100 in July, 4,800 in August, 5,100 in September and the same number in October. Of this total 10,200 will settle at the Tiehli Training Camp, 4,500 at the Poli Training Camp, 4,800 at the Nenkiang Training Camp, 5,100 at the Tuitien Training Camp, 2,100 at the Ningan Training Camp, 900 at the Sunwu Training Camp, 2,400 at the Harbin Training Camp, and 900 at the Changtu Training Camp.

State Ownership of Immigrants' Lands

The policy of the Manchoukuo government with regard to lands allocated for settlement by Japanese immigrants is characterized by the factor of state ownership. The lands are to be prepared for occupancy and cultivation at the hands of the General Board of Immigration, of Manchoukuo. The immigrants are to secure permanent tenancy of the land, in place of ownership, and a sound guarantee is granted for the right of tenancy as proof against dispossession. Furthermore, for building up wholesome rural villages, for managing the farming industry on ideal lines, for stabilizing agricultural economy, and for elevating the farmers' level of living, the authorities propose to establish a hereditary indivisibility between the farmers and their tenanted lands, to prevent any one outside any particular village from owning farmland in it, to keep farmlands from being split up, to prevent monopolistic possession of an extensive farm area, and to do away with all absentee land-owners from fattening on the tenancy rents. In addition, special regulations and arrangements will be instituted, restricting the transfer of farmland to any one other than one of the immigrant colonies or other specific parties. In case any settler is deprived temporary, wholly or in part, of the ability to tend the farmland, the gap so created then is to be properly filled by one of the parties just mentioned.

References:
Table Nos.: 1 a, 2-4 b, 5 a, 6 c, 7 b.
Key: a—S.M.R. Co.
b—Dept. of Overseas Affairs.
c—Sen-man Takushoku K.K.

CHAPTER VI

ADMINISTRATION

The administration of Manchoukuo is nominally vested in the person of the Emperor. The actual administrative work is carried on by the State Council, presided over by the prime minister, with the sanction of the Emperor. Important revisions in the administrative system were effected and enforced from July 1, 1937 with a view towards facilitating the work of the national programme and to secure the best possible efficiency in the task of building the state. By virtue of the revisions the responsibility of the prime minister has been greatly increased. The main features effected by the reforms are as follows:—

1. Abolition in the submission of views to the Throne by the Privy Councillors.
2. Abolition of the Supervisory Council and the creation of the Bureau of Audit in the State Council.
3. Establishment of the Office of Home Affairs in the State Council with charge, under the direct supervision of the Prime Minister, of matters concerning the general guidance of local organizations and the general supervision of provincial governors.
4. Establishment of the Planning Council, under the direct control of the Prime Minister, to study and deliberate upon basic national policies.
5. Establishment of the Office of Foreign Affairs under the jurisdiction of the Prime Minister, replacing the Department of Foreign Affairs, and with charge of matters concerning the supervision of envoys and consuls abroad, international negotiations, guidance and protection of nationals abroad and investigation of international political affairs. Transference of matters concerning commercial affairs to the new Department of Economics.
6. Amalgamation and reorganization into the Department of Public Peace of the Department of Defence and the Bureau of Police Affairs under the former Department of Civil Affairs.
7. Abolition of the Department of Mongolia Administration and the establishment of the Office of Hsingan Affairs under the direct control of the Prime Minister. The president of the new Office to render assistance to the Prime Minister in coordinating and adjusting matters concerning the administration of Mongols which shall be executed by the various Departments concerned.
8. Establishment of the Departments of People's Welfare, Industry, Economics and Communications, replacing the Departments of Civil Affairs, Industry, Finance, Communications and Education.

(a) The Department of People's Welfare takes charge chiefly of administration concerning education, social affairs, public health, stabilization of the people's life and elevation of the national spirit.

(b) The Department of Industry takes charge of administration concerning husbandry of the people's resources, and exploitation and conservation of natural resources. The Horse Administration Bureau formerly attached to the Department of Defence was merged into the Bureau of Live-Stock Farming, and an independent bureau was created under the jurisdiction of the Department of Industry. The Bureau of Forestry existing within the Department of Industry was raised to the status of an independent bureau under the jurisdiction of this new Department.

Abolition of the Provisional Industrial Research Bureau. Jurisdiction under the Department of Industry of the Patent Bureau and the Hydro-Electric Power Construction Bureau.

(c) The Department of Finance and Commerce takes charge of administration concerning the financing of exploitation and conservation of natural resources and other matters connected therewith.

The General Monopoly Office is placed under the jurisdiction of this Department. The Weights and Measures Bureau, formerly attached to the Department of Industry, is transferred to the jurisdiction of this Department and is reorganized into the Weights and Measures Examination Office.

(d) The Department of Communications takes charge of administration concerning communication and transportation.

The General Administration Bureau is placed under the jurisdiction of this Department.

The various Navigation Bureaux have been merged into the Customs Houses, and the superintendents of the Customs Houses are to be supervised by the Minister of

Communications in so far as matters relating to navigation are concerned.

9. The Organizations of the Courts and the Department of Justice remain in general as hitherto.

Ordinance of Manchoukuo Empire

In March 1934, the Government issued the following ordinance on the inauguration of an Imperial Regime in Manchoukuo.

By the grace and will of Heaven, we have acceded to the Throne and have indicated the fundamentals of the soverign organization by enacting the Organic Law. In the exercise of the supreme power We shall conform to the provisions of the said Law and shall not suffer the same to be violated.

Imperial sign-manual and Imperial seal
First day of March, First year of Kangte (1934).
Countersigned by
The Prime Minister and
Ministers of the Departments.

Chapter I. The Emperor

Article I.—The Manchou Empire shall be reigned over and governed by an Emperor. The succession to the Imperial throne shall be as determined separately.

Article II.—The dignity of the Emperor shall be inviolable.

Article III.—The Emperor is the head of the Empire, supervising the sovereign rights, and shall exercise them in accordance with the provisions of the present Law.

Article IV.—The Prime Minister shall give his advice to the Emperor and be responsible for it.

Article V.—The Emperor shall exercise the legislative powers with the approval of the Legislative Council.

Article VI.—The Emperor shall cause the courts of justice to exercise the judicial powers in accordance with the law.

Article VII.—The Emperor shall issue or cause to be issued ordinance for the maintainance of public peace and order and for the promotion of public welfare, or for the carrying out of laws. But no such ordinance shall in any way alter any of the existing laws.

Article VIII.—The Emperor, in consequence of an urgent necessity of maintaining public safety or averting emergency calamities, shall be empowered to issue, with the approval of the Privy Council, when it is impossible to convene the Legislative Council, Imperial ordinances which shall have the identical force of law. Such Imperial ordinances, however, shall be reported at the following session of the Legislative Council.

Article IX.—The Emperor shall determine the organization of the different branches of administration, appoint or dismiss government officials and shall fix their salaries, except in the case of those especially provided for in the present law or other laws.

Article X.—The Emperor shall have the power to declare war, make peace, and conclude treaties.

Article XI.—The Emperor shall have the supreme command of the military, naval and air forces.

Article XII.—The Emperor shall confer decorations and other marks of distinction.

Article XIII.—The Emperor shall order amnesty, pardon, commutation of punishments and rehabitations.

Chapter II. The Privy Council

Article XIV.—The Privy Council shall be composed of Privy Councillors.

Article XV.—The Privy Council shall, when consulted by the Emperor, submit its opinions relative to the following matters:

(1) Laws;
(2) Imperial House Law;
(3) Imperial Ordinances;
(4) Budgets and matters pertaining to contracts other than budgets which entail obligations upon the National Treasury;
(5) Treaties and agreements negotiated with foreign nations and declarations issued in the name of the Emperor;
(6) Major appointments and dismissals of government officials;
(7) Other important matters of the State.

Article XVI.—The Privy Council may report its views to the Throne on important matters relating to the affairs of the State.

Chapter III. The Legislative Council

Article XVII.—The organization of the Legislative Council shall be as determined separately by law.

Article XVIII.—All legislative and budgetary bills and matters pertaining to contracts other than budgets entailing obligations upon the National Treasury shall require the approval of the Legislative Council.

Article XIX.—The Legislative Council may present proposals relating to affairs of the State to the State Council.

Article XX.—The Legislative Council may receive petitions presented by the People.

Article XXI.—The Legislative Council shall be convoked annually by the Emperor. The duration of the ordinary session shall be one month which may, however, be prolonged by the Emperor in case of necessity.

Article XXII.—No session of the Legislative Council can be opened unless more than one third of the total number of the members are present.

Article XXIII.—The proceeding at a session of the Legislative Council shall be decided by a majority vote. In case of a tie-vote, the chairman shall have the casting vote.

Article XXIV.—The deliberations of the Legislative Council shall be held in public. Closed session may, however, be held upon demand by the State Council or by a resolution of the Legislative Council.

Article XXV.—All legislative and budgetary bills and matters pertaining to contracts other than budgets which entail obligations upon the National Treasury shall be sanctioned, promulgated and put into force by the Emperor.

In the event of the legislative and budgetary bills and matters other than budgets pertaining to contracts which entail obligations upon the National Treasury being rejected by the Legislative Council, the Emperor shall represent them to the Legislative Council by indicating his reasons therefore. When further rejected, the Privy Council shall be consulted for its decision thereon.

Article XXVI.—No member of the Legislative Council shall be held responsible outside the Council for his opinions uttered or for any vote given within the Council.

Chapter IV. The State Council

Article XVII.—The State Council shall take charge of all administrative affairs.

Article XXVIII.—The State Council shall be composed of the Departments of Civil Affairs, Foreign Affairs, Defence, Industry, Communications, Justice and Education.

Article XXIX.—The State Council shall have a Prime Minister and each of the Departments a Minister.

The Minister of each Department shall be responsible for the affairs over which he exercises jurisdictions.

Article XXX.—The Prime Minister and the Ministers of the Departments may attend the sessions of the Legislative Council at any time and may have a voice in its deliberations, but shall have no vote.

Article XXXI.—All Imperial edicts or rescript, Imperial messages, laws and Imperial Ordinances relating to State Affairs shall bear the counter signatures of the Prime Minister and the Ministers of the Departments concerned.

Chaper V. The Courts

Article XXXII.—The Courts shall, in accordance with law, conduct trials of civil and criminal cases. In respect to administrative and other special litigations, however, special provisions shall be made by law.

Article XXXIII.—The organization of the courts and the qualifications of the judicial officials shall be determined by law.

Article XXXIV.—The judicial officials shall command independence in the discharge of their duties.

Article XXXV.—No judicial officials shall be dismissed except by trials on criminal offence or disciplinary punishment, nor shall he be subjected to suspension, transfer of position or office and reduction of salary, against his will.

Article XXXVI.—The trials and judgements of the Courts shall be open to the public. Cases which threaten to disturb the public order and peace, or in which public morals are liable to be in danger, however, may be closed to the public in accordance with the law or by decision of the Courts concerned.

Chapter VI. The Supervisory Council

Article XXXVII.—The Supervisory Council shall conduct supervisory duties and audit the accounts. The organization and duties of the supervisory council shall be determined separately by law.

Article XXXVIII.—The Supervisory Council shall have supervisors and auditors.

Article XXXIX.—No supervisor or auditors shall be dismissed except by trials on criminal offence or disciplinary punishment, nor shall any supervisor or auditor be subjected to suspension, transfer of position and reduction of salary, against his will.

Supplementary Provisions

Article XL.—The present Law shall come into force on the First day of March, First year of Kangte.

Article XLI.—The Emperor, may, for the time being, issue Imperial ordinances or decrees possessing the identical force of law, fix the budgets or make contracts other than budgets which entail obligations on the National Treasury, with the approval of the Privy Council.

Article XLII.—All previous ordinances, Council orders, and other laws and ordinances irrespective of their designations or titles shall continue to remain in force.

Life Sketch of His Majesty, the Emperor of Manchoukuo

His Majesty, Pu Yi, Emperor of the Manchoukuo Empire, was born on February 6, 1906 at Peking, China. On November 14, 1908 he was proclaimed Emperor of China upon the demise of his uncle, Emperor Kwan Hsu. The infant Emperor, twelfth in the line of the Ching dynasty, had been on the throne only a few years when a revolution broke out in China, causing his abdication on February 12, 1912. The Manchu dynasty thus came to an end after ruling over China for 267 years. An attempt was made to restore the Emperor to the throne by General Chang Hsun in July, 1917 but failed.

In October, 1924 he was forced to give up his palace at Peking by General Feng Yu-hsiang (the "Christian General") and through Sir Reginald Johnston, his British tutor, sought refuge in the German Hospital in the Legation Quarter, from whence he later found haven in the Japanese Legation. Some three months later the Emperor moved to Tientsin and took up his residence in the Japanese Concession, where he lived until the outbreak of the Manchurian Incident in September, 1931.

On March 1, 1932 he became the Chief Executive of Manchoukuo and in March, 1934 was proclaimed first Emperor of the Manchoukuo Empire. In April, 1935 the ruler paid a formal visit on T.I.M. the Emperor and Empress of Japan.

Her Majesty, The Empress of Manchou.—Her Majesty, the Empress of Manchoukuo, was born in 1907, the daughter of Jung Yuan and was married to the Emperor in 1923.

Law Governing Succession to Imperial Throne.—(See Page 648 of the 1939 issue).

Cabinet Members of Manchoukuo

(June, 1939)

Ministers:

Prime Minister	General Chang Ching-hui
Dept. of Imperial Household	Hsi Chia
Dept. of Public Peace	General Yu Sheng-chang
Dept. of people's Welfare	Sun Chih-chang
Dept. of Justice	Chang Huan-siang
Dept. of Industry	Lu Jung-hua
Dept. of Finance and Commerce	Han Yu-chieh
Dept. of Communication	Li Shao-keng
Dir.-General of General Affairs Board	Hoshino Naoki
President, Privy Council	Tsang Shih-yi
Lord Keeper of Privy Seal	Yuan Chin-kai

Decorations

Decorations granted by the Imperial Court of Manchoukuo are divided into four classifications as follows:

(1) Ta-hsun-wei-lan-hua-chang-king-shin (the Collar of the Grand Order of the Lanhua), grantable only to holders of the Grand Order of Merit.

(2) Ta-hsun-wei-lan-hua-ta-shou-chang (the Grand Cordon of the Lanhua), grantable to those with or to be conferred the Grand Order of Merit

(3) Lung-kung-ta-shou-chang (the Order of Lungkuang), grantable only to those who are to be conferred or who have been conferred the First Order of Merit.

(4) Ching-yun-chang (the Order of Ching-yun), grantable to those who are to be conferred any of the decorations from the First to the Eighth Order of Merit, excepting those who have been conferred the First Order of Merit and who have been granted the Order of the Lungkuang.

The orders of merit consist of nine grades. They are the Grand Order of Merit and those from the first to the eighth order. The orders of merit are conferred through letters patent. The letters patent for holders of the Grand Order of Merit, the First or the Second Order of Merit shall bear the Imperial Sign Manual and the Seal of the State as well as the signature of the Prime Minister who also enters the date by Imperial command. The letters patent for holders of any of the orders or merit of or below the Third Order of Merit shall bear the Seal of the State and the Signature of the Prime Minister who shall also enter the date by Imperial command. The Director of the Bureau of Decorations (of the General Affairs Board) shall enter in each letter patent a number according to the grade of decoration to be conferred, and shall append a note to the effect that the number has been entered in the Register provided for the purpose, and shall also affix the Seal of the State Council and his signature.

Allowance to Officials

(1) For medical treatment.
(a) at home .....M¥2.00 a day.
M¥1.50 a day after 20 days.
(b) at hospital:—
Te-jen & Chieh-jeh..M¥10.00 a day.
1st to 4th classes, of
Chien-jen .....M¥ 8.00 "
5th class of Chien-jen to 2nd class of
Wei-jen .....M¥ 6.00 "
Others .....M¥ 4.00 "
The limit of period is 180 days.

(2) For injuries.
The sum differs according to the kinds of injuries.
1st class .....18 months' salary.
16th class .....half a month's salary.

(3) For the family of the deceased.
Ordinary case...15 months' salary.
Special case.....18 months' salary.
(Battle, etc.).

Persons qualified to the above allowance in their respective order are given below: 1. Wife. 2. Son. 3. Grandson. 4. Parents or parents-in-law or sisters-in-law and brothers-in-law. When the persons qualified in the same class exceed a certain number, the allowance is divided in equal portions.

Grants to Officials

(1) Resigned officials, (after more than one year's service). This rule is applied to the officials who resigned due to public injuries or disease after over a year's service.

1 year	1	month's	salary
2 years	2	"	"
3 years	3	"	"
4 years	4	"	"
5 years	6	"	"
6 years	8	"	"
7 years	10	"	"
8 years	12	"	"
9 years	14	"	"
10 years	16	"	"
More than 10 years	An additional monthly salary for one year.		

The official may appoint the person qualified for this pension. Otherwise, the order shall be the same as the allowance mentioned above.

(2) To the deceased during his service.
The pension shall be his last salary multiplied by the number of his service years plus 2 years.
The official can nominate the person qualified for the pension.

Order & Salary of Officials

(1) Te-jen. Appointed by the Emperor himself.
Monthly Salary .... between M¥1,800 and M¥1,000.

(2) Chien-jen. Appointed by the Imperial Command.
Monthly Salary .... between M¥1,000 and M¥500.

(3) Chien-jen. Appointed by the approval of the Emperor.
Monthly Salary .... between M¥ 450 and M¥75.

(4) Wei-jen. Appointed by the judgment of the Government.
Monthly Salary ....between M¥ 170 and M¥30.

The number of official, exclusive of the Army and Navy, classified by ranks, was returned as followed at the end of December, 1935.

Rank	Number
Te-jen	38
*Chien-jen	171
Chien-jen	1,648
Wei-jen	7,787
Total	9,644

Note: * Though pronounced alike as the rank which it follows, the Chinese characters which identify them are different

THE CONCORDIA ASSOCIATION (HSIEH-HO-HUI)

The Concordia Association, or the Hsieh-ho-hui as it is known in the Manchurian tongue and as the Kyowa-kai in Japanese, is a national organ which has for its object the union of the various races in Manchoukuo in an association devoted to the attainment of the common object of building up an ideal State. Its members are composed of officials, scholars, lawyers, merchants, peasants, workmen, etc.

The Concordia Association is headed by the president who is the premier, and directly under him is the Central Headquarters located in Hsinking. The latter in turn control the principal headquarters in each province and the Metropolitan Headquarters in Hsinking, with headquarters in each hsien (Prefecture), banner (in the Mongol provinces a prefecture is called a banner) and city, and under them numerous branches.

The ideals of the Concordia Association are (1) the establishment of inseparable relations between Japan and Manchoukuo—oneness in spirit and virtue; (2) the concord of races; (3) the creation of a moral world through racial concord, and (4) the bringing into practice of an original Wangtao government.

In its task of rearing a nation of astute individuals, the Concordia Association is putting its greatest energy into the training and education of promising young men. Upon the establishment of a system for the training of youth in 1936, the Hsieh-ho-hui took over its management, and since then it has founded 70 young men's training schools in the important hsien, which have to date turned out more than 7,000 graduates. At these schools the students during a period of three months live under guidance of teachers sent by the Central Headquarters, and receive group spiritual and military training, as well as academic instruction so that they may develop into useful citizens.

JAPANESE COOPERATION IN ADMINISTRATION OF MANCHOUKUO

"We are hereby set to formulate all the far-reaching design for the safe-guarding of our domain and the future policies for its administration, in close co-operation and harmony with the Empire of Japan": so declared the first Emperor of Manchoukuo on the day he ascended the throne on March 1, 1934. The above expression enunciating the fundamental principle of administrative policy becomes tangibly clear when it is remembered that in 1932 Foreign Minister Hsieh Chieh-shih, in his note addressed to leading nations of the world, declared the intention of his government "to perfect the institution of laws and to establish security for life and property, contrary to the 'corrupt discipline,' 'outrageous exaction' and 'anti-foreign policies' which were characteristic of the old militaristic Government." Of the scope and character of what has actually been accomplished to date by way of realizing the above official promise the following parts of this chapter and other sections of the present compilation will afford a comprehensive idea. What engages our attention here is the question how far and in what ways Japan has co-operated, and is co-operating, in the task of making the new Manchoukuo empire.

Number of Japanese

The official list of men serving in one capacity or another in the present administration of Manchoukuo is composed of 5,700 names of which about 3,250 are Japanese as judged from their personal names. Of the remaining portion the Chinese and Manchou officials are in a preponderate number, the Mongol and Korean making up each a small percentage. These Japanese officials serving in Manchoukuo consist largely of young men taken out of acting service. Mr. Naoki Hoshino, Secretary-General of the Manchoukuo State Council, for instance is a man still in his late forties. The ministerial posts are held without exception by men of Chinese, Manchou or Mongol extraction. These ministers are invariably supported by high executives of Japanese origin.

It is scarcely of less significance to look into the composition of the administrative system from the racial point of view . Japanese ability of organization and executive efficiency seem to have been availed of wherever necessary. Where corruption ruled in old days, and is most to be feared, the Manchou officials are assigned to subordinate places. The posts of councillors who in each department are in charge of actual administrative work are held by Japanese officials.

Directly under the State Council, the highest organ headed by the Prime Minister, the Secretariate and the seven bureaux constituting the General Affairs Board are each headed by Japanese.

The nine departments of state, with the exception of that of Mongolia Administration are under the direction of Manchou Ministers, sometimes assisted by Manchou Vice-Ministers, but in no case are Japanese placed in any of these high places. But the bureaux and sections under these ministers are in charge of Japanese chief executives known as Councillors. The Department of Mongolia Administration is presided over by a Mongol prince. Of the three principal executive sections under him two are in charge of Mongol officials, the one being headed by a Japanese sectional chief.

Under the Department of Civil Affairs the Bureau of Police Affairs comprises numerically the largest staff. The central police force is formed about equally of Manchous and Japanese. But the frontier police guard forces, forming altogether what is known as the Special Police Corps, is formed of about 170 Japanese against 50 Manchous, the latter being employed as low-ranked patrol men. What is known as the Harbin Mobile Police Force is formed exclusively of Japanese.

The Department of Foreign Affairs is the only division with a Japanese Vice-Minister, the similar places being held by Manchous in the other departments. Of the four bureaux of General Affairs, Commercial Affairs, Political Affairs and Information and Publicity all are headed by Japanese.

In the Department of Defence all important positions are held by Manchou officers. On the General Staff the Manchou far outnumber the Japanese. The advisory body to the General Staff consists of more Japanese than Manchou military men.

The efficient management of finance in Manchoukuo is apparently to be credited to the Japanese officials who far outnumber the other nationals in the Department of Finance. The monopoly offices of matches, opium, etc., and in the salt administration office actual executive work is chiefly entrusted to Manchou officials who are in a preponderate number.

In the Department of Communications, post and air services are practically carried on by Manchou officials and employees, though the higher places are held by Japanese. The post-offices are without exception in charge of Chinese and Mongol masters.

In judicial administration where the former Chinese authorities had been notoriously guilty of mismanagement, it is not surprising that most of the more responsible places have been filled by men from Japan. Each of the four sections is headed by them. The Districts Courts are also in charge of Japanese jurists. They are also in charge of public prosecution. It is also of significance that six prisons of Kirin and Mukden are entrusted to Japanese officials.

With regard to the matter of public education it is natural that Japan, in view of her bitter experience in the past, should see that it is conducted in ways free from racial antagonism. While the Minister and Vice-minister are both Manchous, the two bureaux of General Affairs and Education Affairs are in charge of Japanese chiefs, only the bureau of Rites and Religions being left under Manchou management.

The Department of Mongolia Administration is featured by somewhat different policy, if the number of Mongol men employed are to be taken as a guide. Different from other departments of administration, a far greater percentage of officers of Mongol extraction are engaged in executive and other branches of work. The total number of men serving at central offices is approximately 415 of which the Japanese comprise slightly more than a quarter. Of those petty officials serving at sub-provincial or banner offices about 50 are Mongols and 30 Japanese.

At the central offices of local government there are about 450 Japanese against 1,500 Manchous and Mongols. Of the staff engaged at sub-offices and Hsien offices the Japanese number about 250 against a total slightly more than 300. In the provinces of Kirin, Lunkiang, Jehol, Pinkiang, Chinchou, Heiho and Sankiang the Hsien (county) and banner offices are under the exclusive direction of Japanese officials who number altogether 300, one or two, and sometimes more petty officials being stationed under the Japanese councillor for each county. So far as local government is concerned the whole matter may be said to be under the direction of these Japanese councillors, a situation quite contrary to that of the pure Mongol areas.

Highest Japanese Official

The Japanese administration is entrusted to a figure vested with the dual powers corresponding to those of the commander-in-chief of the Kwantung Army and those of a diplomatic envoy of ambassadorial rank. The figure is directly responsible to the Emperor in matters of military affairs and to the Foreign Minister and the Prime Minister in matters dealing with diplomatic affairs. As regards other matters, such as the supervision of the South Manchuria Railway, a voice is given to both the military and diplomatic authorities.

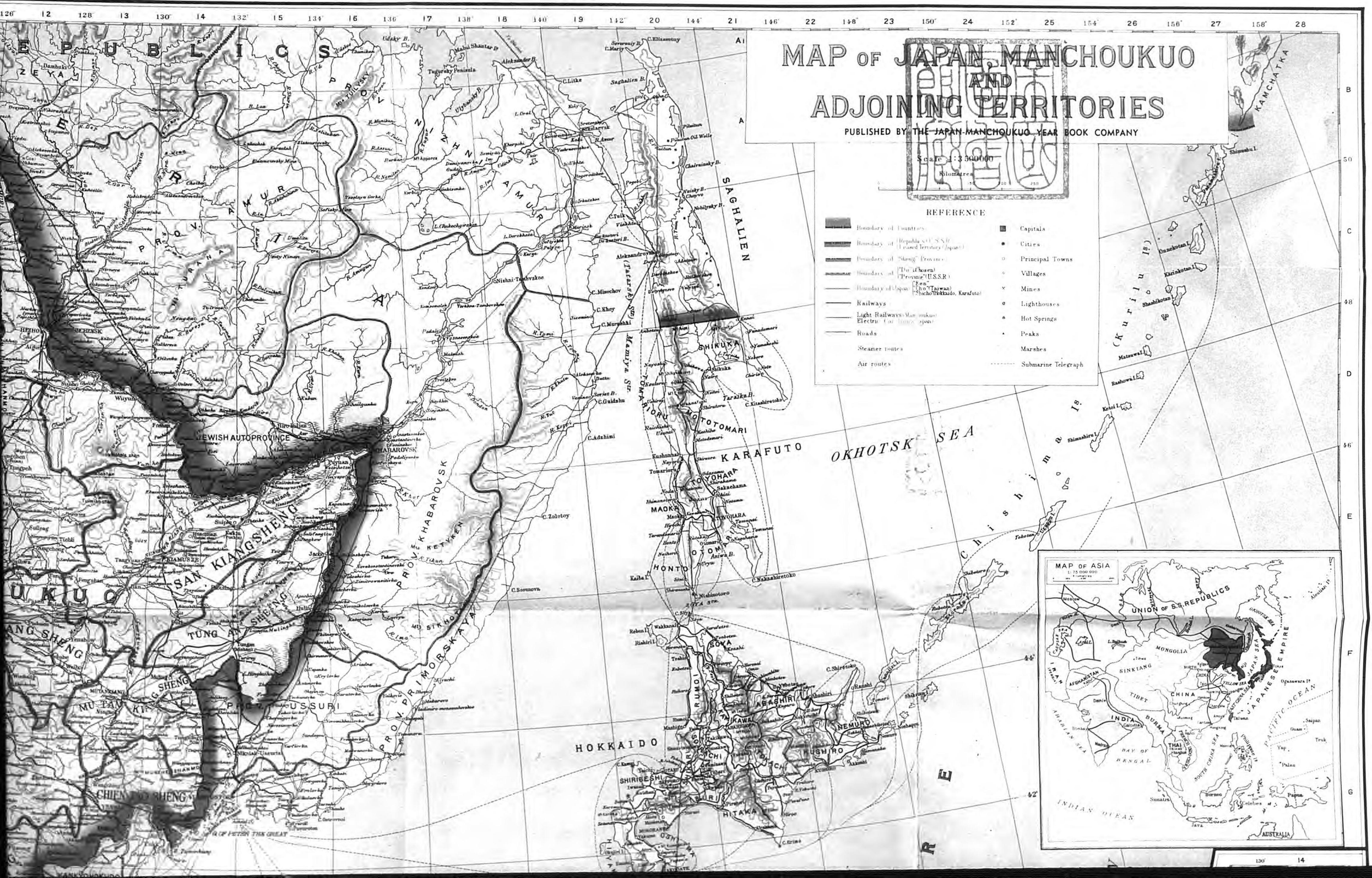
The main cause influencing the administrative change is the growing responsibility of Japan in looking after the affairs of Manchoukuo. The sphere of Japanese power in Manchoukuo is delineated in the Japan-Manchoukuo Protocol signed on September 15, 1932. By virtue of the Protocol Japan is given a free hand in the maintenance of the national security of Manchoukuo against any foreign threat to the country. To execute this purpose Japanese forces are thus allowed to be stationed in Manchoukuo.

Japanese jurisdiction in the Kwantung Leased Territory, prior to the founding of Manchoukuo, was under the direction of the Governor of the Kwantung Province and the Commander-in-Chief of the Kwantung Army. The Governor, a civil appointee, exercised administrative and judicial jurisdiction in the Province, control of the police in the Leased Territory and the Railway Zone and supervision of the business of the South Manchuria Railway Company. The sphere of the Commander-in-Chief of the Kwantung Army was over the garrison troops and the railway guards. Consular jurisdiction outside the Leased Territory was entrusted to the Japanese consular authorities.

With the establishment of Manchoukuo the system of Japanese jurisdiction underwent a modification and an embassy was founded at Hsinking and matters with regard to the Kwantung Army and diplomatic affairs were entrusted to an ambassador. The first ambassador to represent Japan at Hsinking was the late Marshal

Supplement of The Japan-Manchoukuo

t of The Japan-Manchoukuo Year Book

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HUANGHAI SEA (YELLOW SEA)
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JAPANESE EMPIRE
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PACIFIC OCEAN
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HONSHU
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KYUSHU
TUNG AN SHENG
MU TAN KIANG SHENG
CHIEN TAO SHENG
PROV. USSURI
PROV. PRIMORSKAYA
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KEISHOHOKUDO
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C. Sata
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Amami Oshima
Tokunoshima I.
Okinoerabu I.
Yoron I.
Okinawa I.
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Ishigaki I.
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Mukojima I.
Chichijima I.
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SINKIANG
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BURMA
THAI (SIAM)
AFGHANISTAN
IRAN
MANCHUKUO
YELLOW SEA
JAPAN SEA
SOUTH CHINA SEA
ARABIAN SEA
BAY OF BENGAL
INDIAN OCEAN
Philippine Is.
Borneo
Celebes
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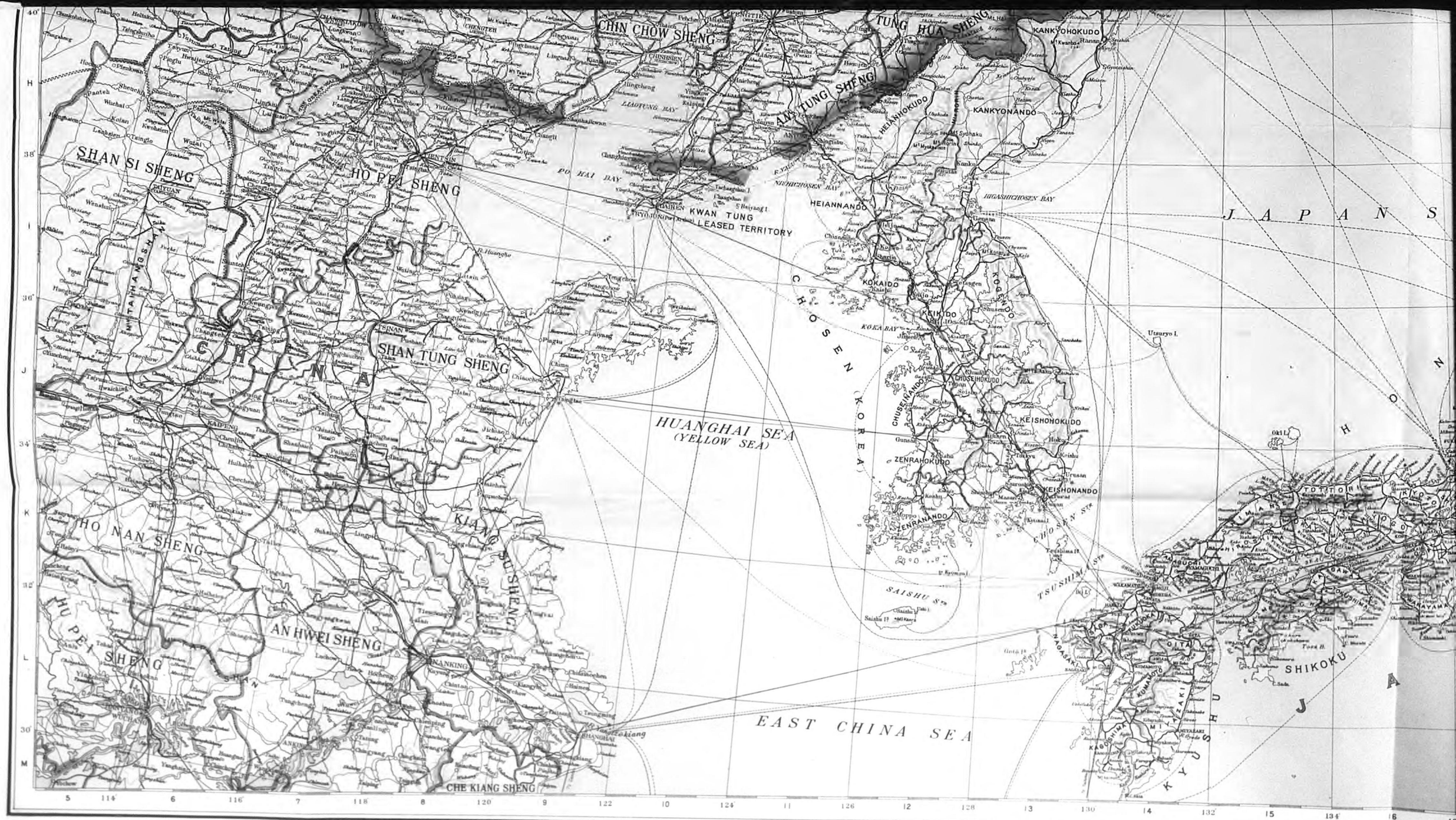

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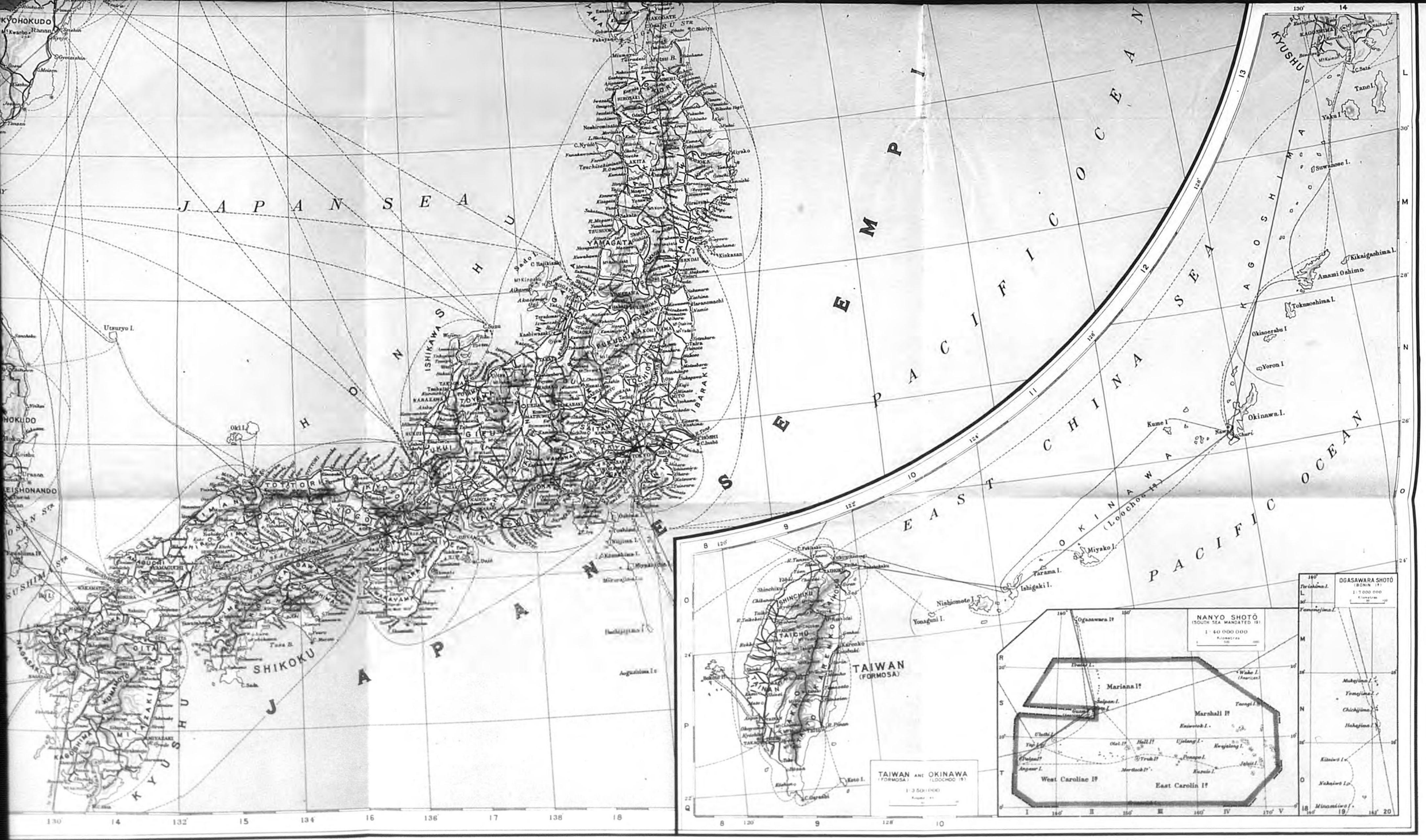


Nobuyoshi Muto who was appointed to the post in August, 1932. Following his death in July, 1933 he was succeeded by General Takashi Hishikari. In December, 1934 General Jiro Minami was appointed to succeed General Hishikari at the post. In February, 1936 General Minami was succeeded by General Ueda, who, in turn, was succeeded by Lt.-General Yoshijiro Umezu in October, 1939.

Japan's Policy for Economic Development of Manchoukuo

Certain principles were laid by the Japanese administration in developing the economic potentialities of Manchoukuo. The policy as announced by Lieut.-General Kuniaki Koiso in 1933 when he was Chief of Staff of the Kwantung Army is summed up as follows:—

1. Unification and rationalization of the economic systems of Japan and Manchoukuo.
2. Consolidation of the position of Japan and Manchoukuo and protection of the lives of the two peoples in times of war and peace.
3. Utilization of the economic resources of the two countries as a means for improving their economic positions in the world.

The following measures are to be taken in order to realize the purposes mentioned above:—

(1) The interest of the two nations at large should receive paramount consideration before that of any individual.
(2) The economic systems of the two countries should be so arranged as to meet the need in time of war.
(3) Consolidation of Japan's economic position in Manchoukuo before any of the world powers starts economic activities in that country.
(4) The kinds of industries to be started in given places are to be decided on with due consideration of the public interest of the two countries.
(5) The investment of foreign capital in Manchoukuo is to be encouraged in order to show respect for the open door policy and the principle of equal opportunity.

Economic Administration

At the outset of its industrial program the Manchoukuo Government designated the placing of certain basic enterprises under governmental control. The following kinds of enterprise fall into the category:

(1) Business of importance relating to traffic and communication.
(2) Technical industries, mining, and any other kinds of basic industry with close relations with the national defence of the two countries.
(3) Gold mining.
(4) Electric industries.
(5) Leading business pertaining to the banking business.
(6) Industries closely connected with public interest.
(7) Some of the special industries, which it is necessary to place under the economic control policy of the authorities.

These seven kinds of industry are to be placed under the economic control policy of the authorities by placing them under the direct management of government organs or of semi-official ones, or of allowing some of them to be managed by special people furnished with official licenses issued for the purposes in view.

Table of Industries to be Placed Under the Economic Control of the Authorities

1. Industries to be placed under the direct management of government organs, public office or semi-official offices, or to be carried on by virtue of special licenses:—

(1) Special banking business.
(2) Savings banking business.
(3) Central banking business.
(4) The business of issuing lottery tickets, debentures with premium, etc.
(5) Postal service.
(6) Railway service (local and private railways, i.e. railways for private use, are excluded).
(7) Telegraph and telephone service (Radio broadcasting business excluded).
(8) Aviation service.
(9) Horse-racing business.
(10) Slaughtering business.
(11) Live-stock markets.
(12) Afforestation in state forests.
(13) Trade in opium and cocaine, and the manufacturing of these drugs.
(14) Gold mining in the mining districts of the State.
(15) The mining of iron, petroleum, ores of such light metals as are necessary for national defence.
(16) Refining industry of light metals.
(17) Iron and steel manufacturing industries.
(18) Oil shale industry.
(19) Electric industry.
(20) Manufacture of gunpowder.
(21) Manufacturing of other kinds of war necessaries.
(22) Manufacturing of weighing and measuring tools.

2. Kinds of industries to be carried on with official permission.

(1) Ordinary banking business.
(2) Insurance business.
(3) Local railways (All kinds of traffic service by means of track are included).
(4) Railways for private use.
(5) Automobile transportation.
(6) Small transportation business on rivers.
(7) Sea-transportation.
(8) Transportation business on small scale
(9) Fishery to be conducted under Fishery rights given to fishing companies, associations, etc.
(10) Fishery to be conducted by individuals by virtue of their membership of the fishing companies or associations with fishery right.
(11) Afforestation.
(12) Manufacturing of wool and cotton.
(13) Hunting.
(14) Cultivation of opium.
(15) Gold mining outside the state mining districts.
(16) Mining of coal and other useful ores other than mentioned in (15) of the industries itemized in 1.
(17) Oil refining (Petroleum).
(18) Gas supply.
(19) Automobile production.
(20) Ammonium-Sulphate industry.
(21) Alcohol distillery.
(22) Sodium industry.
(23) Tobacco Manufacturing.
(24) Salt manufacturing.

3. Kinds of industries to be started or carried on freely.

(1) Farming and stock raising under private management.
(2) Manufacture of agricutural and live-stock products (Woolen and Cotton manufacturing industries are excluded).
(3) Fishery general.
(4) Lumber industry.
(5) Trade in marine products (Salt manufacturing is excluded).
(6) Trade in live-stock products.
(7) Trade in agricultural and forestry products.
(8) Pulp and paper manufacturing.
(9) Sugar Industry.
(10) Flour Industry.
(11) Brewery (Alcohol distillery is excluded).
(12) Provision manufacturing.
(13) Oil and grease manufacturing.
(14) Cement producing (Production control is needed).
(15) Spinning.
(16) Dyeing and weaving.
(17) Production of hides and skins.
(18) Pharmaceutical business at large.
(19) Machinery industry.
(20) Porcelain manufacturing.

CHAPTER VII

JUDICATURE

Under the previous regime of Manchuria legal practices, despite the improvements made in codification and other lines, remained in quite inefficient hands. The administration of the law courts was seldom free from political interference. In view of this fact, the judicial authorities of Manchoukuo have bent their efforts on securing the independence of the judicial administration of the country. In consequence the law courts higher than the local branches have all been placed in positions to function their authority, maintaining their dignity and independence.

One of the earliest reforms made under the present administration was to raise the salaries of the justices and other officials. Under the previous regime the legal authorities were so underpaid that they were perforce compelled to practice corruption, courting in consequence open public contempt. The officials charged with judicial undertakings are chiefly those who were taken from Japanese schools and courts, and it is not unnatural, therefore, that the judicial system of Manchoukuo should in future be modelled after Japanese jurisprudence.

Courts and Jurisdiction

District Court (Tifang Fayuan).—This is a court of the mixed system corresponding in general to the Japanese District Court (Chiho Saibansho) and, in some respects, to the Japanese local Court (Kusaibansho). Tifang Fayuan is composed of Chientieng or the Subordinate Court where trials are held by a single judge in such cases as are handled at the Sub-district Court in Japan, and of the regular court where a bench of three judges sit on cases such as are handled at the District Court in Japan. The civil cases handled are of two kinds (1) "Local Cases" which are cases involving less than 100 yuan and tried in the collegiate section of the District Court; and (2) "First Grade Cases" which are cases involving less than 100 yuan (800 yuan in Jehol) tried by a single justice.

A feature of the latter section of the District Court is that the judge as a rule tries to effect a settlement out of court wherever possible. Only upon his failure so to do is the case formally tried. From his decisions appeals may be made to the collegiate section of the same court which handles them as second instance hearings.

The District Court handles appeals from summary decisions or orders other than those given by single judge trial. The collegiate section may also take up as cases of second instance any decision made on first grade cases by Hsien (county) judicial offices or county magistrates.

The criminal cases handled by the District Court are also divided in two classes; (1) "First Grade Cases" which are provided under Article 8 of the Criminal Trial Law, or the offences liable to punishment with "the maximum imprisonment of less than three years, or to detention or fines. (2) Local Cases other than classified under the above. Thefts, swindles and breach of trust and some others, though punishable by imprisonment of more than three years, are treated as first grade cases.

In criminal procedure as in civil all "First Grade Cases" are tried by single judges, while the "Local Cases" are handled by the collegiate section of the District Court.

There are two exceptional judicial organs with the same ranking as the District Court: (1) the District Court attached to the High Court in Jehol, and (2) the District Court attached to certain Branch High Courts. The former institution, confined to Jehol deals with second instance trials of First Grade Cases. The latter district court deals with first instance trials of both "Local" and "First Grade Cases" within its judicial district, and also with second instance trials of First Grade Cases. The latter district court deals with first instance trials of both "Local" and "First Grade Cases" within its judicial district, and also with second instance trials of both "Local and First Grade Cases" within the district over which extends the jurisdiction of the Branch High Court to which it belongs.

Branch District Court (Tifang Fayuan Fenting.—This branch of the District Court handles second instance trials of "First Grade Cases" and first instance trials of all cases other than those handled by the Supreme Court, High Court, or **Chientiting** of the District Court. In other words, the Branch District Court handles cases of first instance of both "Local and First Grade" classes. The bench is of one judge except in exceptional cases where three judges may be ordered to it.

High Court (Kaoteng Fayuan).—This court corresponds to the Japanese Court of Appeal, though its function covers a wider field. The High Court deals with second instance trials of "Local Cases," third of final trials of "First Grade Case." The Court also handles offences against the internal as well as external security of the state. The bench usually consists of three judges, and sometimes of five for cases of third instance.

In this connection it may be noted that since for civil cases involving less than 100 yuan the second instance is final, the High Court is concerned with no civil suits involving any amount less than the same.

Branch High Court (Kaoteng Fayuan Fenyuan.—The Branch High Court may be regarded as a local division of the above High Court. It is established where the territorial divisions of which the High Court is the judiçial centre is too extensive for practical purposes. It is practically the same as the High Court, in constitution, consisting of both civil and criminal sections. The only point of difference is that the Branch High Court, with the exception of the Fengtien court, handles no third instance trial of the so-called first grade cases.

Supreme Court (Tsuikao Fayuan).—This is the highest Court of Appeal, corresponding to the Japanese Court of Cassation. The court deals with trials of third instance of the so-called local cases, and hears appeals from trials of the High Court. It is presided over by a bench of five judges.

Procurator's Office (Chienchating).—In the early days of the Chinese Republican Government the prosecurates were set up side by side with the law courts. These institutions were placed under the supervision of the General Procurator's Office of Nanking. In the 16th year of its regime the Republican Government altered the system, attaching the procurator's offices to the law courts. In Manchoukuo, however, the old system has been adopted. There is the Supreme Procurator's Office (Tsuikao Chienchating) which supervises the work of the High Procurator's Office (Kaoteng Chienchating) and the District Procurator's Office (Tifang Chienchating). The procurators institute investigations and makes indictments, carry on legal suits, supervise the execution of sentences, and oversee the judicial police. In civil cases or cases relating to public interests or morals, they perform duties as suitors or representatives of the public. The Procurator's Office functions independently of the Courts.

Hsien Judicial Office, (Hsien Ssufa Kungshu).—These local judicial offices are set up within Hsien or county administrative offices where there is no law court within the same area. "First Grade and Local Cases" of first instance are tried by judges who assume entire responsicility for legal proceedings. The public prosecution is instituted either by the chief or magistrate of the Hsien or procurators, the former in all cases assuming responsibility. From decision of the office appeals may be made to the collegiate section of the supervising District Court, if the cases is of the first grade class, and to the High Court if it is a "Local Case."

Office of Hsien Magistrate Additionally Handling Jurisdiction. (Chienli Ssufa Hsien Kung shu).—This is a transitory legal system adopted preliminary to the establishment of district courts. These judicial offices are set up at local places where there is no District Court, or Hsien Judicial Office. Trials are made in charge of the county chief or magistrate on "first grade and local cases" of first instance. These offices are assisted by Chengshen or trial officers who are under the supervision of the county chief. The decisions by the office on all criminal cases are always submitted to the High Court or to the Branch High Court no matter if the accused do not make appeal. When retrial is deemed necessary the supervising court may order the Hsien Judicial Office, or appoint judges to review the case.

Trial Office (Cheng Shen Chu).—The local judicial offices of this class are found in Jehol and Kirin provinces. They correspond to the office of Hsien Magistrate Additionally Handling Jurisdiction above mentioned. In the former provinces these offices are in charge of "trial offices" and the prosecution is done by the county magistrate. In the latter province, judges of these offices are sent out to places where, because of lack of transportation facilities or other geographic considerations, the regular judicial courts or office find difficulty in expending this legal authority.

Trial System In Mongolia.—Under the previous regime it was a rule to try cases of first instance by the Jassack or banner chief, cases of second instance by the League Chief, and those of third instance by the Judicial Department. This system was changed in 1932. Under present system all cases for the District Court are dealt with by the banner or Hsien (county) office, and those for the High Court by the Hsien Provincial Office. Cases of third instance are handled by the Supreme Court. At the former offices trials are conducted by the banner chief or magistrate. At the provincial

offices trials are in charge of a collegiate court of the administrative councillor and judicial officials, with the chief of the province presiding as chief judges. The prosecution is represented by one of the police inspectors of the Hsingan Police Office.

Table 1. Number of Civil and Criminal Cases Handled

(A) Manchoukuo (as in 1935)

	Accepted During Former Regime	Accepted up to 1935 by New Regime	Total	Decided	Remaining
Civil cases	83,718	111,910	195,628	109,912	85,716
Criminal cases	2,291	77,430	79,721	42,253	2,611

(B) Kwantung

	Civil cases				Criminal cases		
		Settled				Settled	
	Cases accepted	Decided	Rejected	Compromised	Cases accepted	Found guilty	Innocent
1933	2,285	667	328	164	1,632	1,449	9
1934	2,123	608	301	190	1,719	1,533	6
1935	1,761	560	221	213	1,995	1,812	3
1936	1,662	612	310	259	1,850	1,701	6
1937	1,895	687	250	283	1,984	1,798	4

Police System.—In accordance with the organization of the various departments of the State Council of Manchoukuo promulgated on March 9, 1933, the police affairs of the whole country (exclusive of Hsingan Province) were placed under the control of the Minister of Civil Affairs who should supervise Governors of Provinces, Governor of the North Manchuria Special District, the Chief of the Metropolitan Police Board and the Chief of the Harbin Police Board and under the direct charge of the Bureau of Police Affairs. Thus the Bureau of Police Affairs takes charge of Peace Police and Administrative Police Affairs and is divided into six sections, namely, General Affairs Section, Special Service Section, Peace Preservation Section, Judicial Affairs Section, Detectives Section and Inspectors Office.

Metropolitan Police Board and Harbin Police Board.—Police Boards under the direct control of the Department of Civil Affairs are placed in Hsinking, the Capital of Manchoukuo and Harbin. The former, which is known as the Metropolitan Police Board, was opened on October 15, 1932, and has under its control the city of Hsinking and the whole of Changchun and the latter which is known as the Harbin Police Board, was opened on March 3, 1933 and has under its control the entire extent of the special city of Harbin.

Special Police Corps.—Police corps under the direct control of the Department of Civil Affairs are stationed at important points on the frontier and seacoasts in view of the necessity of providing against emergencies, the unlawful entry of foreigners into the country, the smuggling in and out of goods, etc. Besides, mobile police corps have been organized under the direct control of the Department of Civil Affairs in order to guard against bandits.

Provincial Police Affairs Board.—In accordance with the organization of the Provincial Government established on March 9, 1932, the Police Affairs Board was instituted with every Provincial Government by abolishing the Whole Province Police Affairs Board which had been in existence before the establishment of the new state to take charge of affairs relating to police, health, and anti-opium smoking, and also settlement of disputes, etc. The Chief of the Police Affairs Board executes his duties in accordance with orders of the Governor of the Province and directs and superintends the police in the Province.

Police Boards.—Prior to the founding of the new State each Provincial Castle town, city and trading port were provided with a Public Peace Bureau, which were under the direct control of the Whole Province Police Affairs Bureau. After the foundation of the the state these bureaus were placed under the direction of the chiefs of hsiens. In June, 1932 the organization of the Police Board was enacted and promulgated, in accordance with which the Police Boards were instituted in Mukden, Kirin, Tsitsihar, Yingkow, Antung, Chinchou, Yenki, Heiho and Fushun under the direct control of the Governors of the Provinces to take charge of police, fire-fighting, especially health affairs, which may be designated by the Governor. The following are the names of the Police Boards and the districts under their jurisdiction designated by the Department of Civil Affairs:—

Seat of Police Board	Name of Police Board	Districts under Jurisdiction
Mukden	Shenyang Police Board	Mukden City
Kirin	Kirin Police Board	Kirin City
Tsitsihar	Tsitsihar Police Board	Tsitsihar City
Antung	Antung Police Board	Antung City

Hsien Police Organs.—The Public Peace Bureau in each Hsien before the establishment of Manchoukuo was under the direct control of the Whole Province Police Affairs Bureau and was to be under the supervision of the chief of the hsien. In practice, however, the chief of the Public Peace Bureau wielded greater power than the chief of the hsien. This was prolific of various evils in the way of local administration. Therefore, a Police Bureau was instituted with each Hsien Government in accordance with the hsien organization promulgated on July 5, 1932 in order to secure the unity of hsien administration. Simultaneously with this, Public Peace Bureau in each district of the hsien and in trading ports were transferred into police offices under the direction and supervision of the chief of the hsien.

Water Police Bureau.—What had been known as water public peace bureau were renamed Water Police Bureau to take charge of police affairs on the principal rivers of the country. There are the following water police bureaus:—

Table 2. Water Police Bureaus

Fengtien Province	Yalu & Han Rivers Water Police Bureau Liaoho Water Police Bureau
Kirin Province	Sungari Upper Water Police Bureau Sungari Lower Water Police Bureau

Police Affairs Bureau in the North Manchuria Special District.—Formerly, police affairs in the North Manchuria Special District, which was known as the Eastern Province Special District, was under the control of the Eastern Province Special District Police Superintendent Bureau, which had branch offices in important places. With the promulgation of the organization of the North Manchuria Special District on July 1, 1933, the Eastern Province Special District Police Superintendent Bureau was abolished and a Police Affairs Bureau was established in the North Manchuria Special District Office to take charge of the police affairs of the whole district.

There were as at the end of September, 1937 a total of 1,122 police stations and 3,493 branch offices. The total police force was 94,906, consisting of 90,990 Manchoukuo officers and 3,916 Japanese officers. The largest number of police were stationed in the provinces of Fengtien, Pinkiang and Kirin.

The number of police stations and offices is tabulated as follows:—

Table 3. Number of Police Stations and Officers

(A) Manchoukuo (Sept., 1937)

Hsien:	Police Station	Branch Office	Officers: Japanese	Officers: Manchoukuoan	Officers: Total
Kirin	111	341	480	12,196	12,676
Lungkiang	132	342	241	7,275	7,516
Heio	17	45	165	708	873
Sankiang	80	93	285	6,091	6,376
Pinkiang	122	375	385	12,505	12,890
Chientao	33	176	232	2,622	2,854
Antung	49	154	139	4,298	4,437
Fengtien	193	1,135	564	17,180	17,744
Chinchow	94	341	277	6,475	6,752
Jehol	114	291	381	5,357	5,738
Mutankiang	41	45	299	7,286	7,585
Tunghua	57	160	283	5,409	5,692
Hsingan, East	5	—	30	197	227
" West	24	—	37	1,305	1,342
" South	36	—	56	1,845	1,901
" North	14	—	62	241	303
Total	1,122	3,493	3,916	90,990	94,906

(Continued) **(B) Kwantung**

	Police Station	Branch Office	Total No. of Officers	Population per officer
1933	8	173	1,304	834.9
1934	8	174	1,293	885.0
1935	8	177	1,321	992.5
1936	8	183	1,216	1,034.3
1937	8	185	1,299	984.3

Consular Jurisdiction

Among all reforms and changes undertaken by far the most important was the abolition of Consular jurisdiction resulting from the withdrawal of Japanese extraterritoriality in 1937. So far as Manchoukuo is concerned, extraterritoriality was part of the treaty obligations she undertook from the former regime. The Department of Justice had since the first year of Tatung been striving for improvement of the judicial system, a condition to abolishment of the consular courts. Some of the more important things accomplished to date are described below.

Participation of Japanese Jurists.—The contempt in which the courts of justice and its administrators were held under the former Chinese rule had kept men of quality or ability away from jurisdiction. Of these legal officials many, especially of South China origin, left the country when the new state of Manchoukuo was established. To meet this situation a number of jurists were engaged from Japan. The law school of the Department of Justice was hurriedly called into being. Wherever Manchu officials are engaged they are placed under the direction of Japanese jurists.

In view of Japan's successful abolition of extraterritoriality in a period of 30 years, Manchoukuo has since its first five years been engaging Japanese jurists of high scholarship and practical experience. In the latter part of 1932, 82,200 yuan was appropriated for this purpose. As an initial undertaking a collegiate section was formed at the Fengtien High Court of two Japanese and as many Manchu judges. In 1933, the sum of 198,329 yuan was appropriated to appoint Japanese officials at the High Court of Kirin and Harbin. The High Procurator's Office of Fengtien, Kirin and Harbin as well as the District courts and Prosecutorates of the last named district were likewise reenforced by judges of Japanese nationality. These experimental arrangements having proved successful, the budget appropriation was substantially increased to 506,262 yuan for 1934 for engagement of more judicial officials from Japan.

In 1934 the Department of Justice appropriated some 30,000 yuan with the object of sending Manchou officials to Japan and to the Kwantung Leased Territory for study of Japanese legal system and institutions.

Table 4. Number of Judicial Courts and High Procurators' Offices

(September 1, 1938)

	Kirin	Mukden	Harbin	Chinchow	Tsitsihar	Total
High Court	1	1	1	1	1	5
" " branch	1	4	2	1	2	10
Local Court	3	12	4	4	6	29
" " branch	4	13	3	2	2	24
District Court	19	29	19	16	14	97
" " branch	4	4	6	3	8	25
High Procurators Office	1	1	1	1	1	5
" " branch	1	4	2	1	2	10
Local Procurators Office	3	12	4	4	6	29
" " branch	4	13	3	2	2	24
District Procurators Office	19	29	19	16	14	97

Note: The Supreme Court is located in Hsinking.

Table 5. Number of Judicial Officers Despatched to Japan for Study

	Judicial Officers				Prison Officers			
	Judges	Procurators	Other Officers	Total	Chief wardens	Other Officers	Total	Grand Total
1934	6	5	..	11	6	1	7	18
1935	8	4	1	13	8	2	10	23
1936	7	5	1	13	9	3	12	25
1937	8	4	1	13	10	1	11	24
1938	9	5	..	14	13	—	13	27

Table 6. Number of Japanese Officers Classified by Judicial Institutes in Manchoukuo

(September 1, 1938)

Rank	Judicial Headquarters	Law Schools	Courts	Procurators' Office	Prisons	Total incl. Others
Chien-nin	3	1	9	7	—	20
Tsien-nin	26	7	75	54	4	166
Wei-nin	51	4	284	120	178	639
Chief Warden	—	—	—	—	55	55
Jail instructors	—	—	—	—	48	48
Employees & Others	62	7	131	66	18	284
Total	142	19	499	247	303	1,212

Table 7. Number of Prison Inmates

(End of Dec.)

			1935	1934	Increase
Convicts		Male	11,170	7,880	3,290
		Female	212	165	47
Accused		Male	9,607	9,070	537
		Female	346	282	64
Detention (Civil cases)		Male	70	25	.45
		Female	6	1	5
In separate cells		Male	228	184	44
		Female	6	8	2*
Unconvicted	Decided	Male	150	124	26
		Female	—	—	—
	Undecided	Male	401	312	89
		Female	22	7	15
Infants		Male	14	4	10
		Female	15	3	12
Total		Male	21,640	17,599	4,041
		Female	607	466	141

Note: * Decrease.

Table 8. Crimes and Arrests Classified

(1935)

Crimes	No. of Cases	Arrests	
		Cases	Criminals
Rebellion	5	5	10
Foreign Troubles	2	2	3
Disturbance of Diplomatic Relations	—	—	—
Disgrace of Official Honour	199	191	288
Disgrace of Official duties	117	108	163
Disturbance of Election	3	3	4
Disturbance of Public Peace	306	295	472
Escape	93	81	121
Criminals concealed	149	147	210
Perjury and Calumny	270	272	381
Public Danger	565	473	602
Forgery of coins	156	153	257
Forgery of measure instruments	5	5	7
Forgery of documents and securities	85	85	130
Corruption of Public Morals	222	313	525
Disturbance of Marriage and Home	934	885	1,678
Profanity of Rites, Defilement of Tombs and corps	99	87	176
Obstruction of business	10	10	18
Opium-smoking	2,110	2,071	2,791
Gambling	2,470	2,401	11,164
Murder	951	757	11,217
Battery and assaults	1,474	1,398	2,146
Abortion	11	11	15
Desertion	24	22	37
Disturbance of Freedom	158	160	250
Defamation of Honour and Trust	53	51	68

Crimes	No. of Cases	Arrests: Cases	Arrests: Criminals
Disturbance of Civil Secret	12	11	14
Larceny	8,584	7,165	9,317
Burglary and Pirating	11,635	4,874	8,423
Trespassing	371	351	534
Fraud	1,275	1,256	1,787
Black-mailing	171	159	247
Stolen goods concealed	552	528	808
Damage	31	29	38
Total	33,202	24,359	43,901
Violation of Temporary Insurgents Suppression Law	218	106	187
" Robber and Bandit Suppression Law	10,150	3,963	5,843
" Opium Law	2,401	2,397	3,484
" Others	159	159	184
Total	12,928	6,625	9,698
" Police Regulations	12,425	12,294	20,445
" Fire-arms Controlling Regulations.	1,536	1,536	2,562
" "Pao-Chia" (Civil Guards) Regulations	50	50	442
" Others	582	578	949
Total	14,593	14,458	24,398
GRAND TOTAL	60,723	45,442	77,997

Table 9. Suppression of Publication

		No. of Publications	Cases of Suppression	Copies Suppressed
1934	General	370	41	3,944
	Newspaper	41	3,175	7,307
	Magazine	16	1,175	1,687
1935	General	664	892	21,077
	Newspaper	43	2,270	16,890
	Magazine	27	779	2,686

Complete Transformation of Judicial System

It was announced on May 8th, 1936 that the organization law of Manchoukuo Courts, promulgated on January 4, 1936 would take effect on July 1, 1936. A complete transformation of the Manchoukuo judicial system was brought about by its enforcement, resulting in an increase in the number of Courts and Procurators' offices, a revision of the present trial system, the independence of the judiciary, the establishment of a circuit court system and in the appointment of vice-presidents of Courts and Procurators' Offices.

With the enforcement of the new law, local Courts and local procurators' offices are being newly established. The new law provides in principle for the establishment of a three instance trial system for both civil and criminal suits, with one or two exceptions in criminal cases. That is, lese majeste cases will be adjudicated under the first, and at the same time, final instance, and will fall under the jurisdiction of the Supreme Court. Offences of internal disturbance and cases of espionage will be subjected to two trials, the first trial falling under the jurisdiction of the High Court.

Law School of Department of Justice.—In order to meet the urgent situation as regards judicial administration, the Department of Justice set up its Law School in 1934. The regular course is to be completed in three years, the scholars being examined for entrance in their health and scholarship of higher middle school grade. Scholars are also taken to a certain number by recommendation and otherwise from among the clerks serving at courts.

The secondary course is to be completed in six months. The scholars are enrolled by recommendation of chief judges and otherwise from those who are serving as judges and prosecutors at district and other courts and not older than 40 years of age.

Attached to the school is the goalers' training institute where officials are selected by recommendation from those who are serving as warders or chief goalers and not older than 40 years' of age. The training course is completed in 4 months.

Other Reforms.—Manchoukuo's interest in penology was early shown in the matter of improving the prisons and the detention quarters where unconvicted prisoners are kept. Under the former administration any idea of improving the prison was frowned upon as encouraging crime. Evil practices were especially notorious where the prisons were administered under contract.

Manchoukuo's earliest improvement in this direction was seen in the abolition of the old system of commuting prison terms to payment of fines, a system by which any one could buy his freedom . Improvement of food and regular supply of clothing to the prison inmates were also undertaken. Special funds are also being appropriated each year for training under Japanese direction Manchu jailers who were often in the past men of undesirable character and not above unscrupulous practices. At the end of June, 1934 there were 24 new style prisons and 110 old style prisons.

Developments in 1937

Extra-territorial rights enjoyed by Japan in Manchoukuo were abolished on December 1, 1937. As a result of this important step a number of Manchoukuo laws were revised to comply with the new situation. The principal laws newly promulgated or revised since 1937 were the following:—

Table 10. Principal Laws Promulgated or Revised During 1937–38

Subject:	Date of Promulgation	Date of Enforcement
Criminal Law	January 1	January 1
Code of Criminal Procedure	March 8	June 1
Factory Law	April 15	June 15
Bill Law	May 13	October 15
Check Law	"	"
Civil Law: General	June 17	December 1
Civil Law: Realty		
Civil Law: Obligations		
Merchant Law	June 24	"
Company "	"	"
Express "	"	"
Warehouse "	"	"
Marine Mercantile Law	"	"
Punishment of staff in the employ of legal body	"	July 1
Code of Civil Procedure	June 30	December 1
Execution Law	"	"
Registration of Immovable Property	September 30	"
Foreign Legal Body	October 21	"
Registration of Legal Body	November 25	"
Arbitration Law	November 29	"
Commercial Registration Law	"	"
Prison Law	"	"
Limitation of Interests Law	December 1	"
Vessel Registration Law	"	"
Patent Attorney Law	January 13, 1938	January 13, 1938
Factory Mortgage Law	April 8, 1938	April 8, 1938
Mining " "	August 25, 1938	August 25, 1938
Mortgage Trust Law for Company Debentures.	"	"

References:

Table Nos.: 1 a & b, 2 c, 3 b & c, 4 d, 5-8 a, 9 c, 10 c.

Key: a—Dept of Justice, Manchoukuo.
b—Kwantung.
c—Dept. of Public Peace, Manchoukuo.
d—List of Manchoukuo Govt. Officials.
e—Gen. Affairs Bd., Manchoukuo.

CHAPTER VIII

DIPLOMACY

In reviewing the diplomatic events of Manchoukuo, special mention must be made of the de jure recognition extended to Manchoukuo by the Empire of Japan on September 15, 1932, by the signing of the Japan-Manchoukuo Protocol which provides for the cooperation of the two nations in the matter of national defence. Relations between the two nations have been most cordial since. This has been especially so following the visit to Manchoukuo in June, 1934, of H. I. H. Prince Chichibu and that of the Emperor of Manchoukuo to Japan in April, 1935. These Imperial visits are significant in the history of the Far East to whose peace and stability they have made a marked contribution.

For the promotion of closer economic intercourse between the two countries, an agreement relating to the establishment of a Japan-Manchoukuo Joint Economic Commission was signed on July 15, 1935, at Hsinking. Taking into consideration the recent progress of the administrative and judicial system of Manchoukuo, the Japanese Government announced its intention on August 9, 1935, to relinquish voluntarily her extra-territorial rights in Manchoukuo, as well as to transfer or adjust the administrative rights in the South Manchuria Railway Zone, which rights the Japanese have enjoyed since the close of the Russo-Japanese War by virtue of the Portsmouth Treaty. An Extra-territoriality Abolition Committee was organized by Manchoukuo in 1934 to arrange matters in preparation for the achievement of this great task. This Committte worked in close cooperation with a similar committee organized by the Japanese Government. Following a series of conferences by representatives of the two Governments, a treaty for the partial abolition of extra-territoriality and the adjustment and transfer of the administrative rights over the South Manchuria Railway Zone, which are to be effected by gradual steps, was concluded between the two Empires on June 10, 1936 at Hsinking. The treaty became effective on July 1, and stipulates, as the first step, that Japanese subjects in Manchoukuo shall be governed by the provisions of the administrative laws and ordinances of Manchoukuo concerning their residence, taxation and industries. The treaty is expected to have a far-reaching effect upon the international position of Manchoukuo.

On June 30, moreover, another treaty was concluded with Japan for the reciprocal protection of industrial property. The treaty, which came into force on July 1, 1936, was the first step taken by Manchoukuo towards the realization of international protection for her industrial rights.

When the Imperial regime was established in Manchoukuo in March, 1934, official messages of felicitation arrived from nine different states of the world, viz., El Salvador, Turkey, Liberia, Lithuania, Santo Domingo, Nepal, Bolivia, U.S.S.R. and the Holy See. The Republic of El Salvador gave de jure recognition to Manchoukuo under date of March 3, 1934, informing the Manchoukuo Government that she would permit immigrants and others from Manchoukuo to enter the country without restriction.

The Holy See, under date of April 18, 1934, notified Manchoukuo of its decision to form a separate mission field in Manchoukuo, independent from that of China, and appointed Bishop A. Gaspais as Acting Apostlic Delegate. This notice, originally to the Manchoukuo Government by Bishop Gaspais, was confirmed on Aug. 2, 1934, by an official communication from His Eminence Pierre Cardinal Fumasoni-Biondi, prefect de la Congregation de la Propagande. At the same time, His Eminence in his communication to the Manchoukuo Foreign Minister stated that the Catholic missions in Manchoukuo would gladly contribute to the moral and intellectual development of the country according to the disposition of the Manchoukuo authorities.

Extraterritoriality

(For Text of Japan-Manchoukuo Agreement Abolishing Extraterritoriality see Chap. XXX).

On November 5, 1937 the long anticipated abolition of extrality rights held by Japan in Manchoukuo was effected with the signing of an agreement between the plenipotentiaries of the two countries at Hsinking. The agreement abolishing extrality and the returning by Japan of the administrative rights in the South Manchuria Railway Zone serves as an indication that the Government of Manchoukuo is now fully competent properly to administer its whole territory and to protect the property and lives of foreign residents. By the terms of the new agreement, all Japanese residents in Manchoukuo will be placed under the laws of that country.

the military-diplomat, though in reality he is only to get reports from the latter on the diplomatic situation.

This change was foreshadowed in 1933 when General Muto was appointed as Japanese Ambassador in Hsinking at the same time that he assumed command of the Kwantung army. In the past, Japanese diplomacy in Manchuria used to be accused of being "four-headed," orders emanating from the South Manchuria Railway, Consulate, Kwantung Civil Government and Kwantung army.

Another notable feature of the administrative change is seen in the virtual elimination from the Manchurian field of the Ministry of Overseas Affairs under which the Kwantung Civil Government had been operating. The Kwantung Government, reduced to the status of a bureau, is placed under the direction of the military ambassador. The police force previously of the same Kwantung Government has been placed under the commander of the Gendarme force in Manchuria.

Recognition by Germany

Germany formally added her name to the list of countries which have given de jure recognition to Manchoukuo on May 12, 1938 when a treaty of amity was signed in Berlin, inaugurating diplomatic relations between the two States. The historic document was signed by Baron von Weizsaecker, State Secretary for Foreign Affairs, on behalf of the Reich Government, and Mr. Hiyoshi Kato, Manchoukuo's Plenipotentiary in Berlin, at the German Foreign Office.

The Reich-Manchoukuo treaty of amity consists of four articles, as follows:

Article 1. Both countries, on an equal and independent footing, shall exchange Consuls to establish diplomatic and consular relations. The said Consuls shall be accorded equal treatment with the Consuls of other countries on most-favoured treatment terms.

Article 2. Both countries shall acquire the freedom of residence, travel and business for their respective nationals, for whose lives and property the two Governments undertake to provide protection.

Article 3. The two Governments agree to open, quickly after the signing of the present agreement, negotiations for the conclusion of a general treaty of trade and navigation with a view to promoting friendly relations between their countries.

Article 4. The text of the present treaty is prepared in duplicate in the German and Manchou languages. The treaty shall enter into force on the date when ratifications are exchanged between the Reichsfüehrer and the Emperor of Manchoukuo.

Recognition by Italy

It is recalled that the Italian Government, with the view to helping the maintenance of peace in the Far East gave de facto recognition to the Hsinking Government when it re-opened its consulate in Mukden on December 1, 1936. On November 29, 1937 the Italian Government extended its de jure recognition of Manchoukuo.

As its first envoy to Manchoukuo the Italian Government appointed Signor Luigi Cortese as minister, and Mr. Han Shao-ching was appointed as the Manchoukuoan minister to Italy.

In recognizing Manchoukuo, the Italian Government sent a message to Premier Chang which reads: "In opening regular diplomatic relations between our two countries, we send you the cordial greetings of the Fascist State and Nation, and our best wishes for the future of Manchoukuo." Premier Chang's statement reads in part as follows:

"During the brief period of five years that have elapsed since its foundation our nation has rapidly consolidated its national foundations with the liberal assistance of our ally, the Japanese Empire, and has now become a prosperous country nearly perfect as a modern State, extraterritoriality having been abolished and Japan's administrative rights in the S. M. R. Zone having been transferred to this country recently..... While the Nanking Government is precipitating its own destruction by denying the existence of Manchoukuo, clamouring for the restoration of lost territory, cooperating with the Soviet Union and Communists and inviting a military crusade of justice from Japan, it is a matter of congratulation and of benefit to world culture and human welfare tha Manchoukuo has been enabled to strengthen its joint front against Communism with other friendly powers through the recognition of our country by Italy."

Recognition by Poland

As the result of an agreement signed in Tokyo on October 19, 1939 between the Manchoukuo Ambassador, Mr. Yuan Chen-tuo, and the Polish Ambassador, Mr. Thaddee de Romer, providing for the exchange of consuls, Poland extended de facto recognition to Manchoukuo. A communique issued at the Manchoukuo Embassy follows:

"As the result of friendly negotiations in Tokyo between Ambassador Yuan Chen-tuo of

Manchoukuo and Ambassador Thaddee de Romer of Poland, an agreement has been concluded which makes normal the consular relations between Manchoukuo and Poland. The document was made legal by the signatures of the Ambassadors to protocols, which will be exchanged.

The present agreement, the text of which will be published by the two governments at their earliest convenience, not only makes normal the consulates of the two countries, which desire to increase friendly relations, but is especially important because it establishes concrete rules concerning the treatment of nationals in each other's territory and indicates cooperation in economic matters."

Recognition of the Franco Government

The Manchoukuo Government and the Franco regime of Spain went through the procedure of mutual recognition on December 2, 1937, when under the auspices of the Japanese Government, Mr. Yuan Chen-tuo, the Ambassador in Japan, representing Manchoukuo, and Mr. Castillio, representing the Franco regime, exchanged formal notes at the Tokyo Foreign Office.

Recognition by Hungary

Formal recognition of Manchoukuo was extended by Hungary on January 10, 1939. On the same date the Foreign Minister of the Hungarian Government telegraphed to the Prime Minister of Manchoukuo the following statement:

"The Foreign Minister on behalf of the Kingdom of Hungary has the honor to inform Your Excellency that his Government has recognized Manchoukuo. The Foreign Minister earnestly hopes that this fact of recognition will bear happy fruit in the relations between the two countries, and wishes to tender the most respectful regards to Your Excellency."

THE MANCHOUKUO-OUTER MONGOLIA BORDER CLASH

The theater of Soviet-Japanese friction along the border of Manchoukuo, which centered about Changkufeng in 1938, was transferred in 1939 to a broad plain on the delta formed by the confluence of the Harha and Holsten Rivers along the Manchoukuo-Outer Mongolia border line. The sporalic raids by Outer-Mongolia troops, supervised by Soviet units, which first occurred on May 11 took on a serious aspect when the aggressors decided to entrench themselves definitely in Manchoukuo territory with the center of their operations centered at Nomonhan. A series of clashes both on land and in the air took place with severe fighting occuring in late August, resulting in the dislodgement of the Soviet troops from their entrenchments in Manchoukuo territory.

Manchoukuo Statement.—On June 11, 1939 the Director of the General Affairs Board of the Manchoukuo Government issued a statement urging the Outer Mongol Government to reconsider its hostile attitude. Excerpts from the statement are as follow:

"With regard to the past aggressions of the Outer Mongol-Soviet forces of our territory, the Government lodged, on four successive occasions, namely May 15, May 29, June 18 and June, 19, strong protests with the Outer Mongol authorities. In the light of historical fact and the actualities of the past there is no room to doubt that the border line in the Nomonhan district is the Harha River. Thus since the opening weeks of May, our Army has maintained and consolidated both in the air and on land our territorial rights by joining battle with the enemy through motives of self-defense and through adherence to the stipulations of the joint Japan-Manchoukuo Defense Pact, repulsing the invaders beyond the Manchoukuo border through close co-operation between the Japanese and Manchoukuo forces. .....We are willing to meet any overtures on the part of the Outer Mongol authorities regarding these various clashes. But the disputes to date have been caused only by border infringements of our territory by the Outer Mongol forces through the instigation of the Soviet Union.

"As long as the enemy do not cross our boundary which is the Harha River, we ourselves have no reason to attack Outer Mongolia. We urge careful consideration by the Outer Mongolian Government of this point and hope for the speedy restoration of peace to the border areas."

Conclusion of Truce.—The conclusion of a truce between the Japan-Manchoukuo and the Soviet-Outer Mongolia forces was arrived at in Moscow on September 15, 1939 between the Japanese Ambassador and the Soviet Foreign Commissar. It provided that all fighting between the opposing forces should cease at 2 a.m. (Moscow time) September 16th. A meeting of the truce representatives of the Japanese forces and the Soviet and Outer Mongolian forces took place at 6 p.m. September 17 at Noro Height on the Mongolia-Manchoukuo border. The border demarcation conference was scheduled to open at Chita on December 7, 1939.

Japanese Casualties.—Japanese casualties in the Nomonhan incident totalled 18,000, including killed, wounded and sick, according to a statement issued by the spokesman of the Japanese War Office on October 3, 1939. According to the statement bitter fighting is said to have raged for ten days late in August when a large body of combined Soviet and Outer Mongolian forces, armed with superior artillery and mechanized units, launched an offensive against the Japanese and Manchurian troops. The Japanese attacks inflicted severe losses on the opposing forces, especially in planes, tanks and armored cars.

According to an estimate rendered by the Manchoukuo authorities the number of Soviet airplanes brought down by the Manchoukuo and Japanese units totalled 560 up to the end of July, 1939.

Abolition of Extraterritoriality

(For Text of Japan-Manchoukuo Agreement Abolishing Extraterritoriality see 1938 issue, Page 955).

On December 1, 1937 Japan formally relinquished her extraterritorial rights in Manchoukuo and transferred her administrative rights over the S.M.R. Zone to Manchoukuo. As a result of this procedure, the following offices, institutions and establishments had been turned over to the Manchoukuo authorities:

(1) From the Kwantung Bureau: police offices outside of the Kwantung Leased Territory, post offices, branch observatories, branch monopoly offices, opium sanatoriums, public health offices, tax offices, and weights and measures inspector's office.

(2) From the Japanese Embassy: consular police and prisons.

(3) From the Chosen Government General: hospitals and public schools.

(4) From the South Manchuria Railway Company: public schools for Chosenese and Manchurians, Japanese schools, subsidized schools for Manchurians, public libraries outside of the Kwantung Leased Territory, women's hospitals, isolation hospitals, public health offices, roads outside of the Kwantung Leased Territory, embankments and revetments, bridges, parks and playgrounds outside of the Kwantung Leased Territory, etc.

Together with this transfer, a total of nearly 14,000 persons including Japanese and Manchurians, had passed into the employment of Manchoukuo, either directly or indirectly.

Foreign Diplomats and Consular Officials in Manchoukuo

(September 1939)

Japanese Embassy, Hsinking	Lieut.-Gen. Yoshijiro Umezu, Ambassador.
Japanese Consulate General, Harbin	K. Kubota, Consul General.
" " " Hsinking	T. Miura, Consul General (Add.).
Japanese Consulate, Mutankiang	H. Kurimoto, Vice-Consul.
" " Suifenho	S. Shimomura, Consul.
" " Tungan	G. Sumino, Consul.
" " Manchouli	Y. Toyohara, Consul.
" " Hailar	T. Yonaiyama, Consul (Add.).
" " Hunchun	S. Takiyama, Consul.
British Consulate General, Mukden	Oswald White, Consul General.
" " " Harbin	Harry A. Graves, Acting Consul General.
British Consulate, Dairen	L. H. Foulds, Consul.
American Consulate General, Mukden	W. R. Langdon, Acting Consul General.
" " " Harbin	G. R. Merrell, Consul.
French Consulate, Harbin	Jules Leurquin.
American Consulate, Dairen	William T. Turner, Consul.
French Consulate, Mukden	Robert Germain, Consul.
" " Dairen	Felix G. Bryner, Hon. Consul.
U.S.S.R. Consulate General, Mukden	W. Shinsheff, Consul General.
" " " Harbin	V. V. Kuzunetsoff, Consul General.
U.S.S.R. Consulate, Dairen	Isaev Nicholas Ivan, Acting Consul.
" " Manchouli	
German Legation, Hsinking	Wagner Wilhelm, Minister.
German Consulate, Mukden	G. Kuhlborn, Consul.
" " Harbin	J. Schulze, Consul.
" " Dairen	E. Bischoff, Consul.
Italian Legation, Hsinking	Luigi Cortese, Minister.
Italian Consulate, Harbin	Arturo Maffei, Consul.
" " Dairen	Antonio Luraschi, Acting Hon. Consul.

Polish Consulate, Harbin	J. B. Litewski, Consul.
Portuguese Consulate, Harbin	S. L. Skidelsky, Consul.
Danish Consulate, Harbin	A. Jorgensen, Consul.
Dutch Consulate, Harbin	L. V. der Hoeven, Consul.
" " Yingkow	P. Farmer, Hon. Consul (Add.).
Norwegian Consulate, Yingkow	P. Farmer, Hon. Consul.
" " Dairen	E. G. Jones, Hon. Consul.
Finnish Vice-Consulate, Dairen	P. Pansing, Hon. Vice-Consul.
Dutch Consulate, Dairen	W. H. Winning, Hon. Consul.
Swedish Consulate, Dairen	W. H. Winning, Hon. Vice-Consul (Add.).
Lithuanian Consulate, Harbin	A. N. Kovshar, Hon. Consul.
Esthonian Consulate, Harbin	A. Lohmus, Hon. Consul.
" " Dairen	A. E. Ruthe, Hon. Consul.
Belgian Vice-Consulate, Harbin	A. Houyet, Consul.
" " Dairen	J. Furusawa, Hon. Consul.
Latvian Consulate, Harbin	P. G. Mezak, Hon. Consul.
Chinese Commercial Representative in Hsinking	Chou Chüo
Apostolic Delegation, Hsinking	A. E. P. Gaspais.

Manchoukuo's Diplomatic and Consular Services

Embassy in Tokyo	Yuan Chen-tuo, Ambassador.
Legation, Germany	Lu I-wen.
" Italy	Hsu Shao-ching.
Consulate General, Hamburg	An Tsi-yun, Consul General.
" " Warsaw	Boku Shakun-in, Consul General.
Consulate, Blagovestchensk	Tsi Piu, Consul.
" Chita	Chu Shih-wei, Consul.
" Shingishu	Ku Chung-shan, Acting Consul.
" Moji	S. Idemitsu, Hon. Consul.
" Osaka	R. Ezaki, Hon. Consul.
" Niigata	R. Shirase, Hon. Consul.

CHAPTER IX

NATIONAL DEFENCE

The national defense of Manchoukuo is under the joint supervision of the governments of Manchoukuo and Japan. By the Japan-Manchoukuo Protocol signed on September 15, 1932, Japan is given the privilege of stationing troops in any locality in the new Empire.

For geographical reasons the army takes the dominant role in the national defense of the country. The navy is a very insignificant element, and is represented at present by a small fleet of river gunboats.

The efforts of the Department of Defense have been concentrated for the past few years in quelling banditry within the country and in building up a systematic army, composed of Manchoukuo and Japanese officers and soldiers. Much attention has been directed also towards improving the air force.

For the military services rendered by the Japanese army in Manchoukuo the Manchoukuo Government commenced appropriating annually since the fiscal year ending March 31, 1936 a certain percent of its total revenue to the Japanese government. The amounts appropriated are as follows:

The amount shouldered by the Ministeries of War and Navy of Japan for the national defense of Manhoukuo, as given in the state budget under the item "Manchuria Incident Expenses," is as follows:—

Organization.—The administration of national defense has been entrusted since 1937 to the Department of Public Peace which has taken the place of the Department of National Defense. The Department of Public Peace consists of the Secretariate, the Bureau of General Staff, the Bureaeu of Military Affairs and the Bureau of Police Affairs.

Table 1. District Defense Force

(1939)

	Jurisdiction
First Army	Fengtien & Antung Provinces
Second "	Kirin & Chientao Provinces
Third "	Lungkiang Peh-an & Heiho Provinces
Fourth "	Pinkiang Province
Fifth "	Jehol & Chinchow Provinces
Sixth "	Mutankiang Province
Seventh "	Sankiang & Tungan Provinces
Eighth "	Tunghua Province
First Hsingan Army	Hsingan East & North Province
Second " "	Hsingan South & West Province

Table 2. National Defense Appropriations to Japanese Army and Navy

(M¥1,000)

Year Ending March 31:	Total	Cumulative total
1936	9,540	9,540
1937	24,500	34,040
1938	19,500	53,540
1939*	19,500	73,040

* Estimates.

Table 3. Manchuria Incident Expenses of the Army and Navy of Japan

(¥1,000)

	Army	Navy	Total	Cumulative Total
1932...	48,485	——	48,485	48,485
1933...	185,989	79,030	265,019	313,504
1934...	168,059	21,603	189,662	503,166
1935...	141,569	11,652	151,506	654,672
1936...	168,892	9,937	178,829	833,501
1937...	188,511	11,398	199,909	1,033,410
1938...	252,058	11,608	263,666	1,297,076
1939*..	144,117	——	144,117	1,441,193
1940*..	369,123	——	369,123	1,810,316

* Estimates.

NAVY

The navy of Manchoukuo consists chiefly of river gunboats taken over from the old regime and supplemented by a few vessels built after the founding of the new government. The Manchoukuo navy was officially organized in June 1934 on the occasion of the completion of several warships. Because of the shallow waters in which such craft have to cruise in their de-

fense areas, which are mostly along the Sungari river, the ships of the Manchoukuo navy do not exceed but a few hundred tons at the most. The navy at present consists of 15 small and large gunboats. At the time of the founding of Manchoukuo there were only five gunboats, namely, the Lisui, Litsi, Kiangping, Kianching and Kiantung. In 1933, two new gungoats, the Tatung and Limin, and three lesser ones, the Enmin, Huimin and Pumin, were added to the squadron. In 1934 three more gunboats, the Shuntien, Yangmin and Tsimin, and one lesser craft, were constructed. In 1935 two more, the Chinjen and Tingpien, were assigned to the squadron. All of the new vessels are equipped with modern armaments and internal-combusion engines. Further, the squadron is possessed of armoured cars for protection of the rivers when they are frozen over in winter.

Along with the mechanical improvement of the squadron the training of competent crews to man the vessels being no less important, the authorities recruit men every year to operate the ships. They are trained at Harbin for one year before being assigned to the gunboats. Some of the abler men are sent to Japan for further training at the various Japanese naval schools so that they may be qualified to lead the squadron in the future.

Table 4. Gunboats of Manchoukuo

Name	Displacement (tons)	When launched
Tingpien	290	1935
Chinjen	290	1935
Lisui	275	1903
Shuntien	270	1934
Yangmin	270	1934
Kiangping	200	1900
Kiangching	210	1897
Litsi	210	1898
Kiantung	150	1903
Tatung	65	1933
Limin	65	1933
Tsimin	20	1934
Enmin	15	1932
Huimin	15	1932
Pumin	15	1932

BANDIT SUPPRESSION

The betterment in national defense, as compared with the condition obtaining in the former regime, is reflected in the strides taken in the suppression of bandit activity. At the time of the founding of Manchoukuo in March of 1932 the total number of bandits exceeded 100,000. By September of the same year the number had increased to 210,000 due principally to the subversive activities of Chang Hsueh-Liang's remnant troops who were thrown out of employment following the downfall of the young marshal. Since then, however the number of such bandits has been on the decrease as a result of their suppression by Manchoukuo and Japanese forces.

Compared with the condition obtaining in 1932 two factors loom in prominence with regard to the bandit situation. Firstly may be noted the actual reduction of bandits as a whole, and, secondly, the shrinkage in size of bandit groups. In 1932 some bandit groups had an active fighting force of 30,000 men, but at present the average is below 30 bandits per group.

The progress in the reduction in number of bandits since 1932 is given in the following table:

Table 5. Estimated Number of Bandits

(1,000)

	Jan.	Feb.	Mar.	Apr.	May.	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1932	62.0	75.3	100.0	115.0	156.0	178.0	183.0	137.0	210.0	135.0	111.0	86.0
1933	84.0	73.2	66.0	63.8	105.0	105.0	94.0	95.0	95.0	62.0	66.0	65.0
1934	35.0	24.0	18.4	23.5	26.5	28.3	28.6	33.0	45.0	40.0	32.0	25.0
1935	21.0	22.0	21.0	27.0	27.0	27.0	28.0	29.0	28.0	21.7	20.0	19.0
1936	13.5	15.0	17.0	20.0	18.9	16.0	16.0	19.0	18.0	13.0	12.0	10.0
1937	11.8	11.5	10.4	12.4	12.9	10.5	10.4	11.3	12.6	10.3	10.1	9.0
1938	...	...	...	...	...	...	...	...	...	...	...	7.3

Table 6. Bandit Activities by Provinces

(1936)

Province	No. of Raids by Bandits	No. of Suppressive Expeditions	No. of Bandits: Killed	No. of Bandits: Injured	No. of Bandits: Taken Captive
Kirin	4,982	2,074	1,090	387	118
Lungkiang	573	622	123	97	77
Heiho	99	38	24	11	3
Sankiang	7,422	1,482	2,020	1,269	123
Pinkiang and Mutankiang	10,486	2,722	2,161	1,038	219
Chientao	1,024	392	95	63	36
Pinkiang and Mutankiang	10,486	2,576	2,335	2,212	359
Fengtien	9,123	6,161	1,905	1,948	576
Chinchow	1,990	1,079	453	518	86
Jehol	2,469	1,079	507	445	186
Total	50,652	18,225	10,713	7,988	1,783

Table 7. Results of Bandit Suppression of Japanese and Manchoukuo Forces

(1937)

	Japanese army	Manchoukuo army	Total
Number of suppressive expeditions	....	1,741	....
Casualties of suppression army:			
Killed	289	298	587
Injured	471	528	999
Casualties of bandits:			
Killed	6,351	5,530	11,881
Captured	1,229	787	2,016
Confiscated from bandits:			
Guns	2,875	2,342	5,217
Pistols	1,402	808	2,210
Ammunitions (rounds)	119,166	58,523	177,689
Recapture of hostage	566	656	1,222

Table 8. Size of Bandit Groups & Raids Classified

(1935)

	No. of raids	Size of Bandit Groups: 1-30	31-50	51-100	101-200	201-300	301-500	More than 501
January	2,325	1,743	393	131	25	13	12	8
February	1,617	1,102	300	142	39	16	7	11
March	2,632	1,958	369	188	47	43	19	8
April	2,876	2,188	383	219	46	15	12	13
May	3,835	2,904	510	247	112	33	12	17
June	3,645	2,885	455	205	58	15	12	15
July	4,021	3,207	528	216	37	10	10	13
August	5,134	3,683	444	584	303	67	35	18
September	4,628	3,154	507	563	264	84	44	12
October	3,594	2,230	385	596	254	67	49	13
November	2,466	1,493	282	448	175	54	13	1
December	2,378	1,598	228	325	170	38	15	4
Total	39,151							

Table 9. Number of Bandits Surrendering

(1935)

Province		Province	
Kirin	529	Antung and Tunghua	1,767
Lungkiang	...	Fengtien	1,376
Heiho	...	Chinchow	80
Pinkiang and Mutankiang	2,192	Jehol	301
Sankiang	102	Total	6,713
Chientao	366		

necessary orders in regard to commodity prices, transport charges, storage insurance premiums, rentals, and other similar charges.

Article 15. The Government, whenever necessary in wartime or in an emergency for national mobilization, may be empowered by Imperial Ordinance to restrict or prohibit the acquisition or disposal of foreign currencies or of claims and debts indicated in terms of foreign currencies or the acquisition or disposal by foreign residents in the country of Japanese currency or of claims and debts indicated in terms thereof.

Article 16. The Government, whenever necessary in wartime or in an emergency for national mobilization, may be empowered by Imperial Ordinance to order the importation and exportation of commodities, restrict or prohibit imports and exports or exempt imported or exported goods from Customs duties regardless of the provisions of the laws pertaining to the Customs tariff.

Article 17. The Government, whenever necessary in wartime or in an emergency for national mobilization, may be empowered by Imperial Ordinance to decrease or discontinue any domestic taxes, and other public levies and dues or to postpone the payment thereof, regardless of the provisions of laws relevant thereto.

Article 18. The Government, whenever necessary in wartime or in an emergency for national mobilization, may be empowered by Imperial Ordinance to issue to banking corporations and other financial organizations necessary orders regarding the utilization of funds and money rates or restrict and prohibit the establishment of corporations, payments on unpaid shares, capital increases, the flotation of debentures the borrowing of funds, and the payment of corporation dividends.

Article 19. The Government, whenever necessary in wartime or in an emergency for national mobilization, may be empowered by Imperial Ordinance to issue necessary orders in regard to the possession of public bond or increase in corporation reserve funds and restrict and prohibit bank deposit withdrawals and transactions in negotiable securities.

Article 20. The Government, whenever necessary in wartime or in an emergency for national mobilization, may be empowered by Imperial Ordinance and regardless of other laws and regulations to order the flotation of corporation debentures and the expropriation and use of lands.

Article 21. The Government, whenever necessary in wartime or in an emergency for national mobilization, may be empowered by Imperial Ordinance to press into service the subjects of the Empire to engage in jobs to be specified by the Government.

Article 22. The Government, whenever necessary in wartime or in an emergency for national mobilization, may be empowered by Imperial Ordinance to issue necessary orders in regard to the use, employment and dismissal of labourers, their wages and other relevant terms of employment.

Article 23. The Government, whenever necessary in wartime or in the emergency for national mobilization, may be empowered by Imperial Ordinance to issue necessary orders to those persons managing or taking charge of schools, other similar institutions, workshops, etc., regarding the training of experts.

Article 24. The Government, whenever necessary in wartime or in an emergency for national mobilization, may be empowered by Imperial Ordinance to issue necessary orders to facilities and enterprises supplying labour.

Article 25. The Government may be empowered by Imperial Ordinance to issue necessary orders in regard to the registration of experts, labourers and others needed for national mobilization to the employers thereof.

Article 26. The Government may be empowered by Imperial Ordinance to order those persons who own enterprises producing or repairing national mobilization commodities or who are in charge of experimental or research organs to conduct experiments or investigations necessary for national mobilization.

Article 27. The Government may be empowered by Imperial Ordinance to cause those persons owning enterprises necessary for national mobilization to map out necessary plans to be enforced in wartime or in an emergency in regard to the said enterprises or to carry out necessary drills based upon the said plans.

Article 28. Losses resulting from the expropriation, use and supervision of objects effected in accordance with the provisions of the present law shall, in conformity with Imperial Ordinance, be compensated by either the Government of by the owners of the enterprises affected.

Article 29. Acts of requisition in accordance with the Military Requisition Law will not be obstructed by the expropriation, use and supervision of objects and other measures taken in conformity with the provisions of the present law.

National Defence Act

The National Defence Act, as distinguished from the National Mobilization Law, was promulgated on March 10, 1938 and is enforceable at any time on and after April 1, 1938. The Act, which was approved by the Privy Council on March 8, 1938 is comprised of 30 articles in all and is aimed "to preserve peace and order in wartime or an incident, prevent and minimize damages arising from enemy attacks and especially aerial raids and to prevent any obstacles to military operations."

References:

Table Nos.: 1 a, 2 b, 3 c, 4 a, 5 d, 6 a, 7 d, 8-11 a.

Key: a—Dept. of Public Peace, Manchoukuo.
b—Dept. of Finance & Commerce, Manchoukuo.
c—Dept. of Finance, Japan.
d—Kwantung Army.

CHAPTER X

EDUCATION

General

The number of people with a record of primary schooling in Manchoukuo still bears a meager proportion to the entire population. This is due to the limited number of primary schools and intermittent civil wars that beset Manchuria until the establishment of the new Empire of Manchoukuo in 1932. It is also to be ascribed to the fact that the vast majority of the Chinese who have migrated to Manchuria during the past three decades represent the laboring class having little or no schooling, and that education is not compulsory.

Education in Manchuria is mainly sponsored and financed by the Government of Manchoukuo, the Kwantung Bureau and the S. M. R. A certain number of schools are conducted by private individuals, or groups, Japanese consular service, by foreign missionary societies.

The schools cater to Manchoukuo, Japanese, Russian and Korean students ranging from kindergartens to universities. Although the most costly and elaborate educational organs in the country are owned and conducted by the Kwantung Bureau and the S.M.R., the Manchoukuo Government schools enroll by far the largest number of pupils distributed over all provinces of the Empire. About 1,100,000 students were registered in the primary schools of Manchoukuo and Kwantung in 1938. But this figure represents about 23 per cent. of the Manchu youngsters of school age.

Table 1. Statistics of Educational Institutions

(January, 1938)

(A) Manchoukuo

	No. of Schools	No. of Classes	No. of Teachers			No. of Students		
			Male	Female	Total	Male	Female	Total
Ordinary National Schools:								
Primary	6,364	21,843	19,036	3,903	22,939	781,723	257,728	1,039,451
Higher Primary	1,697	3,627	4,297	398	4,695	121,540	26,845	148,358
Others	4,002	4,203	4,221	56	4,277	159,740	24,878	184,618
Private	3,745	....	3,853	55	3,908	91,085	11,172	102,257
Higher National Schools:								
Agricultural	58	230	559	2	2,561	11,717	....	11,717
Engineering	15	74	151	3	154	3,268	....	3,268
Commercial	26	165	371	1	373	7,774	....	7,774
Marine	1	7	15	....	15	223	....	223
Middle	5	162	329	....	329	8,212	....	8,212
Girls' Higher	31	185	300	141	442	2,925	5,372	8,297
Technical	79	198	431	50	481	....	8,149	8,149
Normal School	15	90	210	2	212	3,269	631	3,901
Other Higher Schools	8	....	294	16	310	1,646	141	1,787
Other Institutes	18	....	102	2	104	1,957	115	2,072

(B) Kwantung (End of 1937)

	No. of Schools	No. of Teachers			No. of Students		
		Male	Female	Total	Male	Female	Total
Primary School	28	420	141	631	11,514	10,328	21,831
Youths' School	9	176	—	176	1,641	....	1,641
Middle School	4	146	—	146	3,929	....	3,929
Engineering School	1	31	—	31	359	....	359
Girls' Higher School	7	—	..	187	—	4,914	4,914
Engineering College	1	101	..	101	439	....	438
Higher Commercial School	1	15	..	15	169	....	169
Higher Engineering School	1	39	..	39	282	....	282

Both Catholic and Protestant missions have established various schools in the country during the past half century. They claim to have nearly 4,500 students. These missionary institutes range from kindergartens to a college. Some of them are registered with the Manchoukuo Ministry of Education and conform to the Government's educational regulations. They have contributed materially to the educational advancement of the Manchoukuoans.

As for the distribution of educational facilities in Manchuria, they have been best in South Manchuria, especially in the Kwantung Leased Territory and the former South Manchuria Railway Zone. North Manchuria has lagged far behind South Manchuria in the matter owing to the paucity of population and the inadequacy of administrative supervision. The only exception is the city of Harbin, where are to be found several well-equipped educational institutions.

Since the financial year of 1933-34, the Government of Manchoukuo has appropriated a comparatively large sum of money for educational purposes, especially primary education. Quite a number of primary schools have been established and many more are being projected.

Organization of Educational Administration

The educational affairs of Manchoukuo are under the direction of the Department of People's Welfare, into which has been merged the former Department of Education. The authorities at the outset introduced the Principle of Wangtao, or the Way of the Benevolent Ruler which has its origin in Confucian teachings. Efforts have been made to accord better treatment to teachers, elevate the standard of the personnel, improve school equipment, reform secondary schools along modern lines, found new schools, encourage school attendance, establish institutions for training teachers, and compile and distribute new text-books, free of charge.

Education of Women.—In the education of women the fair sex will be taught to become first and foremost good wives and good mothers by giving them practical training while fostering in them the virtues for which Oriental women are noted.

The relation between the school and society will be made more intimate, so that the former may serve as the centre of social education.

One of the outstanding features of the new educational system is the inclusion of Japanese among the national languages to be taught in all institutions

Under the new system school education is divided into three stages, primary school education, secondary school education, and higher school education, and into two categories, normal school and vocational education. The schools giving primary school education consist of "Kuomin Ishu" and "national private primary schools," which are formed by reorganizing the best of the private schools, and of "national primary schools," and "national higher primary schools." The secondary schools are classified into "national higher schools" for boys and "girls' national higher schools."

The normal schools are of two kinds, ordinary normal schools and higher normal schools.

Schooling is to begin at seven years of age, but this rule cannot be enforced in every case as there is not compulsory education as yet.

The Kuomin Ishu and the private primary schools are to give abbreviated courses of one to three years in primary school education to those children who are unable to attend ordinary primary school of four years term. The higher primary school is to offer a two-year course, and may in addition, open a one or two-year supplementary course.

The higher school's term for both boys and girls is to extend for four years, but in the case of the latter a special one-year normal course may be offered. The terms for the normal school and the higher normal school are two years and two or three years, respectively. A special two-year course may be given in an ordinary school, while in the case of the higher normal school the term may, if necessary, be shortened by one year or less with the permission of the Minister of Education. The professional school's term is to be two to three years, but it may be reduced by one year or less if needed.

Primary Schools

(Ordinary National Schools)

Primary schools are divided into lower primary schools and higher primary schools. The course of study in the former is four years and that in the latter two years. There are also schools combining these two courses, which are known as two course primary schools. Those in city districts are generally of a six-year course and those in the country of a four-year course. Vocational instruction is given in the fifth and sixth year grades in order to acquaint the pupils with business routine. The Japanese language is also taught in the higher grades. School age has been fixed at full six years since the old Manchu regime. It is not generally observed, however. Most children seem to be sent to school at the age of ten years or so. The prefectures, municipalities, wards and villages are charged with establishment of primary schools. Excepting those represented by prefectures and municipalities, there are very few well equipped institutions.

Table 2. National Schools Classified by Provinces

(January, 1938)

Ordinary National Schools

Province	No. of Schools			No. of Students		
	Primary	Higher	Other	Primary	Higher	Other
Hsinking	35	17	..	10,349	2,082	....
Kirin	660	188	525	91,138	16,014	26,242
Lungkiang	640	101	303	68,187	8,685	13,071
Heiho	15	2	71	2,141	209	3,224
Sankiang	237	60	..	31,402	3,226	....
Mutankiang	115	38	56	21,921	3,466	2,665
Pinkiang	661	137	633	92,461	14,774	30,308
Chientao	158	90	42	26,771	9,352	2,667
Tunghua	181	66	107	27,918	3,965	5,400
Antung	683	120	285	70,727	9,235	13,091
Fengtien	1,659	573	250	415,294	54,533	9,786
Chinchow	640	158	754	121,917	12,529	36,536
Jehol	369	86	887	31,583	6,142	37,716
Hsingan W.	73	12	2	5,692	888	128
Hsingan S.	129	29	78	15,167	2,355	3,540
Hsingan E.	69	9	..	3,881	482	....
Hsingan N.	40	11	9	2,902	448	244
Total	6,364	1,697	4,002	1,039,451	148,358	184,618

Higher National School

Middle Schools.—Middle schools, or secondary schools are also divided into lower middle schools and higher middle schools, each with a three year course. The former admit graduates of the higher primary schools and the latter those of the lower primary schools.

Most of the higher middle schools attach importance to practical lessons related to agriculture, industry, and commerce. Model middle schools are established in the seven cities of Antung, Jehol, Chinchou, Kirin, Harbin, Hsinking and chiamussu, where attention is given chiefly to not so much form as substance and also to the teaching of the Japanese language.

Table 3. Higher National Schools

	No. of Schools					No. of Students				
	Agricultural	Engineering	Commercial	Marine	Girls' Higher	Agricultural	Engineering	Commercial	Marine	Girls' Higher
Hsinking	..	1	2	..	2	..	282	887	..	482
Kirin	4	1	3	..	1	637	188	879	..	508
Lungkiang	4	1	2	..	3	1,039	188	419	..	711
Heiho	..	..	..	..	..	..	..	..	..	..
Sankiang	3	..	..	..	1	595	..	..	..	47
Mutankiang	1	..	..	..	1	152	..	..	..	127
Pinkiang	6	2	2	..	1	1,519	250	1,036	..	800
Chientao	3	1	1	..	3	832	1,018	425	..	504
Tunghua	1	1	..	..	..	121	220	..	..	..
Antung	5	1	1	..	2	1,329	100	342	..	498
Fengtien	18	5	11	1	15	2,516	756	2,709	223	4,208
Chinchow	7	2	2	..	1	2,079	266	684	..	387
Jehol	3	..	1	..	1	430	..	330	..	125
Hsingan W.	1	..	..	..	..	37	..	..	..	..
Hsingan S.	1	..	..	..	..	328	..	..	..	..
Hsingan E.	1	..	..	..	..	103	..	..	..	..
Hsingan N.	..	..	1	..	..	..	..	63	..	..
Total	58	15	26	1	31	11,717	3,268	7,774	223	8,297

Table 4. Normal Schools Classified By Provinces

(January, 1938)

Province:	No. of Schools	No. of Classes	Teachers Male	Teachers Female	Total	No. of Students
Kirin	1	4	23	..	23	184
Lungkiang	1	7	13	..	13	312
Sankiang	1	4	8	..	8	142
Mutankiang	1	5	12	..	12	249
Pinkiang	1	9	18	..	18	391
Chientao	1	7	11	..	11	242
Tunghua	1	3	5	..	5	165
Antung	1	5	8	..	8	218
Fengtien	4	30	67	2	69	1,364
Chinchow	1	8	21	..	21	322
Jehol	1	6	17	..	17	256
Hsingan E.	1	2	7	..	7	56
Total	15	90	210	2	212	3,901

Normal Schools.—Normal schools (for boys and girls) are of three kinds, namely, the normal school, the normal training school and the normal middle school. The schools of the first named grade are run by the provincial and prefectural governments and receive those who have finished the lower middle schools. The institutions of the latter two grades, which are commonly known as village normal schools, are in most cases, incorporated with the middle schools.

5. Higher Schools

(January, 1938)

Name	Management	School years	Teachers Male	Teachers Female	Teachers Total	Students Male	Students Female	Students Total
Higher Normal School	Government	4	57	2	59	326	..	326
Fengtien Agri. Univ.	"	3	31	1	32	190	..	190
Harbin Engi. College	"	4	51	3	54	309	4	313
Hsinking Medical College	"	4	17	..	17	285	..	285
Harbin Medical College	Private	4	38	..	38	187	55	242
Mukden Medical School	"	4	31	6	37	111	26	137

Higher Institutions of Learning.—In the Manchu days there were two universities in Mukden, one each in Chinchou and Kirin and two in Harbin, which were under Soviet influence. After the Manchurian Incident, however, these institutions had to be closed due to the disturbances. The Department of Education of the Manchoukuo Government established two higher institutions of learning, namely, the Higher Normal School in Kirin (opened 1934) and the Higher Agricultural School in Mukden (opened 1936). The course of study in the former is four years and that in the latter three years.

Besides the abovementioned two schools, there are several government institutions of the collegiate grade. These are the Kirin State Medical School (four year course), the Harbin Law School (four year course), the Hsinking Law School (A Course: three years. B Course: two and half years), the Mukden Veterinary Surgeons' Training Institute (three year course), the Agricultural and Forestry Experts Training Institute (one year and a half course).

Daido Gakuin.—The Daido Gakuin, under the supervision of the General Affairs Board of the State Council, aims at educating and training the government officials and would-be government officials. The organization of this institution was announced by Ordinance No. 60 of the Education Ministry promulgated on July 11, 1932. The Daido Gakuin has its origin in the Provincial Autonomy Guiding Department established in Mukden shortly after the outbreak of the Manchurian Incident with Yuchan-han as its leader for training instructors to be sent to different provinces for instructing the local officials in self-government. This organ was established in March, 1932, with the founding of Manchoukuo, and its business was handed over to the Political Bureau of the State Council with new headquarters in Hsinking. With the abolition of the Political Bureau on June 20, 1932, this training institute was also broken up. In view of the urgent necessity of training and educating government officials and training future government officials who would directly participate in the operation of national politics, however, the government established the present institute and admitted 97 students as the first class. They were graduated on the 10th of October of the same year after four months' training, and immediately stationed in different provincial governments, including 54 in Fengtien Province, 11 in Kirin Province, 11 in Heilungkiang Province and 21 in the Central Government.

The education policy of the Daido Gakuin consists in cultivating the fundamental spirit of sacrificing personal interests in provincial administration and in reforming past evils in the provincial administrative system for the exclusive purpose of establishing an ideal state in Manchoukuo. The subjects include courses in State administration, military training, the Manchoukuo and Japanese languages, Manchoukuo national affairs, foreign affairs, etc. In view of the fact that the school term is six months, it is apparently too short to thoroughly acquaint students with State administration and national policy, so that the greatest possible efforts are made by the Government in the selection of authoritative professors and lecturers on selected subjects.

The National University (Kenkoku Daigaku).—Like the Tatung Academy the National University is also an unique educational establishment. It was founded in Hsinking in May 1938, with the object of propagating the spirit in which the new State was founded, and of educating men who will become builders of a moral society and leaders in the work of national enlightenment. It is under the direct supervision of the Premier. All educational expenses of the students admitted to this institution are borne by the State.

The National University offers a six year course, divided into two courses of three years each. Those who has completed secondary education are admitted to the basic course upon passing entrance examinations. Those finishing this course and graduates of colleges and universities are admitted into the advanced course after rigorous selection. Higher ordinary education is chiefly given in the basic course, with emphasis placed upon the study of the spirit of national foundation and actual training for developing the spirit of service, which is also given in the advanced course. The subjects taught in the advanced course are political science, economics, logic and philosophy. All the students are housed in dormitories in order to inculcate discipline and the spirit of self-government. The National University was opened with an enrollment of 150 in the basic course.

The National University, according to plans, will have separately a graduate school and a research institute. The former will admit those graduating from the advanced course or those of similar scholastic standing, who will further specialize in their selected fields. The faculty will form the organization of the research institute which will serve as an agency for research in various studies.

Youths' Schools.—In Kwantung Province are to be found a number of institutions known as Youths' Schools, these being training schools in nature for young men and women. In 1937 such schools numbered 9 with a total enrolment of 1,641 students.

Teachers' Institutions.—The Central Government established the Teachers' Training Institute in Hsinking in April, 1933. To this institute, one hundred selected teachers of primary and middle schools all over Manchoukuo are summoned by turns and trained in the problem of the national spirit, international affairs, international relations, economics and other essential elements in teaching. The term, which was fixed at three months, was extended to six months in 1936. Those teachers who have received training in this institute number more than 1,000.

Qualification of Primary Teachers.—As at the end of July, 1936 there were 23,991 teachers qualified to instruct at primary schools.

Private Schools

Since the founding of Manchoukuo, many private schools have been newly established in rapid succession. The majority of such private schools are Japanese language schools, indicating the growing relationship between Japan and Manchoukuo. It should be noted that most of the private schools newly established in different provinces aim at teaching the Japanese language.

Permission for the establishment of private elementary schools is given by Directors of the Bureau of Education in the respective prefectures with the approval of the Directors of the Education Department of the different provincial governments. In the North Manchuria Special District, the Governor of the Special District is authorized to give such permission through the Bureau of Education, while in the Hsinking Special Municipality, the Mayor of Hsinking has a similar authority.

Establishment of private middle schools requires the permission of the Department of Civil

Affairs of the Central Government, application for such permission being filed through the provincial bureaux of education in the respective provinces and through the Mayor in the Hsinking Special Zone.

Applications for permission for the establishment of private schools of higher standing are filed with the Department of Civil Affairs with the approval of the provincial governors in the respective provinces, the governors in the North Manchuria Special District, and the Mayor of the Hsinking Special municipality.

Text Books

The state text books are compiled in accordance with the following principles:—

(1) To clarify the import of the foundation of the country by thoroughly bringing home to the people the tenor of various Imperial edicts and declarations in regard to the founding of the country.
(2) To cause the people fully to realize the Japanese Empire and so clearly understand the indivisible relationship of Japan and Manchoukuo.
(3) To receive the teachings of ancient sages and so promote Oriental morality.
(4) To try to promote scientific knowledge.
(5) To promote industrial education.

As for the progress of the compilation of the state text books, 36 books representing 19 different subjects were published in 1934 and 38 books on 21 subjects in 1935, making a total of 74 books of 40 kinds. The text books for the use of the lower and higher primary schools have been on the whole completed. Those for the use of the lower middle schools are also mostly completed. Besides the state text books, there are text books compiled by the Imperial Education Society and adopted on examination by the Department of Education. They are for the use of the higher middle schools and the normal schools, representing 23 kinds and 29 series.

Instruction Materials

Instruction materials may be divided into two groups, the pure instruction materials upon which teaching is based, and the instruction specimen to be used to supplement instruction materials.

Instruction materials are definitely provided for by a state ordinance. Text books form the most important item of those materials.

Real objects, models, maps, reference books, experimental apparatus, musical instruments, agricultural training grounds, training workshops, etc. are the principal instruction specimens. The working of those specimens is still dull and incomplete in primary schools as well as in middle schools, with the exception of the City of Mukden where some high-class middle schools are more or less perfectly equipped with modern instruction specimens.

Such incompleteness in instruction specimens, although partly attributable to lack of funds, is mostly due to the old Chinese method of instruction in which the instructors lecture from the platform and students are not allowed to ask questions.

Diffusion of Japanese Language

Since the founding of Manchoukuo zeal for the study of the Japanese language has become specially conspicuous. In the Province of Mukden, the primary school curriculum was partly revised by the Provincial Education Department in order to give two hours a week for instruction in the Japanese language in higher grades. In Tsitsihar, in the province of Lungkiang, a Japanese language school was established for training instructors in Japanese. Four hours a week are set aside for Japanese lessons in the "Gakyo" Middle School. There are also a number of Japanese language schools, training institutes and studying classes in Fengtien, Lungkiang, Kirin and other Provinces. Because of the difficulty in securing a large number of instructors, however, the Japanese educational organs are mostly confirmed to city zones.

Government Students Sent Abroad

The Manchoukuo Government, besides making great efforts for the diffusion of school education within the Empire, sends government students to leading countries of the world in pursuit of progressive knowledge. All the business relating to the government students sent abroad was formerly entrusted to the respective provincial governments, but recently it has been taken over by the Central Government. Candidates for such government students are subjected to strict tests and examinations regarding their scholastic attainments, their thoughts and their physical condition, before being given qualification certificates and permission to study abroad. There is also a subsidy system for students desirous of studying abroad, by which those who cannot afford to pay their way through foreign schools are subsidized by government expenses. In view of the steady increase in the number of Manchurian students desirous of studying in Japan due to the closer relationship of Japan and Manchoukuo, the Manchoukuo Government is planning to devote greater efforts to this cause.

Table 6. Manchoukuo Research Students Studying in Japan

(University Grade)

	1935	1936	1937
Kyoto Imperial Univ.	20	29	39
Tohoku Imperial Univ.	1	1	—
Kyushu Imperial Univ.	3	5	5
Hokkaido Imperial Univ.	10	31	15
Osaka Imperial Univ.	—	1	1
Tokyo Univ. of Com.	13	12	15
Kobe Univ. of Com.	5	5	5
Chiba Medical Univ.	1	—	—
Nagasaki Medical Univ.	1	1	—
Tokyo Engineering Univ.	40	40	38
Tokyo Univ. of Litt. & Sci.	2	2	1
Hiroshima Univ. of Litt. & Sci.	2	1	1
Total	98	128	120

Manchu Students' House in Tokyo

A building to accommodate Manchurian students studying in Tokyo was completed in April, 1938 at a cost of approximately ¥1,000,000. It is a four-storied, ferro-concrete structure with accommodations for 150 students.

Special Educational Organs

A number of special organs of education have been established in Manchuria. These include educational and scientific institutions, religious and enlightment organs, physical educational institutions, etc. Data on these bodies is as follows:

Table 7. Other Educational Organs

	Location	Schools year	No. of Teachers	No. of Students: Male	Female	T
Central Normal Training Institute	Hsinking	7-8 months	9	233	..	233
Local Normal Training Institute	Each Prov.	6 "	24	1,150	50	1,200
Technical Training Institute	Hsinking	2 years	22	148	..	148
Engineering Training Institute	Penhsihu	3 "	8	145	..	145
Agricultural Instructors' Training Inst.	Mukden	1 "	8	78	..	78
Commercial Instructors' Training Inst.	Mukden	" "	3	28	..	28
Mukden Pharmacists' Training Inst.	Mukden	3 years	20	100	65	165
Supplementary School*	Hsinking	1 year	10	75	..	75

Note: * Special school for the training of those who are going abroad for further study.

Educational Expenditures

Educational expenditures for schools, libraries, etc. in Manchoukuo are as follows:

Table 8. Expenditures of the Peoples' Welfare Department

(Unit: M¥1,000)

	1938	1939
Ordinary Account:		
Headquarters	7,671	1,125
Hsinking Law Univ.	—	206
Harbin Engrg. Coll.	234	375
Mukden Agricultural Coll.	256	270
Hsinking Medical Coll.	83	151
Kirin Higher Normal Sch.	368	462
Hsinking Engineering Coll.	—	447
Mukden Engineering Coll.	—	216
Penhsihu Engineering Inst.	—	63
Supplementary School	36	41
Central Nor. Training Sch.	152	157
Local Normal Training Sch.	195	297
Hsingan School	63	83
Middle Schools	3,436	3,848
Students sent abroad	324	329
Central Museum	—	137
Social Education	39	29
Epidemic Prevention	293	347
Lepratorium	32	44
Sanitation	482	592
Total incl. Others	14,941	10,352
Extraordinary Account:		
Compilation of Text Books	145	168
Temporary Instructors' Training	61	168
Teachers' Training Inst.	21	17
Military Relief	234	381
Physical & Sanitary Training	66	65
Research	92	118
Subsidiary	6,000	7,025
Total incl. Others	7,279	8,873
Grand Total	14,941	19,226

Libraries

Though there are some thirty well-equipped libraries in the former South Manchuria Railway Zone managed by the S. M. R. Company, only 68 libraries are found in the whole of Manchoukuo, many of which are small and poorly equipped and attached to institutions for popular education. There are only three well-equipped libraries, namely, the State Library in Mukden, with 156,000 volumes, and the Kirin and Lungkiang Provincial Libraries with 5,000 volumes each. Besides these, there are reading libraries in various places, where a few books and several newspapers are kept. For the benefit of the inhabitants in the remote districts of Manchuria, the South Manchuria Railway Company maintains abort 500 circulating libraries, with some 42,000 volumes.

One of the prized possessions of the State Library in Mukden is the "Ssu Ku Chuan Shu," a complete collection of Chinese literature up to the Ching dynasty comprising 36,452 volumes

(all in manuscript), which a handful of Japanese troops guarded at the time of the Manchurian Incident. The above collection, it may be added, was compiled by Emperor Chien Lung of the Ching dynasty. Besides this valuble collection, several million copies of old archives (dating from the 17th century) collected from throughout Manchuria are preserved in the Mukden State Library. The early archives have been properly arranged and those containing interesting data have been catalogued and published. Other historical documents are preserved in the Ching Dynasty's Imperial Palace in Mukden. A total of 4,475 authentic political records and documents of the successive Emperors of the Ching dynasty are kept there. They are highly treasured, for they give in the fullest detail the history of the whole of China from the beginning of the seventeenth century up to the early part of the twentieth century (1911).

Museums

Manchoukuo has two museums, the National Museum in Mukden and the Museum of Natural History and Science in Harbin. Opened in June, 1933, the National Museum contains many works of Manchu civilization in the various stages of its history. The Harbin Museum of Natural History and Science was established in the early years of this century under the supervision of the former Chinese Eastern Railway Company. Here, among its numerous exhibits, are found fine collections concerning the Mongols, Imperial Russia and old North Manchuria. The Manchoukuo authorities have also taken steps to preserve historic buildings and relics throughout the country. The Lama temples and other architectural objects, etc. in Jehol, are receiving the special attention of the Government which has decided to spend M¥23,000 for preliminary investigation necessary for their permanent preservation.

The Resources Museum.—The South Manchuria Railway Company maintains in Dairen the Manchurian Resources Museum, perhaps the most complete of its kind in Manchuria as well as in the world. The main purpose of the Museum is to lead the general public into fuller understanding and appreciation of the natural resources of Manchuria and Mongolia. On exhibition within its walls are, therefore, specimens and fascimiles of both raw materials and finished articles, as well as informational materials on agricultural, mining, forestry, and several other products, with appropriate explanations and abundant photographs and charts. Especially instructive is the wealth of maps, charts, diagrams, and electrically operated illustrative materials, all of which are skilfully compiled and vividly presented. The exhibits also include the results of various scientific researches which aim at the utilization and exploitation of these natural resources and which are bound to become the foundations of future industries.

Revival of Confucian Festival.—In accordance with the guiding spirit of the foundation of the country the Confucian festival, which had been discontinued since the Revolution of China, has been revived. Ever since the opening of Manchoukuo grand festivals have been held at all the temples of Confucius throughout the whole country twice a year, or in the spring and autumn for the purpose of fully demonstrating the principles of Oriental morality and contributing to the cultivation of national spirit.

Manchoukuo Empire Educational Society

The Manchoukuo Empire Educational Society was established in June, 1934. The total membership is over 26,000 consisting of school teachers and others who are connected with education. It has its headquarters in the Department of Education, branches in the special cities of each Province and sub-branches in the hsiens and cities. The principal works of the Society consist of the following.

(1) To publish returns in regard to education.
(2) To issue books and a magazine.
(3) To reward those who have rendered distinguish services in the cause of education.
(4) To open meetings for the study of educational affairs, a special course and lectures.
(5) To organize and send abroad a party for the inspection of education.
(6) To keep connection with the educational societies of foreign countries.

Education of Mongols

For geographical and political reason the education of the Mongols has been very inactive. there being almost nothing worth mentioning in regard to educational equipments. There is only a very scant distribution of books necessary for the cultivation of common knowledge among the general public. Especially scarce are books written in the Mongolian language. With the exception of a very limited number of government officials almost all the people are illiterate.

Since the founding of the country, great efforts have been made by the authorities of the Manchoukuo Government to spread education among the Mongolians who have been left in the

lurch. The Mongolian Administration Office, formerly known as the Hsingan Office General, is chiefly in charge of education. The principles of the education of the Mongolians consist of the following:—

(1) **Primary Education:** To draw up a five year-programme in each banner and hsien and give industrial education and encourage physical labor under the programme with the object of training men suitable for opening up the industrial resources of Mongolia.
(2) **Middle School Education:** Chiefly to train men devoting themselves to the advancement of culture and civilization and opening up of industry and those giving themselves up to the cause of national education, the establishment of the Hsingan Institute being the materialization of those objects.

Japanese Educational Enterprises. — Educational institutions owned and supervised by Japanese through the medium of the Kwantung Government and the South Manchuria Railway, continue to play an important role in the country. Started some thirty years ago, the educational institutions supervised by the two organs have increased by leaps in the Japanese administrative regions consisting of the Kwantung Leased Territory (3,462 sq. km.) and the former South Manchurian Railway Zone (290 sq. km.). The institutions are divided broadly into two classifications, (1) schools for Japanese and (2) schools for Manchurians. The number of Japanese-controlled educational institutions in the Kwantung Leased Territory and the former South Manchuria Railway Zone totalled 208 in primary schools, and 39 in middle schools at the end of May, 1936. The primary schools are divided into three categories, consisting of ordinary primary schools, the Kogakudo, giving special course in Japanese, and the Futsugakudo maintained by village communities and devoted to Manchoukuoans.

Besides primary and middle schools the Japanese administration has established a few specialized educational institutions. The leading institutions are the following:—

Manchuria Medical University.—Established at Mukden by the South Manchuria Railway in June, 1911 for Japanese and Manchurian students. Course: preparatory 3 yrs., university 4 yrs. Enrollment at the end of April, 1937—university course, 289; preparatory course and special preparatory course, 287; special course 174. Clinic attached.

Port Arthur Engineering University. — Formerly Port Arthur Engineering School. Elevated to university status August, 1922. Departments: mechanical engineering, electrical engineering, mining, metallurgy. Course: preparatory 3 yrs., university 4 yrs. Enrollment at the end of August, 1937: Preparatory course, 250, University course, 197.

Russo-Japanese Association School.—Established, 1920 at Harbin by the Late Count Goto. Course, 3 yrs., Special course 1 yr.

South Manchuria Technical College.—Established at Dairen. Formerly, South Manchuria Technical School. Elevated to college status, 1922. Course, 3 yrs. Departments: architectural, mechanical. Enrollment in May, 1937: 288; teaching staff, 40.

Industrial Training Schools.—Established at Fushun and Penhsihu. Object: practical technical training. Course, 3 yrs.

Agricultural Training Schools.—Established at Kungchuling and Hsingyaocheng. Course, 1 to 2 yrs. With dormitory facilities.

Commercial Training Schools.—Established at Yingkow and Liaoyang in 1928. Course, 1 to 2 yrs. With dormitory attached.

New Training School for Mining Students

To provide a complement of skilled technicians for smooth execution of the Manchoukuo Government's Five Year Industrial Development Plan, officials were studying details for a special training school, in cooperation with mining and industrial interests in 1939. The school will have three departments, machinery, mining and electricity. The purpose of the school is to train technicians in one year course. The institution is planned to enroll one hundred students each for the regular course and the preparatory course.

Motion Picture Industry

The motion picture industry of Manchoukuo is still in an infant stage. In 1938 there were approximately 100 cinema theaters in the country. Cinema production is under the management of the Manchuria Film Corporation, capitalized at ¥5,000,000, subscribed to equally by the Manchoukuo Government and the South Manchuria Railway Company. The Company has under construction a large studio and office buildings in the southern suburb of Hsinking, the lot being 50,000 chia and the buildings having a total floor space of 16,892 meters. The Company handles not only the distribution of films produced by itself in Manchoukuo and China, but also distributes pictures imported from Japan and Europe as well. Due to inability to reach an understanding with American cinema producers, no American productions have been shown in Manchoukuo in recent years.

RELIGION

Religion.—Religions in Manchoukuo include both native cults and religions introduced from Japan and other foreign countries.

Table 9. Statistic of Religious Groups

	No. of Temples, Churches, Shrines, etc.	No. of Priests Missionaries, etc.	No. of Followers
Buddhism	2,019	4,243	1,770,692
Taoism	1,779	2,823	377,337
Lamaism	570	22,357	124,385
Mohammedanism	209	501	132,636
Roman Catholic	677	871	153,844
Other Christian Sects	675	1,025	51,393
Total	5,979	31,829	2,485,902

Native Religions.—There are various sects and denominations in the native religions, and each of them is intimately bound up with the social and political life of the people. Religious edifices are popularly called "miao" (shrines), or "ssyuan" (temple).

Besides the above, there are 35 "Wen Miao" or Confucian shrines in Fengtien Province, 15 in Kirin Province and 12 in Heilungkiang Province.

Hungwantzchui or Red Swastika Society which is also regarded as a sect of Taoyuan exercises considerable influence over the Manchoukuoans.

Religions among the Japanese.—There are various sects and denominations of Shintoism, Buddhism and Christianity, represented by the Japanese. Buddhism has the strongest influence, with many temples, followed by Shintoism and Christianity.

Religions among other foreigners.—When the first Christian missionaries, mostly Danish and French, settled in this country, they found it very difficult to cultivate the new field. At present various districts of this country are dotted with Roman Catholic churches, as well as with Protestant churches established mostly by British and American missionaries, particularly by Americans.

Buddhism.—Buddhism in Manchoukuo has been divided into more than 30 denominations or sects, the most influencial of which are Rinzai, Zen. It is most popular and accordingly influential in Kirin province and also in Hunchun, Ningan, Tsitsihar and elsewhere.

Alive to the importance of religion, Chinese in responsible posts created schools for priesthood and Chinese priest organized the Chinese Buddha Society. Laymen taking an interest in Buddhism also set up a Buddhistic Association. The Chinese Buddha Society established colleges for all sects, instructional institutions, and training stations. These bodies give lectures or carry on social works. Other organizations do not remain idle. Chinese priests and laymen agreed upon co-operation, and formed the Chinese Society of Association Buddhists. Briefly, Buddhism in the land is steadily spreading.

Taoism.—Taoism is a doctrine preached by Lao-tse. This was not a religion in its origin. When a certain period passed after the introduction of Buddhism, Taoism adopted idol worship. Limitless longevity and conciliation with nature are the doctrine it preaches. Taoism has 36 sects and 72 divisions.

Confucianism.—Doctrines, principles, and precepts prevalent long before the birth of Confucius were compiled and systematised by him. Mencius was the most noted exponent of his ideas. During the Han Dynasty of China, Confucianism was made the national teaching and has since been influenced for many centuries.

The State of Manchoukuo was founded in accordance with the principle of Royal Righteousness, an idea derived from Confucianism. Consequently, the Confucius Festival is observed as the National Festival of Manchoukuo, and is conducted every year throughout the country on September 5.

Mohammedanism.—Mohammedanism is an appelation much disliked by Mohammed himself, whose conviction it was that the teaching of Allah was the only truth which all men could believe and the doctrine he preached he called Islam. Islam implies peace, safety, salvation and reverence. Mohammedans in Manchoukuo are mostly butchers, tanners, hotel-keepers, bath-keepers and the like. Their antipathy towards those believing in other religions is very strong. However, the Declaration of Independence of Manchoukuo contains an idea showing reverence for the Mohammedans, who are accordingly recognized in the national color of the country. In consequence, they are so friendly to Manchoukuo that an all Manchoukuo Mohammedan Meeting was held under the direction of Mr. Mohammed Kurubangary, President of the Japan Mohammedanism League,

Lamaism.—Lamaism is a religion popular chiefly in Mongolia. When the Manchu Dynasty subjected China and her tributaries or subject peoples, Manchu statesmen availed themselves of that religion to make the virile Mongols imbecile and to cow them into docility. Lamaism is by no means an independent religion, but a form of Buddhism. Lama is a Mongol word implying "superior being." Mongols are accustomed to address Mongol priests of high posts, saying Lama or Lamadom. The doctrine of Lama is in no way different from that of Buddhism. There are several divisions, the most influential being the Red and the Yellow Sects. Manchoukuo is mostly influenced by the Yellow Lama.

There is one more religion in Manchoukuo known as Shamaism. This is a teaching indigenous to the soul of Manchoukuoans. It is believed by native Manchoukuoans in Northern Manchuria and by Siberian aborigines. Tsalism is another teaching, a school of which is said to have agitated the Boxers to rebel.

Taoyuan and World Buddha Scarlet Cross Society.—Taoyuan was originated in Shantung Province in December, the 9th Year of the Chinese Republican Regime. Its object of worship, Laoso, is considered the progenitor of all things in the universe and the source of the Great Path. It is the Great Principle of Confucianism personified. The World Buddha Scarlet Cross Society is conducting various kinds of social work. Buddha Scarlet symbolizes great benefit of vast magnitude like that of the sun. Taoyuan and Buddha Scarlet Cross Society are mutually dependent, one inseparable from the other. A person who is member of one must be a member of the other. It is said that these bodies have millions of members. The Buddha Scarlet Cross Society was founded in the 11th Year of the Chinese Republican Regime.

References:
Table Nos.: 1 a & b, 2-9 a.
Key. a—Dept. of Peoples Welfare, Manchoukuo.
b—Kwantung Bureau.

CHAPTER XI

STATE FINANCE

General

The financial reforms constitute one of the great achievements of the Manchoukuo Government since its organization in 1932. The following laws furnished the structural foundation: Currency Law (1932), Manchou Central Bank Law (1932), Lottery Law (1932), Banking Law (1933), Rural Credit Association Law (1934), Exchange Control Law (1935 and 1937), Manchou Industrial Bank Law (1936), Mutual Finance Association Law (1936), Securities and Bonds Control Law (1936), Gold Purchase Law (1937).

Summary of Successive Budgets

A study of the transition undergone by the series of budget compilations reveals traces of administrative improvements and national consolidation. Below is given a summary review of the developments witnessed in the successive Budgets.

(1) Period Immediately Following the Establishment of the State.—During this early period which covers only four months from March 1 to June 30, 1932, the proper functions of the various administrative organs could not be secured completely, and it was extremely difficult to make a definite estimate of revenue and expenditure on a yearly basis. The Government was, therefore, obliged to compile a monthly Budget.

(2) First Financial Year of Tatung (1932).—As a temporary measure the system in practice during the former days was adopted, and the Government fixed the financial year to cover the 12-month period from July 1, 1932 to June 30 of the following year. On the belief that it was most urgent to consolidate the state finances first, the Government decided on the fundamental policy of not borrowing either by issuing bonds or by contracting loans to make up deficits in revenue. Accordingly, after making this policy thoroughly understood by all the Departments, the authorities ordered them to prepare and submit respective draft estimates strictly in accordance with this policy. It was not until October 18 that the Budget was fixed. Great importance was attached to the maintenance of peace and order and consolidation of the national finances and endeavours were made to maintain as far as possible the balance between revenue and expenditure, not by incurring any substantial increase in the burden upon the people, but by ensuring the security of revenue through the adjustment of the tax collecting system on the one hand, and by exercising strict economy in expenditure on the other. Moreover, the Budget included a special reserve fund amounting to M¥15,000,000 for ensuring smooth functioning of the budgetary system lest the expansion of the nation should in any way be obstructed. Military expenditure, which under the former regime, used to occupy as much as 83 per cent. of the total expenditure now represented only 29 per cent., and a major portion of the budgetary estimates was alloted, as has always been the case ever since the foundation of this State, to measures designed to promote the hitherto neglected welfare of the people, a fact without precedent before Manchoukuo came into being.

(3) Second Financial Year of Tatung (1933).—Promulgated on the same basis as that of the previous financial year. With the elapse of one and a half year's time since the establishment of the State, it was possible now to make a forecast of revenue and expenditure, and, accordingly, it was unnecessary to keep a large special reserve fund as in the previous year. Moreover, the local budgets which up till then used to be compiled by each provincial government, were taken over by the central Government. The unusually large appropriations in the extraordinary Budget are accounted for by the Government's need of funds to meet the payment of the Government-subscribed shares of the Central Bank of Manchou and other special companies to finance pacification campaigns in the interior regions and to build or repair various central and local government offices.

(4) First Financial Year of Kangte (1934).—The Budget which was promulgated on June 28, 1934 was based as previously on the policy of eliminating the so-called red ink finance, consolidating the basis of the State finances and maintaining internal order—a policy which has been consistently followed since the very beginning. Special stress was laid on the institution of facilities for the development of industries.

(5) Second Financial Year of Kangte (1935).—The Budget was promulgated on June 26, 1935. Owing to the decision of the Government to make each financial year correspond to the calendar year on and after January 1, 1936, the Budget covered a half-year from July 1 to December 31. The policy of preserving sound finance was followed as faithfully as before.

(6) Third Year of Kangte (1936).—The Budget was published on December 28, 1935. In compiling this Budget the Government closely adhered to its traditional policy of solidifying the basis of national finances avoiding as far as possible any undue increase of expenditure by exercising strict retrenchment.

(7) **Fourth Year of Kangte (1937).**—In compiling this Budget the utmost efforts were made, by considering the circumstances of the country, to prevent general administrative expenditures from expanding for the purpose of making state finance strong and sound so as to enable it to cope with the extraordinary times, while trying to secure the positive and rational development of national strength by laying foundations for the second period construction programme for all departments of the government.

(8) Fifth Year of Kangte (1938).—The budget was compiled on the principle of rational and positive finance, it being designed, inter alia, to adapt the country to the situation brought about by the China Incident. It aimed in the main to effect, by mobilizing all internal facilities, the strengthening of national defence, promotion of the nation's producing capacity and efficient collaboration with Japan in the adjustment of international receipts and payments, besides ensuring a smooth working of the various arrangements instituted to cope with the new situation arising from the abolition of extra-territoriality by Japan.

Table 1. State Revenue and Expenditure Since Foundation of State

(Unit: M.¥1,000)

	General Accounts					
Revenue:	Ordinary	Extraordinary	Total	Special Account	Grand Total	Index
*1932	9,000	12,236	21,237	——	21,237	——
1932	108,431	44,492	152,923	26,363	179,286	100
1933	151,145	43,429	194,574	90,589	285,163	160
1934	180,439	34,460	214,899	173,972	388,871	216
†1935	93,386	39,382	132,768	137,088	269,856	....
1936	223,719	39,891	263,610	260,553	524,163	292
1937 Estimate	211,632	36,467	248,099	542,959	791,058	440
1938 "	240,335	64,220	304,555	1,128,936	1,433,491	800
1939 "	299,837	103,540	403,378	1,353,957	1,757,335	980
Expenditure:						
*1932	10,615	7,582	18,198	——	18,198	——
1932	89,937	39,698	129,635	24,882	154,517	100
1933	105,143	60,339	165,482	90,845	256,327	166
1934	113,831	73,411	187,242	132,437	319,679	206
†1935	54,714	45,121	99,835	90,771	190,606	....
1936	130,741	90,049	220,790	174,091	394,881	256
1937 Estimate	119,113	128,986	248,099	506,086	754,185	500
1938 "	143,659	160,896	304,555	1,088,572	1,393,127	700
1939 "	182,039	221,344	403,378	1,288,262	1,691,640	1,100

Note: * Pre-budgetary period of four months from the establishment of Manchoukuo in March to the beginning of the next fiscal year in July.
† This period covers only six months since from the following year, the fiscal year corresponds with the calendar year.

Table 2. State Revenue Classified

(M.¥1,000)

(A) General Account (Revenue)

Ordinary:	1933	1934	1935†	1936	1937*	1938*	1939*
Taxes & Duties	133,554	155,181	77,436	183,627	153,029	172,957	203,293
Customs Duties	75,026	86,227	43,384	93,228	89,589	96,399	107,551
Tonnage Dues	593	772	213	67	69	49	46
Salt Gabelle	20,543	22,030	8,759	27,390	....	....	....
Internal Taxes	37,392	46,152	24,782	62,701	63,371	76,509	95,742
Land Tax	7,721	9,580	4,265	9,533	9,464	10,436	11,056
Income Tax	——	——	——	——	——	1,440	2,041
Liberal Profession Tax	——	——	——	——	——	200	176
Bourses	——	——	——	——	——	302	455

	1933	1934	1935†	1936	1937*	1938*	1939*
Business Tax	4,225	5,774	4,276	9,585	10,003	14,181	15,625
Production Tax	7,238	8,782	4,659	10,060	8,348	8,887	10,724
Mining Tax	930	1,198	578	1,034	1,217	1,313	1,560
Stock-breeding Tax	1,487	2,543	1,330	3,074	2,510	....	....
Wine & Liquors Tax...	3,712	13,728	5,365	8,156	9,210	9,780	13,512
Tobacco Tax			2,202	13,508	14,337	16,514	23,400
Consolidated Tax	11,534	3,032	1,449	4,030	4,362	5,500	9,642
Stamp Receipts	4,322	7,587	4,266	9,958	9,097	9,888	14,987
Monopoly Profit	6,063	11,389	6,373	20,116	44,368	52,325	76,608
Total incl. others	151,145	180,439	93,386	223,719	211,632	240,335	299,837
Extraordinary:							
National Loan	9,000	....	5,000	....	15,000	40,000	65,000
Surplus	24,713	29,795	28,569	32,933	10,416	13,000	20,000
Transferred from Special Account	789	803	679	3,051	2,392	6,518	13,547
Total incl. others	43,429	34,460	39,382	39,891	36,467	64,220	103,540
Grand Total	**194,574**	**214,899**	**132,768**	**263,610**	**248,099**	**304,555**	**403,378**

Note: * Budget Estimate, excluding Supplementary Budget.
† The fiscal year 1935 covers the six months only from July to December 31, a revision having been effected in 1936 to correspond the fiscal year with the calendar year.

(B) Special Account (Revenue)

	1933	1934	1935†	1936	1937*	1938*	1939*
Redemption Fund of National Loans	27,621	38,823	41,146	53,620	120,629	96,940	116,424
Capital Construction Bureau	7,856	7,640	6,068	7,666	5,232	2,147	3,200
Supplies	5,612	9,324	4,658	8,641	7,273	17,244	77,073
National Highways Bureau	7,620	—	—	—	—	—	—
Coordination Fund for Local Finance	—	—	—	—	—	42,700	37,575
National Loan	—	—	—	—	110,735	366,916	396,428
Construction of Hydro-Electric Power Station	—	—	—	—	3,151	16,382	30,567
Scientific Research Enterprises	—	—	—	—	—	2,044	4,849
Govt. Officials Mutual Relief	—	—	—	—	—	2,166	3,881
Army Clothing Depot	5,889	4,630	2,522	4,300	4,623	7,403	8,567
Arsenal	—	1,623	1,281	2,444	3,300	12,329	15,723
Horse Race	—	—	—	—	2,674	4,352	5,926
Monopoly Bureau	11,141	21,683	—	—			
Salt Administration	17,218	18,041	8,360	21,235			
Monopoly Enterprises	—	—	—	—	113,248	158,751	195,904
Opium	—	—	14,684	39,065			
Oils	—	638	7,400	23,454			
Adjustment Fund for State Properties	1,437	4,802	4,136	6,090	5,011	5,733	10,552
Investments	—	17,962	9,250	25,004	91,448	326,215	280,327
Railway Loans	—	44,648	34,925	51,904	48,709	14,778	8,280
State Forestry Enterprise	—	—	—	10,747	14,113	25,964	74,468
Gold Refining	—	—	—	300	1,500	4,478	—
Postal Administration	3,638	4,158	2,658	6,084	5,898	12,025	14,825
P. O. Life Insurance	—	—	—	—	—	989	3,066
River Improvement and Irrigation Enterprise	—	—	—	—	—	1,800	4,968
Prisons	—	—	—	—	5,415	7,579	13,076
North Manchuria Special Districts	2,557	—	—	—	—	—	—
Grand Total	**90,589**	**173,972**	**137,088**	**260,553**	**542,959**	**1,128,936**	**1,353,957**

Note: * Budget Estimates.
† The fiscal year 1935 covers the six months only from July to December 31, a revision having been effected in 1936 to correspond the fiscal year with the calendar year.

Table 3. State Expenditures Classified

(M.¥1,000)

(A) General Account (Expenditure)

	Dept. of Imperial Household	% to total	General Affairs Board	% to total	Dept. of Civil Affairs	% to total	Dept. of People's Welfare	% to total	Dept. of Foreign Affairs	% to total
1931....	333	1.83	8,438	46.73	767	4.21			81	0.44
1932....	1,150	0.89	42,402	32.71	9,226	7.11			1,180	0.91
1933....	1,400	0.84	43,848	26.49	27,600	16.68	Established		1,191	0.72
1934....	3,753	1.99	40,637	21.55	37,081	19.67	July 1st,		1,488	0.79
1935....	1,035	1.03	22,102	22.14	22,530	22.57	1937		873	0.87
1936....	2,120	0.96	49,433	22.38	40,849	18.50			1,531	0.69
*1937....	2,100	0.84	38,866	15.66	63,966	25.78			1,616	0.65
*1938....	2,100	0.69	103,178	33.88	Abolished July		14,941	4.91	——	——
*1939....	2,100	0.52	131,381	32.50	1st, 1937		19,226	4.75	——	——

	Dept. of Defence	% to total	Dept. of Public Peace	% to total	Dept. of Finance	% to total	Dept. of Finance & Commerce	% to total	Dept. of Industry	% to total
1931....	7,800	42.86			214	1.18			102	0.56
1932....	43,710	33.72			24,036	18.54			634	0.49
1933....	47,828	28.90	Established		25,891	15.64	Established		5,961	3.60
1934....	60,029	31.84	July 1st,		19,534	10.36	July 1st,		5,159	2.73
1935....	27,483	27.53	1937		11,630	11.56	1937		3,168	3.17
1936....	73,545	33.30			25,394	11.50			5,623	2.54
*1937....	80,170	32.31			27,694	11.16			8,508	3.43
*1938....	Abolished July 1st, 1937		111,905	36.74	Abolished July 1st, 1937		27,051	8.88	12,042	3.95
*1939....	——	——	137,722	34.00	——	——	35,673	8.80	20,879	6.59

	Dept. of Communications	% to total	Dept. of Justice	% to total	Dept. of Education	% to total	Dept. of Mongolia Administration	% to total	Grand total	%
1931....	126	0.69	335	1.84	——	——	——	——	18,198	100.00
1932....	1,645	1.27	3,814	2.94	420	0.32	1,416	1.09	129,635	100.00
1933....	2,925	1.77	5,730	3.46	851	0.51	2,257	1.36	165,482	100.00
1934....	3,352	1.78	7,507	3.98	5,808	3.08	2,898	1.53	187,242	100.00
1935....	2,091	2.09	4,526	4.53	2,870	2.87	1,526	1.53	99,835	100.00
1936....	4,116	1.86	9,886	4.48	5,090	2.30	3,231	1.46	220,790	100.00
*1937....	5,146	2.07	9,997	4.03	5,698	2.29	4,338	1.75	248,099	100.00
*1938....	21,798	7.15	11,540	3.78	Abolished July 1st, 1937		Abolished July 1st, 1937		304,555	100.00
*1939....	44,007	10.90	12,450	3.09	——	——	——	——	403,378	100.00

(B) Special Account (Expenditure)

	1933	1934	1935†	1936	1937*	1938*	1939*
Redemption Fund of National Loans	27,621	7,663	—	1,057	120,629	96,940	116,424
Capital Construction Bureau	7,743	6,713	4,839	6,201	5,232	2,147	3,200
Supplies	5,612	9,032	4,873	8,500	7,155	17,044	76,578
National Highways Bureau	7,231	—	—	—	—	—	—
Coordination Fund for Local Finance	—	—	—	—	—	42,700	37,575
National Loan	—	—	—	—	110,735	366,916	396,428
Construction of Hydro-Electric Power Works	—	—	—	—	3,149	16,382	30,566
Scientific Research Enterprises	—	—	—	—	—	2,166	4,849
Govt. Officials Mutual Relief	—	—	—	—	—	1,407	2,094
Army Clothing Depot	5,302	5,148	1,914	3,576	4,758	7,480	8,668
Arsenal	—	1,623	1,281	2,444	3,300	12,329	15,723
Horse Race	—	—	—	—	1,311	2,302	2,866
Monopoly Bureau	13,008	24,093	—	—			
Salt Administration	17,218	12,404	5,880	15,419			
Monopoly Enterprises	—	—	—	—	78,890	122,778	139,536
Opium	—	—	18,968	28,232			
Oils	—	1,453	5,640	17,024			

	1933	1934	1935	1936	1937*	1938*	1939*
Adjustment Fund for State Properties	1,437	4,001	2,247	2,990	4,144	5,122	10,552
Investments	—	15,945	10,909	23,875	91,448	326,215	180,327
Railway Loans	—	40,468	32,166	50,501	48,709	14,778	8,280
State Forestry Enterprise	—	—	—	9,161	14,113	24,443	74,251
Gold Ore Refining	—	—	—	87	1,500	5,388	—
Postal Administration	2,940	3,894	2,054	5,024	5,898	12,025	14,825
P. O. Life Insurance	—	—	—	—	—	631	1,393
River Improvement and Irrigation Enterprises	—	—	—	—	—	1,800	4,968
Prisons	—	—	—	—	5,115	7,579	13,076
North Manchuria Special Districts	2,742	—	—	—	—	—	—
Grand Total	**90,845**	**132,437**	**90,771**	**174,901**	**506,086**	**1,088,573**	**1,288,262**

Note: * Budget estimates, exclusive of supplementary budgets. As the result of changes in the administrative system enacted since July 1, 1937, the principal organs of the Civil Dept. and the Educational Dept. were abolished and incorporated into the Dept. of People's Welfare. Several other changes were also effected. These consisted of the transformation of the Dept. of Defense to the Dept. of Public Peace, the Dept. of Finance to the Dept. of Finance & Commerce, and the Dept. of Mongolian Administration to the Hsingan Office.
† The fiscal year 1935 covers the six months only from July to December 31, a revision having been effected in 1936 to correspond the fiscal year with the calendar year.

State Budget for 1939

The Manchoukuo Government's budget for the sixth fiscal year of Kangte (January 1 to December 31, 1939), which was adopted by the State Council on December 19, 1938, was formally approved by the Privy Council on December 22 and announced the same day following its sanction by the Emperor.

According to the new budget, revenues total M¥1,757,335,000, comprised of M¥403,377,000 in the general accounts and M¥1,353,957,000 to the special accounts, and expenditures total M¥1,691,639,000, comprising M¥403,377,000 in the general accounts and M¥1,288,261,670 in the special accounts. The general accounts budget, amounting to M¥403,377,000 in both revenues and expenditures, represents a substantial increase of M¥98,882,655 over that for the previous fiscal year.

In the special accounts, twenty-two items are listed, including appropriations of M¥5,966,273 for the newly-established public servants' pension fund, M¥42,313,841 for the establishment of the Colonial Affairs Bureau, M¥250,000,000 for the special investments accounts, M¥30,550,000 for the establishment of hydro-electric enterprises, and M¥3,217,000 for irrigation works.

The total bond issue for the 1939 fiscal year amounts to M¥396,428,000, of which M¥65,000,000 comes under the general accounts, and M¥331,428,000 under the special accounts.

New expenditures total M¥190,000,000, of which M¥17,361,180 is allotted to industrial development, M¥61,332,497 to national defence, M¥16,440,396 to public peace maintenance, M¥11,949,401 to administrative readjustments, M¥4,827,123 to control of commodities and other similar purposes, M¥12,423,113 to education, M¥2,491,736 to public health and social welfare, M¥10,924,308 to communications and public works, M¥9,361,907 to immgiration, M¥2,536,077 to judicial matters, and M¥43,697,865 to other purposes.

The excess of expenditure over revenue will be financed partially by an increase in corporation and other taxes, together with increased receipts from Government monopolies. The Sino-Japanese incident has cemented more closely the political and economic relations with Japan. This intimate amity is the lever of the rapid development of Manchoukuo. It will be the most important problem of the coming years to continue this development, with as much independence from Japanese assistance as possible.

Loans Outstanding.—As at the end of 1938 there was a total of M¥858,918,000 of national loans and borrowings outstanding. Of this amount M¥346,750,000 was represented by external loans and borrowings from Japan.

Table 4. National Loans & Borrowings Outstanding

(M¥1,000)

	Bonds			Borrowings			
	Internal	External	Total	Internal	External	Total	Grand Total
1936 (Dec.)	92,675	154,000	246,675	61,700	16,100	77,800	324,475
1937 (June)	118,175	179,000	297,175	42,500	14,100	56,600	353,775
1938 (June)	298,175	243,000	541,175	62,555	14,000	76,553	617,730
1938 (Dec.)	348,175	334,250	682,425	164,493	12,000	176,493	858,918

Table 5. Domestic and External (Japanese) Loans of The Manchoukuo Government

(January, 1939)

	Amount issued (M¥1,000)	Outstanding (M¥1,000)	Rate (%)	Date of issue	Date of redemption
Domestic:					
1st 5% Loans (1)	33,000	33,000	5.0	Apr. 26, 1933	Apr. 25, 1943
Old Regime Debts Readjustment	5,998	5,998	3.0	Sept. 27, 1933	June 30, 1953
1st 6% Loans (2)	11,928	11,928	6.0	Dec. 26, 1933	Dec. 25, 1983
2nd 5% Loans (3)	3,599	3,599	5.0	Apr. 30, 1934	Apr. 30, 1944
National Foundation Grant Loans	8,150	8,150	5.0	July 3, 1935	July 3, 1960
Imperial Property Loans	5,500	5,500	4.0	Apr. 1, 1937	Apr. 1, 1987
1st 4% Loans (1)	30,000	30,000	4.0	Nov. 20, 1936	Nov. 20, 1946
2nd " " (1)	20,000	20,000	4.0	May 15, 1937	May 14, 1947
3rd " " (4)	80,000	80,000	4.0	Dec. 1, 1937	Dec. 1, 1947
4th " " (4)	100,000	100,000	4.0	Mar. 3, 1938	Mar. 2, 1948
5th " " (4)	50,000	50,000	4.0	Dec. 26, 1938	Dec. 26, 1948
Total Domestic Loans	**348,175**	**348,175**	—		
Japanese Loans:					
National Foundation Loans	G¥ 30,000	G¥18,000	5.0	Jan. 10, 1933	Jan. 10, 1940
¥ 4% Loans (4)	10,000	10,000	4.0	Aug. 20, 1934	Aug. 20, 1947
1st N. Manchuria Ry. Loans	30,000	30,000	4.0	Apr. 25, 1935	Apr. 25, 1945
2nd " "	30,000	30,000	4.0	Aug. 15, 1935	Aug. 15, 1945
3rd " "	30,000	30,000	4.0	Feb. 5, 1936	Feb. 5, 1946
4th " "	30,000	30,000	4.0	Aug. 1, 1936	Aug. 1, 1946
5th " "	50,000	50,000	4.0	Feb. 1, 1937	Feb. 1, 1947
1st Industrial Loans	25,000	25,000	4.0	Aug. 20, 1937	Aug. 20, 1947
2nd " "	20,000	20,000	4.0	Mar. 25, 1938	Mar. 25, 1948
Total Japanese Loans	**255,000**	**255,000**	—		
GRAND TOTAL	**603,175**	**603,175**	—		

Note: (1) Depreciation fund for dead assets taken over from the former Provincial Banks.
(2) Purchasing of the three railways.
(3) Betterment of treatment of former Customs Officers.
(4) Investment.

TAXATION

A comprehensive picture of the internal tax system in Manchoukuo is given in an accompanying table. A number of the taxes innumerated in the table require some explanation. The Government considered until the fiscal year 1938 the time still premature to introduce a general income tax. Therefore, what is called a Profit Tax has been adopted instead. This tax is divided into two classes, the General Profit Tax and the Special Profit Tax. Under the former there is a Labor Service Income Tax, imposed on incomes derived from labor services; a Free Occupation Tax, based upon the profits from free occuational services; a House Tax on profit from houses; a Land Tax on profit from land, especially arable land; a Business Tax on profits earned by private businesses; and a Corporate Business Tax on the profits earned by business corporations or groups which may be considered business corporations. The Special Profit Tax is imposed to meet the situation resulting from the lack of a general income tax. It is intended to be complementary to the land and business taxes of the general profit class so as to secure a rational adjustment of the tax burden on tax payers under these heads.

The Ore Output Tax is imposed on mineral ores produced within the country and is intended to be complementary to the land tax. The Mining Area Tax is imposed on the holders of mining rights on the basis of mining areas, while the Mineral Output Tax is a levy on mining rights on the basis of mineral production, and is intended to be complementary to the business tax. The Opium Special Tax is intended to be complementary to the land tax and is imposed on the area of land under opium poppies in Jehol and Hsingan West Provinces.

Among the above mentioned taxes on profit, additional taxes are imposed on the following activities; the Labor Service Income Tax, the Corporate Business Tax, the Ore Output Tax, the Mining Area Tax, the Mineral Output Tax, and the Opium Special Tax. The receipts from these additional levies are appropriated by the provinces to help meet their local expenses. At the same time, the municipalities, districts and banners are authorized to impose additional

taxes on the basis of the Free Occupation Tax, the House Tax, or the Business Tax. These provincial and local rates are generally fixed below 50 per cent of the State rates so as to prevent the burden on the tax payer from becoming too excessive.

There are also Taxes on Consumption which fall into six categories. The aggregate receipts from these taxable sources amount to about 42 per cent of the total receipts from internal taxes. They thus occupy an important position in the country's fiscal structure. In addition, there are the State monopolies of salt, petroleum, alcohol, opium and matches. In a sense these monopolies assume the character of levies on consumption.

The Alcoholic Liquor Tax is collected from manufacturers on the basis of volume and according to classes. The Cigar and Cigarette Tax is levied on these products according to value and volume, the charges being made against the manufacturers. Of tobacco products other than cigars and cigarettes, a Tobacco Tax is levied on cut and leaf tobacco which is collected from the growers and manufacturers respectively. A Cotton Goods Consolidated Tax, according to the denier of yarn and weight, is collected from the manufacturers when the goods are taken from the factory. A Wheat Flour Consolidated Tax is imposed on wheat flour according to weight, collection being made from the manufacturer against shipment from the mill. Finally, there is a Cement Tax, imposed according to weight, charged to the manufacturer against shipment from factory.

Miscellaneous taxes are divided into twelve classes. The Land Utility Tax is imposed on those who own real estate or hold leases or mortgages from which profits are derived. A Document Tax is levied on various kinds of documents and books which record the establishment, removal, loss, alteration and recognition of rights of property. The fees are paid by the maker of such records through the purchase of stamps. A similar Registration and Record Filing Tax is collected from applicants for the registration and recording of the acquisition, loss, or change of property rights in real estate or other forms, as well as any changes in the applicants personal status which must be registered and filed on record in the official books legally prescribed for this purpose. All transactions in securities are subject to the Bourse Tax (exclusive of national bonds), as well as merchandise for which marginal settlements are possible.

Table 6. Internal Tax System of Manchoukuo

- Internal Tax
  - General Profit
    - Labor Service Tax
    - Free Occupation Tax
    - House Tax
    - Land Tax
    - Business Tax
      - Corporate Business Tax
      - Business (Private)
  - Special Profit
    - Ore Output Tax
    - Mining Tax
      - Mining Lot Tax
      - Mineral Output Tax
    - Opium Tax
- Internal Tax
  - Consumption Tax
    - Alcoholic Liquor Tax
    - Cigarette & Cigar Tax
    - Tobacco Tax
    - 3 Consolidated Tax
      - Cotton Goods Tax
      - Wheat Flour Tax
      - Cement Tax
  - Current Tax
    - Contract Tax
    - Mining Registration Tax
    - Commercial " "
    - Patent " "
    - Design " "
    - Factory " "
    - Vessel " "
    - Immovable Property " "
    - Revenue Stamp "
    - Bourse "

MARITIME CUSTOMS

The maritime customs under the former regime in Manchuria were one of the so-called foreign managed systems which had developed throughout China. They were therefore in a far more orderly condition as compared with the system of internal taxation which prevailed. It

was indeed fortunate for Manchoukuo that it could from its first day take over what had been achieved in this respect. Nevertheless, as might be expected, from the important position that the customs were to assume in the State's public finance later, the new Government was confronted with many problems in adjusting the foreign customs to the new administrative system, especially from the standpoint of industrial development. There was also the problem of expanding the network of customs houses in relation to the newly defined border lines and the training of personnel. These problems were met by a series of adjustments between 1932 and 1935, but the changes were hardly more than modifications of the former system. In the second period of adjustment after 1937 when Manchoukuo embarked upon vigorous construction, the customs tariff system could not remain unaffected. Sweeping changes therefore were carried out in January, 1938, through the Customs Tariff Law.

The export and import tariff schedule taken over from the former regime contained many unsatisfactory features. For example, the rates on a number of commodities were altogether out of proportion to the requirements of the country. Other rates were emphatically anti-foreign in motive, while others were contradictory to the industrial policies of the country.

This situation naturally called for early adjustment, but fundamental changes had to be made with caution and prudence. As a result, a moderately progressive policy of adjustment was pursued. In the early period from July, 1933 to November, 1935, the export rates were revised three times and the import rates were revised twice, but these still contained a number of objectionable and unsatisfactory features. The Government laid plans for further and more thorough-going changes which were finally put into effect with the complete revision of the customs tariff in January, 1938, aimed at equalizing the burden on the consuming public and securing sources of national revenue. The new schedule was introduced in the form of a list appended to the customs tariff law, and the new tariff has met with general approval.

In addition, it was also necessary to extend the network of custom houses not only as far as the Great Wall but also toward North Chosen (Korea) in consequence of the demarcation of the border lines. Manchoukuo customs houses have been opened at the three ports of Yuki, Rashin and Seishin, where facilities have been provided for trade with Japan and European countries.

Moreover, in order to handle transactions with foreign countries which have interests in Manchoukuo, internal custom houses have been provided at Mukden, Hsinking and Harbin, where, with the completion of the system of bonded institutions, facilities for internal trade have been provided.

There are at present custom houses at Dairen, Antung, Yingkow, Mukden, Hsinking, Harbin, Tumen and Shanhaikwan, along with 11 branch customs houses, 3 agency offices, and 54 sub-offices. Thus the country is now provided with a fairly complete structure for customs administration.

Table 7. Revenue from Customs

(In M¥1,000)

Year	Import Duty	Export Duty	Re-export Duty	Special Relief Duty	Total incl. Others
1932	25,493	11,942	2,491	2,052	51,949
1933	57,260	13,776	1,054	2,936	75,026
1934	69,861	12,261	965	3,149	86,227
† (July-Dec.)	38,592	6,175	7	1,568	43,384
1936	69,085	12,051	213	2,925	93,228
*1937 (Budget Estimate)	72,827	13,351	213	3,198	89,589
*1938 (" ")	85,156	10,769	474	....	96,398
*1939 (" ")	95,144	11,729	632	....	107,511

Table 8. Former Chinese Foreign Loans

Secured by Customs Revenue:	
18,983,860 Pounds Sterling:	M.¥ 298,737,264
Secured by Salt Gabelle:	
66,699,598 Pounds Sterling.	1,049,664,913
104,525,481 Gold Dollars....	319,158,103
993,092 Florins	1,064,993
Total	M.¥1,668,624,973

Simplification of Duties

The Government has sought to obtain a simpler classification of duties and a less burdensome and perplexing system of rates. Steps toward such changes were made in 1934 by clarifying the objects subject to duty and by revising certain duties which had in reality amounted to

CHAPTER XII

BANKING & CURRENCY

BANKING

The banking system of Manchoukuo is identical in its basic features with that of Japan. Great progress in unifying banking practices has been witnessed in the years since the establishment of the new state in 1932. The formation of the Central Bank of Manchou in 1932 and that of the Industrial Bank of Manchou in 1936 brought solidity to monetary circles in Manchoukuo, which have been reflected in the rapid development of commercial and industrial undertakings. Japanese influence in banking is predominant and this fact has acted as a stabilizing force. Loans and deposits of the various banks have generally tended to increase in a significant manner.

Bank deposits in June 1939 amounted to M¥1,204,515,000 of which M¥926,089,000 was accounted for by the Central Bank and the Industrial Bank of Manchou. Loans were M¥1,444,818,000, of which M¥984,781,000 were credited to the aforementioned two special banks.

Table 1. Deposits & Loans of Financing Organs in Manchuria

(In M¥1,000)

(A) Deposits

	Central Bank of Manchou	Industrial Bank of Manchou	Ordinary Banks	Japanese Banks	Chinese Banks	European Banks	Total
1935 (Dec.)	151,934	——	11,364	382,157	34,411	14,568	594,934
1936 (June)	187,966	——	14,192	364,444	35,620	13,697	615,918
" (Dec.)	225,582	——	13,042	444,249	25,918	12,447	721,238
1937 (June)	248,624	211,137	17,056	167,602	25,564	11,692	681,674
" (Dec.)	265,580	244,270	32,676	132,785	20,184	16,233	711,728
1938 (June)	303,784	331,336	36,291	133,530	17,368	22,299	847,071
" (Dec.)	386,849	388,150	47,912	132,584	15,338	16,528	987,361
1939 (June)	457,539	529,300	67,938	183,512	16,272	15,702	1,204,514

	Credit Assn.			Postal Savings			
	Kinyu Gassaku-sha	Kinyu Kumiai	Kinyu Kai	Manchou side	Japanese side	Total	Grand Total
1935 (Dec.)	2,103	5,682	——	2,336	44,771	47,107	**649,826**
1936 (June)	5,302	6,447	1,458	4,729	47,989	52,718	**681,842**
" (Dec.)	5,783	6,938	1,630	7,107	49,670	56,777	**792,365**
1937 (June)	10,960	8,281	2,282	11,340	52,483	63,824	**767,019**
" (Dec.)	11,138	9,818	2,120	17,304	56,836	74,140	**808,945**
1938 (June)	16,397	12,280	2,573	35,789	57,310	93,099	**971,420**
" (Dec.)	19,829	15,095	3,076	51,613	57,941	109,555	**1,134,916**
1939 (June)	31,692	18,554	4,161	77,285	57,916	135,201	**1,394,122**

(B) Loans

	Central Bank of Manchou	Industrial Bank of Manchou	Ordinary Banks	Japanese Banks	Chinese Banks	European Banks	Total
1935 (Dec.)	169,782	——	32,103	307,485	22,194	27,191	558,755
1936 (June)	156,941	——	30,253	299,667	18,234	25,136	530,231
" (Dec.)	197,360	——	36,586	368,012	23,540	24,457	649,954
1937 (June)	180,299	186,284	39,846	142,339	21,152	20,641	590,563
" (Dec.)	212,569	253,995	57,288	162,917	17,866	30,070	739,705
1938 (June)	245,961	288,528	67,982	219,660	17,926	26,806	866,862
" (Dec.)	419,937	412,419	71,800	290,223	14,901	22,247	1,231,588
1939 (June)	457,539	527,242	82,845	349,770	14,928	12,493	1,444,818

	Credit Associations				Grand Total
	Kinyu Gassaku-sha	Kinyu Kumiai	Kinyu Kai	Total	
1935 (Dec.)	6,328	7,121	3,097	16,546	**575,301**
1936 (June)	10,942	7,846	4,773	23,560	**553,791**
" (Dec.)	8,905	9,860	4,186	22,951	**672,906**
1937 (June)	25,142	11,605	6,145	42,893	**633,455**
" (Dec.)	15,099	12,664	4,879	32,641	**772,347**
1938 (June)	50,103	14,151	8,709	72,964	**939,826**
" (Dec.)	27,153	14,596	7,744	49,492	**1,281,080**
1939 (June)	111,215	17,839	15,211	144,265	**1,589,083**

Central Bank of Manchou

The Central Bank of Manchou was established on June 11, 1932. It is legally a joint-stock company organized by the Government and the people, but heretofore investments have been made only by the Government. The capital of 30,000,000 yuan, which consists of 300,000 shares of 100 yuan each, may be increased by resolution of shareholders with the approval of the Government. The following three objectives were laid out in the formation of the Central Bank of Manchou:—

(1) To unify and stabilize the currency.

(2) To function not only as a central banking institution for Manchoukuo, but also to engage in general banking business and in giving necessary aid to enterprises;

(3) To effect the unity and control of the monetary system, to perfect the various financial organs, and to assist in the development of the credit system.

The main business of the Central Bank of Manchou consists of the following:

(1) To discount or purchase Government bills.

(2) To make loans on the security of gold or silver bullion, or of foreign money.

(3) To receive money on deposit, and to make overdraft.

(4) To buy and sell gold and silver bullion, and foreign money.

(5) To take charge of gold and silver bullion, foreign money, precious articles, bills and bonds, etc.

(6) To make loans on the security of Government bills, or other bills or bonds guaranteed by the Government.

(7) To make loans generally on safe security.

(8) To collect money on bills for banks and firms having accounts with the Bank.

(9) To draw cheques and documentary drafts.

Besides the above the Bank is authorized to purchase national bonds, provincial bills and bonds, also valuable papers specified by the Government.

Table 2. Principal Accounts of the Central Bank of Manchou

(In M¥1,000)

	Capital				Deposits	
	Authorized	Paid-up	Reserves	Notes issued	Gov't deposits	General deposits
1932 Dec.	30,000	22,500	...	151,865	20,258	20,032
1933 June	30,000	22,500	120	112,263	53,079	43,934
" Dec.	30,000	15,000	285	129,223	32,852	38,674
1934 June	30,000	15,000	525	100,540	54,867	72,311
" Dec.	30,000	15,000	777	168,332	51,210	50,160
1935 June	30,000	15,000	1,050	113,692	73,476	63,870
" Dec.	30,000	15,000	1,380	178,655	73,734	78,199
1936 June	30,000	15,000	1,730	133,864	99,864	88,101
" Dec.	30,000	15,000	2,080	254,243	113,576	112,005
1937 June	30,000	15,000	2,430	178,728	108,875	139,749
" Dec.	30,000	15,000	2,880	307,489	133,095	132,485
1938 June	30,000	15,000	3,330	274,634	133,933	169,850
" Dec.	30,000	15,000	3,780	425,738	164,631	222,218
1939 June	30,000	15,000	5,030	387,887	140,801	250,988

(Continued)	Debts	Advances: Advance to Gov't	Advances: General advance	Securities	Bullion & foreign currencies
1932 Dec.	21,212	23,500	100,427	44,709	24,214
1933 June	20,202	19,100	89,767	48,106	17,498
" Dec.	18,264	19,100	84,798	50,320	27,985
1934 June	18,348	19,100	90,904	57,289	37,080
" Dec.	20,669	24,600	140,492	58,973	38,538
1935 June	17,307	34,746	112,736	58,653	40,490
" Dec.	18,000	52,946	118,054	60,050	50,448
1936 June	16,000	51,256	105,684	53,441	44,294
" Dec.	16,000	61,700	135,659	88,588	43,423
1937 June	14,000	42,500	137,799	99,372	46,738
" Dec.	14,000	36,855	175,714	194,134	54,012
1938 June	12,000	32,555	213,406	269,738	27,959
" Dec.	12,000	109,493	310,504	323,950	107,468
1939 June	10,000	109,493	348,046	315,426	60,452

Industrial Bank of Manchou

The Industrial Bank of Manchou was established on December 7, 1936 with a capital of ¥30,000,000 in accordance with the Industrial Bank of Manchou Law promulgated on December 3, 1936, and opened to business on January 1, 1937. A half of the capital is paid up (the subscription of this amount being taken up evenly by the Government of Manchoukuo and the Bank of Chosen). The Bank was organized by the amalgamation of the branch offices of the Bank of Chosen and the head and branch offices of the Bank of Manchou and the Bank of Shoryu, numbering over 50. It has for its object securing the smooth circulation of money and supplying funds necessary for the opening up of industry. For the attainment of the purpose the Bank makes long term and low interest loans not only to commerce but also to the manufacturing and all other industries. To carry out such a type of business the Bank cannot rely on deposits alone for the resources. For this reason it is authorized by the Government to issue Industrial Debentures to the extent of fifteen times the amount of the paid-up capital. In case such debentures are issued abroad, the Government will guaranty the payment of the principal and interest thereon. This is one of the most important privileges granted to the Bank in order to facilitate the securing of long-term credits. Thus, with the organization of the Industrial Bank of Manchou the system of long-term credit was firmly established. Besides maintaining long-term loans, the Bank carries on almost the same line of business as is done by commercial banks. Therefore, the Bank is open to conduct all the items of business which were done by the Bank of Chosen, the Bank of Manchou and the Bank of Shoryu, namely, discounting and negotiating bills of exchange, advancing money on the security of reliable things or for reliable guaranty, receiving various deposits, representing bills for collection for their clients. The Bank is able to subscribe to or take up the issue of local or company debentures which are intended to open up industry in Manchoukuo. In addition, the Bank is entitled to finance the enterprise of a joint-stock company by subscribing to or by taking up the issue of its shares with approval of the Minister of Finance.

With approval of the Minister of Finance the Bank may also advance money without security to a corporation intended for the public benefit, or a juridical person or association conducting industry without profit gaining purposes, or a company with the object of opening up industry in Manchoukuo.

The Bank has its head office in Hsinking and 36 branches and 12 agencies as in January, 1939.

Table 3. Principal Accounts of the Industrial Bank of Manchou

(In M¥1,000)

	Authorized capital	Reserves	Debentures issued	Deposits	Debts
1937 June	30,000	...	...	210,917	74,224
" Dec.	30,000	350	...	243,478	94,520
1938 June	30,000	925	1,995	331,336	100,601
" Dec.	30,000	1,535	15,987	388,483	113,724
1939 June	30,000	2,145	28,975	529,300	92,748

(Continued)	Paid up Capital	Advances	Securities	Deposits to Central Bk.	Cash on hand
1937 June	15,000	186,284	75,394	31,027	3,535
" Dec.	15,000	258,994	81,203	11,294	3,947
1938 June	15,000	288,527	150,213	4,843	7,884
" Dec.	15,000	412,419	120,616	10,865	
1939 June	15,000	527,242	120,481	31,928	

Banking Law.—The Banking Law of Manchoukuo was promulgated on November 9, 1933. The full text of the Law will be found on page 743, Japan-Manchoukuo Year Book, 1938 issue.

Ordinary Banks

Under the former regime, the financial facilities in Manchuria used to be in an extremely disorderly condition, with neither connection or cooperation between them nor any Government control over them—a situation which greatly inconvenienced the inhabitants and seriously impeded the industrial development of the coutnry. Under these circumstances, the Manchoukuo Government, recognizing the urgent necessity of exercising proper control over the disorderly financial facilities for the benefit of the public as well as for promoting the sound development of industries, promulgated the Banking Law on November 9, 1933. This Law stipulated that all financial facilities engaging in (1) accepting deposits and making advances or discounting of bills in addition, and (2) transactions in exchange, will be regarded as banks and will have to obtain the necessary permit from the Minister of Finance to carry on banking business. Thus, "yinchang", "chienpu" and 'yinlu", being treated as banks, were required to obtain the Finance Minister's permit. As their organization is imperfect and not a few of them possess small capital, every possible assistance is being given by the Government to these newly recognized banks with a view to facilitating their development and to improving the situation in the country thereby.

Table 4. Statistics of Deposits & Loans (Excluding Central Bank of Manchou)

(A) Deposits Classified

(Unit: M¥1,000)

Banks		Other Bank's Money	Government's Money	Fixed Deposits	Current Deposits	Special Current	Notice	Total Deposit
Industrial Bank of Manchou	1937 June..	32,980	815	79,919	29,973	30,231	32,194	210,918
	" Dec. ..	36,384	15,020	85,564	38,588	32,297	30,910	243,478
	1938 June..	37,262	17,486	85,503	52,752	40,414	88,645	329,509
	" Dec. ..	41,779	19,691	115,037	77,605	48,851	78,849	384,664
	1939 June..	....	....	168,857	101,699	48,776	86,336	429,020
Ordinary Banks	1937 June..	....	....	6,002	6,698	3,189	360	17,056
	" Dec. ..	508	113	6,222	8,372	4,382	828	22,515
	1938 June..	1,072	114	21,196	11,449	8,744	1,484	45,696
	" Dec. ..	1,120	125	16,215	16,854	12,224	1,607	49,546
	1939 June..	....	....	17,906	24,958	15,195	1,796	62,009
Japanese Banks	1937 June..	....	....	55,179	67,445	8,014	29,573	161,261
	" Dec. ..	55,635	3,959	34,803	22,495	9,641	15,128	142,856
	1938 June..	40,255	5,496	32,731	25,474	6,877	16,465	128,098
	" Dec. ..	29,620	6,412	41,382	32,834	13,171	22,539	146,380
	1939 June..	....	....	60,608	59,304	12,986	46,010	179,708
Chinese Banks	1937 June..	....	——	13,517	5,657	4,910	73	25,549
	" Dec. ..	1,079	——	10,561	3,134	4,124	50	20,274
	1938 June..	605	——	9,083	2,747	3,352	126	17,487
	" Dec. ..	310	——	8,488	3,785	3,423	175	17,560
	1939 June..	....	....	6,811	4,371	3,197	455	15,764
European Banks	1937 June..	——	——	1,966	7,062	2,699	180	12,023
	" Dec. ..	——	——	1,213	11,016	2,419	1,248	16,031
	1938 June..	——	——	1,562	17,516	2,361	356	22,052
	" Dec. ..	——	——	1,771	10,085	2,047	77	14,046
	1939 June..	....	....	2,455	10,468	2,189	405	15,702
Total	1937 June..	32,980	815	156,582	116,835	49,042	62,381	426,806
	" Dec. ..	93,608	19,091	138,364	83,605	52,863	48,164	445,152
	1938 June..	79,195	23,096	150,075	109,938	61,749	107,076	542,841
	" Dec. ..	72,830	26,228	182,893	141,164	79,716	102,748	612,196
	1939 June..	....	....	256,638	200,801	82,343	135,003	702,203

(B) Loans Classified

(M¥1,000)

			Advances to Other Banks	Advances to Public Bodies	General Advances	Overdrafts	Bills Discounted	Total
Industrial Bank of Manchou	1937	June	17,650	4,517	123,380	29,716	11,020	186,284
	"	Dec.	17,700	10,494	161,434	47,002	22,366	258,995
	1938	June	17,380	15,927	178,883	54,702	21,639	288,531
	"	Dec.	16,985	25,633	243,362	94,264	32,239	412,484
	1939	June	....	....	341,285	55,286	20,166	464,885
Ordinary Banks	1937	June	....	....	28,373	9,667	1,806	39,847
	"	Dec.	687	25	27,980	8,592	2,612	41,033
	1938	June	403	37	49,505	13,608	3,742	68,331
	"	Dec.	1,242	12	52,992	12,476	4,445	73,339
	1939	June	....	....	52,389	13,759	5,135	73,217
Japanese Banks	1937	June	....	....	47,602	27,610	56,958	132,170
	"	Dec.	8,367	2,455	47,576	50,415	113,246	220,083
	1938	June	15,013	2,440	41,502	48,304	117,934	225,197
	"	Dec.	13,801	2,890	66,068	105,755	169,574	358,088
	1939	June	....	....	118,648	109,480	114,366	345,663
Chinese Banks	1937	June	....	——	9,068	6,068	3,063	21,199
	"	Dec.	349	——	3,154	7,770	2,403	17,679
	1938	June	413	——	3,680	8,717	1,523	18,068
	"	Dec.	391	——	3,372	7,953	3,280	18,750
	1939	June	....	——	4,042	6,344	873	13,801
European Banks	1937	June	....	——	6,107	15,149	4,594	21,849
	"	Dec.	2,355	——	3,135	13,520	9,230	29,187
	1938	June	974	——	4,557	14,873	4,996	25,590
	"	Dec.	569	——	2,933	12,513	2,963	19,139
	1939	June	....	——	4,493	7,145	804	12,442
Total	1937	June	17,650	4,517	210,530	91,210	77,442	401,350
	"	Dec.	29,478	12,974	243,280	127,700	149,957	568,976
	1938	June	34,182	18,404	278,130	140,203	149,834	625,715
	"	Dec.	32,988	28,535	368,727	232,960	212,503	881,799
	1939	June	....	....	520,857	192,014	141,344	910,001

Table 5. Principal Banks in Manchoukuo

(1939)

	Head Office	Capital (M¥1,000)	No. of Branches	No. of Sub-branches	No. of Agents
Special Banks:					
Central Bank of Manchou	Hsinking	M¥30,000	4	142	..
Industrial Bank of Manchou	"	30,000	36	12	..
Domestic Banks:					
Mukden Commercial & Industrial Bk.	Mukden	2,200	1	3	2
Mukden Commercial Bank	"	1,000	1	3	2
Mukden Exchange Bank	"	1,000	1	—	—
Shihhokung Bank	"	500	—	—	—
Nikka Bank	Tiehling	500	—	1	—
Yingkow Commercial Bank	Yingkow	1,000	—	—	1
Chenhsing Bank	"	1,175	—	—	1
Kungcheng Bank	Kirin	1,000	2	—	16
Eastern Frontier Commercial Bank	Antung	2,500	—	—	—
Hsiehcheng Bank	"	1,000	—	—	1
Mutankiang Commercial Bank	Mutankiang	500	1	—	—
Kengtsu Bank	Harbin	500	2	—	—
Futeh Bank	"	500	14	—	—
Chungtai Bank	"	500	3	—	—
Tienho Bank	"	500	13	—	—
Harbin Commercial Bank	"	500	—	—	—
Ifa Bank	Hsinking	1,000	2	—	14
Itung Commercial Bank	"	1,000	2	—	5
Hsinking Bank	"	1,000	—	—	1
Japanese Banks:					
Yokohama Specie Bank	Japan	¥100,000	4	1	—
Oriental Development Co.	"	50,000	4	1	—

	Head Office	Capital (M¥1,000)	No. of Branches	No. of Sub-branches	No. of Agents
Other Banks:					
Bank of China	China	S$40,000	1	9	6
Bank of Communications	"	10,000	1	6	1
Hongkong Shanghai Bank	Hongkong	HT50,000	1	—	1
Chartered Bank of India, Australia & China	London	£3,000	1	—	—
National City Bank of N.Y.	U.S.A.	US$127,500	1	—	—

Foreign Banks

Several influential foreign banks, representing chiefly Japanese, British, American and Chinese interests are located in Manchoukuo. By far the most important are the Japanese banks. In June, 1939 deposits in Japanese banks in Manchoukuo and Kwantung Province aggregated over 183 million yen as compared with roughly 15 million yen for European and American banks combined and 16 million yen for Chinese banks.

Popular Financial Organs

Pawn-shops.—As a financial organ of the masses, pawn-shops called "tangpu" are extensively utilized and are as influential as the ordinary banks. An investigation made by the Central Bank of Manchou in May 1939 of 217 out of 1,056 pawn-shops, showed that their total outstanding advances amounted to the sum of M¥54,020,276, which compared with that of the same period of 1938, showed an increase of M¥16,996,227. The Central Bank of Manchou, on the occasion of its establishment, amalgamated the three old provincial banks and the Frontier Bank, which managed many subsidiary enterprises, including pawn-shops. In June 1933, a year after its establishment, the Central Bank founded a corporation named the Tahsing Company to engage chiefly in pawn-broking. To this new company was transferred all the pawn-shops operated and controlled by the old banks. By making advances to this new concern, the Central Bank indirectly controls the business of the pawn-shops throughout the country.

Rural Credit Association.—During the former regime, there were no officially recognized rural credit organs, and the peasants who comprised 80 per cent of the population, were exploited by usurers, "liangchan" (houses engaged in the wholesale business and warehousing of cereals), and dealers in sundry goods, whose exorbitant terms on loans were beyond expression. Simultaneous with the drastic fall in prices of agricultural products after the world-wide economic depression, the way for advancing funds to the farming population was blocked, and thereby the development of the agricultural industry was seriously impeded.

Various plans for rehabilitation of the impoverished farming communities by supplying them with funds were studied by the Manchoukuo authorities and it was decided that the establishment of rural credit associations was, in view of the conditions existing in Manchuria, the most suitable policy. As a result, the Government experimentally established two Rural Credit Associations in Fengtien Province in 1933, one each in Shenyang-hsien and Fuhsien. The experiment turned out to be most encouraging and many similar associations have been founded since in various parts of the country. The success of these organizations led the Government to promulgate the Law Governing Rural Credit Associations in September 1934, and the Federation of Rural Credit Associations was established in Hsinking under the new Law as a guiding financial organ for the Associations. The Rural Credit Associations are corporate juridical persons whose members are composed of farmers living in fixed areas. According to the Law Governing Rural Credit Associations, the nature of their business and their organization are as follows:

1. Business:
   - (a) Advancing necessary funds to the members for their economic rehabilitation, the amount being up to 200 yuan in case of loans without collateral, and up to 500 yuan in case of loans on security.
   - (b) Receiving deposits from the members.
   - (c) Receiving fixed deposits from the members.
2. Organization
   - (a) Authorization of the Minister of Finance to be necessary for their establishment after legal formalities have been taken.
   - (b) Each member to be required to invest a fixed amount (from 5 yuan to 30 yuan). Each member, however, to be given equal voting right.
   - (c) General assembly of the members to

be held so as to act as the highest organ for the execution of their business.

(d) The Minister of Finance to supervise the general affairs of the Associations.

In other words, the Rural Credit Associations, conforming to the spirit of mutual assistance of the members, hope to develop and improve rural economy through financial aid. With much zeal the Manchoukuo Government is endeavouring to promote the development and popularization of these organizations by granting subsidies and making loans to them, as well as by decreeing the Central Bank of Manchou to render financial assistance to the Federation of Rural Credit Associations. According to an investigation made by the Central Bank of Manchou, there were 125 such Associations at the end of June, 1939, with a total membership of 1,305,227. The amount of advances made by these Associations aggregated M¥111,215,000.

Table 6. Other Financing Organs (Credit Associations and Unions)

(Amount in M¥1,000)

(A) Kinyu Gassakusha

Dec.	No. of Assn.	Membership	Capital	Loans	Deposits Total	Deposits Index*	Advances Total	Advances Index*
1934	13	15,307	157	1,444	457	10	1,747	18
1935	82	86,975	465	6,300	2,103	46	6,328	64
1936	103	142,823	761	7,312	5,783	127	8,905	91
1937	107	234,439	1,217	12,444	11,138	244	15,099	154
1938	126	514,468	2,030	23,378	19,829	435	27,153	276
1939 (June) ...	125	1,305,227	3,703	101,355	31,692	695	111,215	1,130

(B) Kinyu Kumiai

Dec.							
1934	22	12,241	999	2,302	4,858	78	6,066	74
1935	22	13,624	1,160	2,350	5,682	91	7,348	90
1936	22	15,022	1,316	3,560	6,938	111	9,860	121
1937	22	16,502	1,465	4,700	6,818	158	12,664	155
1938	25	20,290	1,054	4,807	15,095	242	14,596	179
1939 (June) ...	25	22,190	1,622	4,994	18,554	298	17,839	215

(C) Kinyu Kai

1936	29	62,114	747	2,782	1,630	117	4,186	97
1937	35	78,007	931	3,467	2,120	152	4,879	113
1938	38	86,723	1,047	5,974	3,076	220	7,744	180
1939 (June) ...	38	107,683	1,184	12,616	4,161	299	15,211	350

Note: * Monthly average of 1936 taken as 100.

Monetary Advances to Industries

Advances to the industries of Manchoukuo by the various monetary organs amounted to M¥1,589,083,000 showing an increase of roughly ¥659,000,000 in June, 1939 as compared with the same period of 1938. Loans were largest to the commercial enterprises, followed by the agricultural industry. A notable trend was the increasing activity of the credit associations, and the advent of the Industrial Bank of Manchou whose advances amounted to M¥395,498,000 in June, 1939. Advances by European and American banks, combined, showed a considerable decrease in 1938 over 1937.

Table 7. Loans Classified By Purposes

(M¥1,000)

		Commerce	Industries	Agriculture	Mining	Others	Total
Industrial Bank of Manchou	1937 June ...	118,692	24,178	2,042	....	41,370	186,284
	" Dec. ...	137,680	44,270	2,578	1,921	54,845	241,294
	1938 June ...	126,352	63,680	2,882	5,410	72,826	271,151
	" Dec. ...	170,234	110,714	6,849	8,111	99,590	395,498
Ordinary Banks	1937 June ...	30,574	3,275	435	....	5,562	39,847
	" Dec. ...	32,429	4,486	364	11	3,057	40,347
	1938 June ...	55,952	6,680	686	47	4,562	67,928
	" Dec. ...	59,362	8,050	605	43	4,035	72,097

		Commerce	Industries	Agriculture	Mining	Others	Total
Japanese Banks	1937 June ...	122,248	3,085	1,743	....	5,095	132,170
	" Dec. ...	196,053	9,770	1,678	30	6,164	213,696
	1938 June ...	193,128	11,161	1,249	33	4,645	210,183
	" Dec. ...	325,277	13,437	1,316	——	4,357	344,287
Chinese Banks	1937 June ...	16,957	1,069	194	——	2,979	21,199
	" Dec. ...	12,730	817	270	——	3,512	17,330
	1938 June ...	13,192	1,018	245	——	3,199	17,654
	" Dec. ...	14,239	906	262	——	2,952	18,359
European Banks	1937 June ...	20,868	833	——	——	148	21,849
	" Dec. ...	21,173	841	——	——	4,817	26,832
	1938 June ...	19,879	869	——	——	3,868	24,616
	" Dec. ...	13,835	898	——	——	3,837	18,570
Total	1937 June ...	309,338	32,441	4,413	....	55,157	401,350
	" Dec. ...	400,065	60,185	4,892	1,962	72,394	539,499
	1938 June ...	408,504	83,409	5,063	5,458	89,100	591,533
	" Dec. ...	582,946	134,006	3,933	8,154	114,772	848,811
	%	68.9%	15.8%	0.5%	1.0%	13.5%	100%

Postal Savings

Postal savings in Manchoukuo have risen with marked strides in recent years. Total deposits at the end of June, 1939 amounted to M¥77,285,000 in Manchoukuo and M¥57,916,000 in Kwantung.

Table 8. Statistics of Postal Savings

	Manchoukuo Side: Amount of deposits (¥1,000)	Manchoukuo Side: Amount of Withdrawals (¥1,000)	Manchoukuo Side: End of year: No. of depositors	Manchoukuo Side: End of year: Amount of deposits (¥1,000)	Manchoukuo Side: Deposits per capita (Yen)	Japanese Side: Amount of deposits (¥1,000)	Japanese Side: Amount of Withdrawals (¥1,000)	Japanese Side: End of year: No. of depositors	Japanese Side: End of year: Amount of deposits (¥1,000)	Japanese Side: Amount of deposits per capita (Yen)
1933 ...	401	184	10,769	217	20.14	....	....	378,764	32,671	86.25
1934 ...	1,319	918	21,314	631	29.61	38,769	32,108	437,636	38,249	87.40
1935 ...	4,005	2,300	72,675	2,336	32.14	45,161	38,622	522,879	44,771	85.62
1936 ...	11,211	6,438	103,909	7,107	68.39	47,918	42,319	595,031	50,019	84.06
1937 ...	22,628	13,146	204,643	17,304	84.50	47,480	41,032	664,559	57,737	86.88
1938 ...	77,031	42,722	638,003	51,191	80.24	49,004	49,316	625,965	57,941	92.56
1939* ..	66,056	40,384	926,694	77,285	83.40	25,560	25,586	612,435	57,916	94.57

Note: * June end.

Issue of P. O. Money Orders.—The issue of post office money orders has been increasing of late years. Particulars are as follows:

Table 9. Statistics of Postal Money Orders

(Unit: ¥1,000)

Year End	Domestic Issued	Domestic Paid	Manchoukuo-Japan Issued	Manchoukuo-Japan Paid	Manchoukuo-China Issued	Manchoukuo-China Paid	Others Issued	Others Paid	Total Issued	Total Paid
1934 ...	7,576	7,679	3,484	503	...	...	...	...	11,060	8,182
1935 ...	9,536	9,540	6,862	1,109	1,993	679	...	...	18,391	11,328
1936 ...	15,790	15,374	15,901	4,578	5,201	1,170	0.3	3	36,892	21,125
1937 ...	37,061	29,656	27,825	8,026	5,001	1,440	0.4	3	69,888	39,125
1938 ...	73,962	61,146	71,039	18,130	1,345	1,031	168.1	1,293	146,514	81,600
1939* ..	41,476	40,809	47,643	11,916	1,080	893	24.1	637	100,369	54,255

Note: * January to June.

Interest Rate

The interest rates quoted by the Central Bank of Manchou is as follows

Table 10. Interest Rates at the Central Bank of Manchou

(% per Annum)

(A) Deposits

	Fixed					
	Three Months	Six Months	One Year	Current Account	Special Current Account	Deposit at Notice
1932 Sept. 1	4.8	6.0	7.2	1.825	3.029	3.650
1933 July 1	3.6	4.8	6.0	1.095	2.555	2.920
1934 May 1	3.5	4.5	5.0	1.095	2.555	2.920
1935 Apr. 1	—	5.0	6.0	1.095	2.920	3.650
1936 Jan. 1	—	4.5	4.5	1.095	2.920	3.650
1936 May 1	—	4.2	4.2	1.095	2.555	3.285
1937 Jan. 1	—	3.8	3.8	0.730	2.190	2.555
1938 Nov. 1	—	3.6	3.6	0.730	2.190	2.555

(B) Loans

Secured by:	Government Bonds	Discounts	Gold & Silver	Other Bonds & Shares	Commodities	Warehoused cereals	Real Estate	Other Reliable securities	Overdrafts
1932 Sept. 1 ...	——	10.329	——	10.329	12.045	12.045	12.045	12.045	13.140
1933 July 1 ...	——	8.030	8.030	8.395	9.125	9.125	9.125	9.125	9.125
1934 May 1 ...	——	6.935	6.935	7.300	8.030	8.030	8.030	8.030	8.030
1935 May 11 ...	5.840	6.205	6.205	6.570	7.300	7.300	7.300	7.300	7.300
1937 Jan. 1 ...	4.745	5.475	5.475	5.475	6.570	6.570	6.570	6.570	6.570

Bill Clearings

The largest center of bill clearings in Manchuria is the city of Dairen. In 1938 the amount of bills cleared in the three cities of Hsinking, Mukden and Dairen stood at M¥4,242,383,710, of which Dairen accounted for M¥3,211,905,263.

Table 11. Amount of Bills Cleared at Clearing Houses

	Hsinking		Mukden		Dairen		Total	
	No. of bills	Amount (M¥1,000)	No. of bills	Amount (M¥1,000)	No. of bills	Amount (M¥1,000)	No. of bills	Amount (M¥1,000)
1934	16,856	21,694	92,182	91,992	560,446	2,304,557	669,484	2,418,243
1935	100,450	100,676	136,926	201,716	561,280	2,681,812	798,656	2,984,204
1936	142,624	191,237	262,855	379,212	572,843	2,269,473	978,322	2,839,923
1937	145,308	250,882	241,918	339,059	549,538	2,263,811	936,764	2,853,752
1938	204,425	468,228	328,993	562,257	618,036	3,211,905	1,151,454	4,242,390
1938 (Jan.—June).	88,431	207,917	140,941	226,941	295,620	1,405,509	525,012	1,840,387
1939 (Jan.—June).	114,635	311,537	226,395	423,989	376,028	2,266,117	717,058	3,001,644

INSURANCE

Japanese Enterprise

The development of the insurance business in Manchuria is comparatively of recent origin, dating back as it does to the termination of the Russo-Japanese War. Prior to the war insurance was under foreign management and very inactive. Insurance under Japanese management was started in Manchuria soon after the Russo-Japanese War when in February, 1906 an agency of the Meiji Life Insurance Company was opened at Dairen. Property insurance under Japanese management in Manchuria was initiated in the following year when an agency was set up at Dairen by the Nippon Fire Insurance Company and the Kyodo Fire Insurance Company. Owing to the ever increasing number of Japanese residents and their economic development, the insurance business in Manchuria eventually attained the present growth. Barring the Dairen Fire and Marine Insurance Company whose head office is located at Dairen, in the districts under the former Japanese jurisdiction there are more than 100 branches and agencies of Japanese insurance companies registered in Japan.

Life Assurance.—Excepting the amount of contracts entered into with a very small number of companies under Chinese management, the greater portion of life policies issued in Manchoukuo are represented by Japanese concerns. The war boom proved a great impetus to the life assurance business in Manchuria. All industries have been affected by the post-war depression, but life assurance has steadily developed without feeling the effects of the depression. This is ascribed in part to the gradual spread of a knowledge of insurance among the Manchus,

Table 12. Results of Insurance Companies in Kwantung Province and S.M.R. Zone

		No. of cos.	Premium receipts (M¥1,000)	Claims paid (¥1,000)	Contracts in force: No.	Contracts in force: Amount (¥1,000)
Life	1932	147	2,700	1,367	40,142	79,559
	1933	155	3,413	1,323	48,451	98,305
	1934	160	10,835	2,166	65,562	133,645
	1935	163	4,387	1,352	72,352	144,619
	1936	156	5,185	1,513	90,299	175,983
	1937	39	3,701	922	48,538	100,250
Property	1932	203	1,953	1,079	70,288	521,171
	1933	220	2,579	901	81,332	636,530
	1934	242	5,317	1,983	117,429	827,815
	1935	246	4,941	2,098	82,601	647,434
	1936	241	3,014	1,023	89,081	745,519
	1937	76	2,827	743	67,118	554,792
Others	1932	15	156	18	3,187	3,713
	1933	16	221	16	3,612	4,175
	1934	15	126	26	3,975	4,810
	1935	18	271	27	5,602	6,873
	1936	22	388	4	8,275	9,798
	1937	4	233	2	5,615	6,795
Total	1932	365	4,808	2,464	113,617	904,443
	1933	391	6,213	2,239	133,395	739,010
	1934	417	16,278	4,176	186,966	966,271
	1935	427	9,599	3,477	160,528	798,926
	1936	419	8,587	2,540	187,655	931,300
	1937	119	6,762	1,667	121,271	661,837

Note: Figures for 1937 are for Kwantung only.

Postal Life Insurance.—A law regulating postal life insurance was drafted by the Manchoukuo Department of Communications and approved at the State Council meeting on August 30, 1937. The main points of the postal insurance of the Manchoukuo Government follows:—

1. Simple Government life insurance, as a non-commercial enterprise, will be taken charge of by the Communications Department through postal organs. All Manchu people are eligible for the insurance policy (Japanese, too).

2. The fund accumulated as premiums on the policies will be invested in profitable and sound enterprises, such as to promote public welfare.

3. A committee will be established as a consultative body on the use of the reserve fund.

4. Life insurance will be limited to above 50 yuan and less than 450 yuan.

A. Whole-term insurance: Payments for 10 years, for 20 years or for life.
B. Ordinary endowment insurance: Payments for 10 years and maturity in the 15th year. Payments for 15 years and maturity in the 20th year.

6. Ages: From 15 to 60 years.

7. Payments of insurance: Monthly payment at post offices.

8. The insured will not be medically examined but will be inspected at a personal interview at the post offices where insurance policies will be issued.

9. The Government will do its utmost for advancement of the life insurance management and a fair dividend will be delivered to all insurance holders in future, whenever the insurance enterprise earns a surplus.

Property Insurance.—As stated above, soon after the termination of the Russo-Japanese War, Japanese fire insurance companies established agencies at Port Arthur. Owing to the fact that later Dairen developed so remarkably that it became the economic centre of Manchuria, Japanese insurance companies which had established their agencies elsewhere all removed them to Dairen. Especially remarkable was the activity shown by foreign transport and marine insurance companies, whose attention had been drawn to active shipments of Manchurian products from the port of Dairen. In fire insurance too, foreign companies exercised predominant influence as the Japanese companies were still feeble in foundation. Since the conclusion of the World War, however, the relative positions of the Japanese and foreign firms have been reversed.

The Dairen Fire Insurance Company referred to above was established in August, 1922 with a capital of ¥2,000,000 (of which ¥500,000 was paid up) with the assistance of capitalists in Japan, the Tokyo Marine Insurance Co., and the Taisho Marine Insurance Co., and the South Manchuria Railway Co.

Kwantung Province Fire Insurance Society

In sympathy with a swift expansion of the financial world of Japan, the competition between Japanese and foreign insurance companies in Manchoukuo had become so severe as to steadily force down premium and in turn lower their respective positions. At last all companies began to urge the crying need of preventing a lowering of premium. As a result, on December 17, 1934 the Kwantung Province Fire Insurance Society was established at Dairen and on February 1, 1935, an agreed upon rate of premium which was on an average 35 per cent. higher than had hitherto ruled, was put in force.

New Insurance Business Law

The Insurance Business Law of Manchoukuo, comprising thirty-seven articles was promulgated on December 27, 1937 for immediate enforcement. According to the law only insurance companies which obtain Governmental permit can be engaged in insurance business in Manchoukuo (Article 1). They are required to obtain Governmental permit when they intend to establish their agencies (Article 7).

When persons with their principal companies, head-offices or permanent addresses outside of Manchoukuo intend to start insurance business in its territory, they are required to establish their branch offices within Manchoukuo and to obtain Governmental permit. Persons who have obtained permits in accordance with the above provision are to be treated as insurance companies stipulated in this law. But in this case, the Government is authorized to provide, by order, special regulations in spite of the Articles 9, 10, 12, 15, 17 and 22. The Minister of Finance and Commerce is authorized to provide necessary restrictions to the Governmental permit mentioned above (Article 23).

In the supplementary, it is stipulated under Article 34 that, those persons who are already engaged in insurance business at the time of enforcement of this law are required to apply for Governmental permits by June 30, 1938. The same applies to agencies (Article 35). They, however, may continue their insurance business until they obtain Governmental permit or until their application is rejected (Article 36).

Establishment of Manchuria Fire and Marine Insurance Company

The Manchuria Fire and Marine Insurance Company held its inaugural meeting on December 1, 1937 at Hsinking. It has a monopoly over the insurance business in Manchoukuo, side by side with the Manchuria Life Insurance Company. In addition to its primary business, the Company is required to play an important role in checking the flight of capital and in strengthening the domestic money market in concert with the Central Bank of Manchou, Industrial Bank, Manchuria Life Insurance Company, etc. Important problems created by the establishment of this Company concerning foreign insurance firms in Manchoukuo are dealt with in the Manchoukuo Insurance Business Law.

The Company is capitalized at five million yuan, one-fourth of which is paid-up. With its headquarters in Hsinking, the Company will have its branches in Dairen, Mukden and Harbin. The capital of the Company was subscribed as follows:

Dairen Fire Insurance Company..	M¥1,000,000
Kokusai Unyu Kaisha	100,000
Tahsing Kungssu	100,000
Industrial Bank of Manchou	100,000
Tokyo Marine Insurance Company.	732,500
Other 33 Fire Insurance Firus in Japan	2,967,500
Total	5,000,000

The amount of policies contracted by the Manchuria Fire & Marine Insurance Company up to December 31, 1938, totalled M¥613,819,000, representing, 173,000 policies. The total value of policies contracted in the same year by the Company amounted to about 25 per cent of the aggregate value of insurance effected against losses in Manchuria during 1938. The ratio for 1939 is expected to rise to 35 per cent in view of the fact that the company's business for the first four months ending April 30, 1939 already amounted to as much as that for the whole year of 1938.

CURRENCY

General

Manchoukuo is at present on a managed currency system. The state currency was established and enforced by the Currency Law promulgated in June, 1932, the text of which is given on Page 729, of the Japan-Manchoukuo Year Book, 1938 issue. The yuan nominally containing 23.91 grammes of pure silver is the unit of the value. The right of minting coins and of issuing notes is an exclusive right of the Government. It is exercised by the Central Bank of Manchou by order of the Government. The yuan is divided decimally into the "Chiao" (1/10 of the yuan), the "fen" (1/100 of the yuan) and the "li" (1/1000 of the yuan).

The Central Bank of Manchou must have a reserve fund in gold or bullion, reliable foreign money, or gold or silver money deposited with foreign banks, corresponding to not less than 30 per cent. of the total value of the note issue of the Bank. The Bank should have a security reserve in the form of public bonds, or bills issued or guaranteed by the Government, or other reliable bills or bonds against the note issue beyond the currency reserve mentioned above.

Currency Stabilization

The Central Bank of Manchou at first followed the policy of maintaining the value of the Yuan equal to the price of 23.91 grammes of pure silver and was able to retain its stability through the control of money in circulation and also through transactions in silver and exchange on Shanghai. However, it was not long before it was found extremely disadvantageous to continue linking the yuan with silver, owing to the United States embarking upon a silver purchasing programme. Affected by the United States' policy of boosting the price of the white metal, the price of silver, dissociating itself from general commodity prices, began to move upward from the autumn of 1934, and as a consequence the equilibrium between silver and commodity prices was broken, causing a rise in currency values and a fall in commodity prices in the countries with silver currencies. In order to reduce the disturbing effects of the violent fluctuations in the value of silver to the minimum, the Central Bank watched the developments in the silver situation and endeavoured to prevent any violent changes in currency values and commodity prices by managing its currency so that its rise was limited to only one half of that of silver. In this way the Central Bank, while keeping an eye on the silver situation, neither linked its currency to silver nor divorced it from the white metal. This policy was pursued until March, 1935.

In the meantime, the fluctuations in the price or silver became increasingly violent; the London bar silver quotation on April 25, 1935 advanced to about 34 pence from 32 pence or so the previous day, and rose sharply further to over 36 pence the next day, but soon dropped to around 33 pence again, manifesting a very erratic tendency. Awakening to the fact that if the national currency continued to be linked with silver, its value would rise and fall violently and cause serious disturbances to the economic world, the Central Bank finally decided to divorce the national currency from silver and shifted over to the policy of a simple managed currency, having for its object the stabilization of commodity prices. As a result the internal value of the currency was stabilized notwithstanding the drastic rise in the price of silver abroad. Commodity prices also became stable.

Meanwhile the economic relations between Manchoukuo and Japan were steadily enhanced. With the divorcing of Manchoukuo's currency from silver, this tendency was accelerated, so much so that proposals were advanced that the currencies of Japan and Manchoukuo should be controlled and unified to unite the economy of the two countries.

At the time the Manchoukuo currency was first completely divorced from silver, the Yuan retained a relatively stable value in relation to the Japanese Yen at around 107 and 108 Yen against 100 Manchoukuo Yuan. But when the Manchoukuo currency began to have a stable relation to the Japanese currency, without being influenced by the fluctuations in the price of silver, it became to be generally talked about that the Manchoukuo currency was being controlled with the object of bringing it to par with the Japanese currency. This view gradually gained ground, and the value of the national currency which had been stabilized against the Japanese Yen at around 107 to 108 Yen gradually approached the Japanese Yen in value. Thus step by step, through the months of May, June, July and August, it became closer to Yen, finally reaching parity in September, 1935. It has remained so ever since.

Issue of Bank Notes

The issue of bank notes in Manchuria is almost wholly taken up by the Central Bank of Manchou and the Bank of Chosen. The Yokohama Specie Bank, formerly influential in this line of business, has only a negligible amount of its notes in circulation in the country.

The amount of notes issued, specie reserve, etc. classified by banks are as follows:

Table 13. Notes Issued and Amount of Reserves of the Central Bank of Manchou

(Amount M¥1,000)

	Notes Issued				Reserves				
	Year end	Highest	Lowest	Average	Specie	%	Security Reserves	Subsidiary Coins	Total
1934 ...	168,333	168,333	97,855	119,630	74,819	44.4	93,514	15,772	184,105
1935 ...	178,656	179,208	108,594	136,512	92,231	51.6	86,425	20,284	198,940
1936 ...	254,243	257,191	125,270	159,480	177,181	69.7	77,062	20,449	274,692
1937 ...	307,490	317,944	171,892	211,570	208,097	67.7	99,393	22,419	329,909
1938 ...	425,738	430,145	254,370	288,267	216,309	50.8	209,428	27,159	452,897
1938 (June)	274,634	280,608	254,370	264,457	159,301	58.0	115,333	23,322	297,956
1939 (June)	387,887	400,729	369,301	381,971	198,102	51.1	189,785	30,649	418,537

Gold Purchases

The amount of gold purchased by the Central Bank of Manchou is as follows:

Table 14. Amount of Gold Purchased by the Central Bank of Manchou

	Volume (Grams)	Value (M¥)
1933 2nd half	703,060	2,053,635
1934 1st half	337,221	1,026,539
" 2nd half	862,069	2,787,878
1935 1st half	1,830,471	8,390,138
" 2nd half	2,412,694	8,394,053
1936 1st half	1,348,964	4,725,080
" 2nd half	2,259,575	7,910,689
1937 1st half	1,657,354	5,968,140
Total	11,411,408	39,156,152
Others*	2,196,091	6,218,340
Grand Total	13,607,500	45,374,494
1938 1st half	1,289,765	4,900,189
Total	14,781,350	51,897,640
Others*	2,196,091	6,218,340
Grand Total	13,607,500	45,374,494

Note: Amount of gold held before the enforcement of gold purchasing law.

Exchange Control Law

In order to prevent the flight of capital from the country and to restrict speculations in bullion and exchange, the Manchoukuo Government on November 20, 1935 promulgated the Exchange Control Law and two relative ordinances of the Department of Finance, these measures coming into force on December 10, 1935. The adoption of these measures had an exceedingly smooth effect in that the stability of commodity prices was not impaired in any way by the divorcing of the Yuan from silver. As a result, although the currency system of Manchoukuo prescribes a fixed quantity of pure silver as the unit of monetary value called the Yuan, the national currency is in fact linked with the Japanese Yen and is a "controlled currency based on the Japanese Yen." (The substance of the Exchange Control Law is given on page 720 Japan-Manchoukuo Year Book, 1938 issue.)

Table 15. Manchoukuo Yuan Foreign Exchange Rates

	On Japan		On New York		On London		On Shanghai	
	Rate (¥)	Index	Rate ($)	Index	Rate (s.d.)	Index	Rate (Yuan)	Index
1932								
July	73.19	100.0	20.10	100.0	1-1.57	100.0	95.72	100.0
December	96.82	132.3	20.19	100.4	1-2.79	108.8	100.70	105.2
Average	90.93	124.2	21.07	104.8	1-2.84	109.4	98.48	102.9
1933								
June	99.37	135.8	25.16	125.2	1-2.65	108.0	97.70	102.1
December	109.39	149.5	32.56	164.0	1-3.37	113.3	100.32	104.8
Average	101.34	138.5	25.72	128.0	1-2.62	107.7	98.41	102.8
1934								
June	107.26	146.6	31.90	158.7	1-3.06	111.0	97.82	102.2
December	109.70	149.9	31.43	156.3	1-3.23	112.2	99.00	103.4
Average	110.83	151.4	32.59	162.1	1-3.51	114.3	97.50	101.8
1935								
June	104.33	142.5	30.00	149.3	1-2.58	107.4	79.88	83.5
December	100.00	136.6	28.71	142.8	1-1.99	103.1	97.65	102.0
Average	104.77	143.13	29.92	148.8	1-2.29	107.83	86.91	90.79
1936								
June	100.00	136.6	29.33	145.9	1-2.00	103.1	98.80	103.2
December	100.00	136.6	28.50	141.8	1-1.96	102.8	97.28	101.6
Average	100.00	136.6	28.56	144.2	1-2.00	103.2	98.03	102.4

	On Japan		On New York		On London		On Shanghai	
	Rate (¥)	Index	Rate ($)	Index	Rate (s.d.)	Index	Rate (Yuan)	Index
1937								
June	100.00	136.6	28.75	143.0	1-2.00	103.2	86.38	100.7
December	100.00	136.6	29.13	144.9	1-2.00	103.2	98.05	102.4
Average	100.00	136.0	28.78	143.2	1-2.00	103.2	96.31	100.6
1938								
June	100.00	136.6	28.91	143.8	1-2.00	103.2	——	——
December	100.00	136.6	27.23	136.2	1-2.00	103.2	——	——
Average	100.00	136.6	28.43	141.4	1-2.00	103.2	——	——
1939								
June	100.00	136.6	27.11	134.9	1-2.00	103.2	——	——

Revision of Exchange Control Law

In line with the decree released by the Tokyo Department of Finance revising the foreign exchange control rulings, effective July 1, 1939 the Manchoukuo Government also revised and strengthened its exchange control law limiting the exportation of Manchoukuo yuan to 500 yuan annually, effective August 1.

The main changes are as follows:

1. Till now M¥500 in cash and M¥1,000 in letters of credit making a total of M¥1,500 could be taken out of the country without a permit. Under the new ruling, a total of 500 yuan in both letters of credit and cash is allowed to be taken out without a permit.
2. Till now any amount of currency could be brought freely into Manchoukuo. The new ruling stipulates that amounts above 200 yuan must be accompanied by a Government permit.
3. Taking out of 100 yuan notes will be on a permit system.

These revisions, it is believed, will cut down non-trade payments and payments in foreign currency by Japan and Manchoukuo taken as a single unit. The new ruling will also have an advantageous effect on the control of illicit commercial practices that have been indulged in on the basis of the cheaper yen within the yen-bloc countries. In keeping with the prohibition of the export of 100 yuan notes, the North China authorities will stop all conversion of these notes into North China currency.

Prevention of Detrimental Foreign Exchange Practises

With a view to improving Manchoukuo's position regarding international payments as well as acquiring foreign currencies for the purpose of the five year industrial programme, positive measures including the promotion of exports, encouragement of industries, etc. which are already in force, was to have been supplemented in 1939 by negative measures in the form of tightening the control of foreign exchange. For this purpose, the Provisional Foreign Exchange Bureau of the Manchoukuo Government was conducting investigations. Foreign exchange control will be made stricter on the following lines:

(1) In exporting goods to third countries other than Japan and China, traders not infrequently change the destination of exchange bills from that of the goods, in order to gain inordinate profits by utilizing depreciated yen notes in Tientsin, Shanghai and elsewhere. This injuries Manchoukuo's interests, by reducing the foreign currency income of the country. So in this respect control will be made stringent.

(2) In Manchoukuo, export duties on agricultural produce are specific, while those duties on other products are assessed ad valorem. In their declaration on goods, exporters sometimes give fraudulent values. Control will, therefore, be strengthened to ensure the accuracy of the declared values.

The new regulations, it was expected, would include provisions for ensuring the sale of export bills to exchange banks in Manchoukuo as well as for the prevention of gold smuggling across land frontiers.

Abolishment of the Chaopiao

In accordance with the determined policy, the authorities of the Department of Finance, in their efforts to bring about a greater stabilization of the national currency, abolished in October, 1936 the circulation of the convertible silver yen notes, popularly known among Manchurians as chaopiao, issued by the Dairen branch of the Yokohama Specie Bank since 1906 by Imperial Ordinance No. 247. Due to their comparative stability, these silver notes enjoyed a wide circulation in all the more important cities of Mnchuria and along the South Manchuria Railway Zone during the former regime, when there were no other stable and reliable currencies, and played a very important role as a means of financing the staple produce trade and as currency for use in exchange dealings. However, as the Manchoukuo Yuan came

to be stabilized and to enjoy a high degree of confidence everywhere, the chaopiao lost its raison d'etre and its abolition was considered merely a question of time. Thus, the chaopiao was abolished in Manchuria on November 1, 1936, without producing practically any adverse effects upon Manchurian economic circles.

Manchoukuo's currency unification and stabilization policy reached its final goal in December, 1936 with the establishment of the Industrial Bank of Manchou and the conclusion of an agreement between the Central Bank of Manchou and the Bank of Chosen for the complete withdrawal of the latter's notes in circulation in Manchoukuo. Simultaneously with the establishment of the Manchou Industrial Bank, all the branches of the Bank of Chosen in Manchoukuo were closed and it was decided upon that the Central Bank of Manchou withdraw the Bank of Chosen notes.

References:
Table Nos.: 1-2 a, 3 b, 4-11 a, 12 c, 13-15 a.
Key: a—Central Bank of Manchou.
b—Ind. Bank of Manchou.
c—Kwantung Bureau.

CHAPTER XIII

COMMUNICATIONS

TELEGRAPH & TELEPHONE

All forms of electric communication, including telegraphs, telephones, wireless telegraphy and wireless telephony, and radio broadcasting throughout Manchoukuo are now under the unified control and management of the Manchuria Telegraph and Telephone Company which was established on August 31, 1933, at Hsinking by virtue of an agreement signed between the Manchoukuo and Japanese Governments on March 26, 1933, the ratifications of which were exchanged on May 15, 1933. The new organ has laid out a far-reaching project for expanding and improving the communication facilities in the country.

Projects for 1939.—The Manchuria Telephone and Telegraph Company appropriated a sum of M¥30,000,000 for the expansion of its enterprises in 1939. The important projects to be undertaken are the following:

1. Continuance in the laying of the unloaded cable between Mukden and Hsinking. This project is scheduled for completion in the first half of 1940.
2. Establishment of additional telegraph circuits between Dairen and Tokyo, Dairen and Osaka, Mukden and Osaka, and Harbin and Tokyo. At the same time, new telegraph lines will be laid between the eastern part of Manchuria and North Chosen, and between Dairen and Tientsin, so as to complete the anti-Communist route in North Manchuria.
3. Inauguration of a telephoto service between Hsinking and Tokyo. Such service is already opened between Hsinking and Dairen by the M.T.T. Company.
4. Inauguration of a regular telephone service between Japan and Manchoukuo by means of unloaded cable. At the same time unloaded cables connecting Mukden with Fukuoka, Osaka and Tokyo will be laid and opened for service simultaneously, as connecting lines. This will bring the net-work of telephone lines between Manchoukuo and Japan to a high stage of development.
5. Establishment of fifty additional telegraph offices in different parts of Manchoukuo.
6. Improvement of telegraphic apparatus and installation of a number of small wireless apparatus for emergency use.

Five Year Plan.—A Five Year Plan for the expansion of the telegraphic and telephonic systems of Manchuria was inaugurated by the Government in 1937 due to completion by the end of 1941. In June 1939 the Government announced that the program for the year 1938 was completed to the extent of 81 per cent as prescribed for the year under the Plan. Failure to fulfill the prescribed expansion was ascribed to the shortage of copper, and to meet the deficiency of this material the authorities concerned intended to use aluminium to an increasing extent in 1939 so that the allotted expansion for 1939 could be carried out fully.

In telegraphs, some 7,000 kilometers of new lines will be added to the present system. The services between Hsinking and Kirin, Hsinking and Harbin, Mukden and Tsitsihar, among other places, are to be vastly improved.

Telegraph Service

The number of telegraph offices as at the end of 1937 stood at 691, showing an increase of 75 over the previous year. The length of lines as at the end of 1938 was 26,635 kilometers and the extension of wires 51,982 kilometers.

As to wireless telegraph equipments, wireless connections were opened between Hsinking and Paris and Osaka and between Mukden and Osaka, while the wireless equipments at Dairen, Harbin, Tsitsihar and other places were improved and repleted. Besides, wireless equipments were set up at important points in North Manchuria and Jehol.

For 1938 construction plans included the expansion of multiple lines. Six additional two-way lines were to be set up in North and South Manchuria while extension work was to be continued on the Antung-Mukden cable, and efforts were to be directed in establishing return lines on the Osaka-Dairen, and Tokyo-Mukden connections. Furthermore, two-way equipment was to be installed in various districts of North Manchuria with the view to linking minor towns and regions with the large towns and cities. In parallel with the expansion and increase of facilities and establishments, much attention is being given to bettering the efficiency of admin-

istrative and management functions. Pressed by the tremendous increase of population throughout the country, and by the great progress seen recently in railways and industries, 50 new telegraph offices will be established in the near future.

Other plans include the reconnecting of two-way lines at fifty or more different places, modification of the transmitting system, increase of apparatus and equipment, expansion and improvement of wireless, establishment of better connections with Europe and America with the supplementation of equipment, establishment of telegraph connection with Tientsin, over-hauling of 300 kilometers of defective lines, and many other items calling for expansion, increase or improvement.

Radiophone service between Manchoukuo and Japan was inaugurated on August 1, 1934 upon the completion of a large wireless station at Hsinking.

A long distance submarine cable, connecting Japan with Manchoukuo is under construction at a cost of ¥14,000,000. Part of the cable, or that land section between Mukden and Antung, has already been completed. The length of this section is 280 kilometers, and the non-loading cable is used.

Heretofore, international communications were carried on only at Dairen through the Dairen-Chefoo submarine cable, and at Harbin where there were wireless connections with Peking, Tientsin and Shanghai. In February, 1935, the Mukden-Tientsin telegraph service was revived, while in June of the same year, telephone connections between the two cities were resumed. In October, 1935 an agreement was signed between Manchoukuo and China for handling messages in the Japanese language.

Correspondence with Europe and America was perfected in March, 1934, using pure Japanese material and equipment. Continuous two-way radio connections with Berlin and San Francisco are available at the Hsinking wireless station, while in December, 1935, direct two-way contact with Paris was inaugurated.

Telephone Service

The number of telephone exchanges at the end of 1938 was 189, showing an increase of 55 over the preceding year. The number of telephone subscribers as at the end of 1938 was 82,630, which shows an expansion of 8,691 in comparison with the end of the foregoing year. The length of the urban telephone lines was 7,487 kilometers and the extension 42,533 kilometers. As for the suburban telephone service, the Company exerted every efforts to replete it. The length of the lines as at the end of 1938 was 17,256 kilometers and the extension 104,473 kilometers. Contrasted with the end of the previous year, the total shows an increase of 18,297 kilometers.

To meet increasing demand, plans were on foot in 1938 to establish a large number of single telephone lines in all parts of North Manchuria, while 20 telephone offices will be created to take over direct management and connections of the systems. Defective lines and equipment will be replaced in North Manchuria to effect a modern long-distance telephone system for police and civilian use. 3,200 automatic telephone offices and 2,300 exchange offices or a total of 5,500 offices will be created anew.

Radio Service

Great improvements were effected in the four broadcasting stations of Hsinking, Dairen, Mukden and Harbin. At the end of 1935 there were nineteen transmitting and receiving sets including a 100 kilowatt transmitting set at Hsinking.

The number of listeners-in as at the end of 1938 was 127,417. Compared with the end of the preceding year, it shows an increase of approximately 400,000.

Table 1. No. of Broadcasting Stations

(Jan. 1939)

		Denomination	K.W.	Principal broadcasting language	Other language
Hsinking	(A)	M T C Y	10.00	Japanese	Korean
"	(B)	M T C Y	100.00	Manchoukuoan	Mongolian
Mukden	(A)	M T B Y	1.00	Japanese	Korean
Dairen	(A)	T Q A K	1.00	Japanese	
"	(B)	T Q A K	1.00	Manchoukuoan	
"	(shortwave)	J P Y	10.00	Japanese, Manchoukuoan & English	
Harbin		M T F Y	3.00	Japanese	Russian
Mutankiang		M T G Y	0.05	Japanese	Korean
Antung		J Q B Y	0.05	Japanese	Korean
Tsitsihar		M T L Y	0.05	Japanese	...
Yenki		M T A Y	0.2	Japanese	...
Chiamussu		M T N Y	0.05	Japanese	...
Heiho		———	—	———	...
Hailar		———	—	———	...
Chengteh		M T H Y	0.05	Japanese & Manchoukuoan	...
Chinchow		———	—	———	...
Yingkow		———	—	———	...

Table 2. Statistics of Radio Broadcasting

(A) Number of Radio Listeners-in by Nationality

	No. of Stations	Japanese	Koreans	Manchoukuoans	Others	Total
1933	3	7,143	...	415	457	8,015
1934	4	10,284	...	1,384	718	12,386
1935	4	16,651	...	2,640	473	19,764
1936	6	34,666	86	5,815	635	41,202
1937	10	70,073	1,282	16,550	971	88,876
1938	12	88,576		37,531	1,310	127,417

(B) Radio Broadcasting by Languages in 1937

(In hours)

	Japanese	Korean	Manchoukuoan	Russian	Total incl. others
Dairen	3,136	—	1,087	—	4,230
Mukden	3,330	144	195	—	3,681
Hsinking	3,341	177	3,180	136	6,892
Harbin	3,131	—	77	849	4,064
Antung	523	39	—	—	560
Mutankiang	1,861	113	—	—	1,976
Chengteh	893	—	623	—	1,531
Total	16,215	473	5,162	985	22,936

(C) Radio Programs Classified

(As in March, 1937)

Items	*Percent to Total Broadcasting Period	Items	*Percent to Total Broadcasting Period
News	28.5%	School Broadcast	1.0%
Educational & Cultural	25.5%	Advertisements	0.5%
Children's Hour	4.9%	Miscellaneous	9.1%
Musical Program	12.9%	Total	100.0%
Radio Drama	17.6%	Average No. of Hours of Broadcasting per Day	11.48

Note: * Percentage compiled from total hours of broadcasting from the stations at Dairen, Mukden, Hsinking and Harbin.

Table 3. Assets & Liabilities of the Manchuria Telegraph & Telephone Co.

(At end of March, 1939)

ASSETS:	
Capital Stock Uncalled	¥13,750,000
Communications Equipments	69,610,929
Miscellaneous Equipments	6,508,929
Miscellaneous Accounts Receivable.	3,868,973
Guaranty Fund	100
Stores Accounts	6,806,363
Postal Transfer Savings	156,655
Bank Deposits	6,815,739
Cash on Hand	103,644
Miscellaneous Accounts paid in advance	1,055,616
Securities Receipts in Pledge	7,450
Exchange Accounts	120,197
Securities	1,250,000
Stamps	31
Post Office Deposits	733
Total incl. others	110,055,364
LIABILITIES:	
Capital Stock Authorized	50,000,000
Legal Reserve	732,000
Special Reserve	2,380,000
Retirement Allowance Reserve	820,000
Dividends Balancing Reserve	1,330,000
Special Funds	509,350
Depreciation Funds Reserve	11,144,550
Bonds	29,000,000

Miscellaneous Accounts payable ..	4,488,632
Guaranty Funds	1,385,973
Mutual Aid Account	237,667
Sundry Receipts Unadjusted	1,234,830
Balance brought from Previous Term	723,780
Net profit for the Year ending March	4,914,494
Total incl. others	110,055,364

DISPOSAL OF PROFIT:

Legal Reserve	215,000
Retirement Allowance Fund for Employees	400,000
Bonuses to Officials	89,500
Dividends to Shareholders (6% per annum)	2,175,000
Dividends Balancing Reserve	700,000
Special Reserve	900,000
Balance carried forward	1,123,775
Total	5,638,275

Table 4. General Statistics on Telegraph and Telephone

	Telegraph (Kms.)		Equipment		Extension length of telephone line (Kms.)	No. of telephone messages	No. of telephone subscribers
	Lines	Extension Lines	Telegraph	Wireless			
1933	12,370	34,068	544	—	——	2,004,194	32,898
1934	20,471	42,594	634	140	24,070	2,074,307	41,598
1935	21,911	45,886	638	159	32,468	2,695,999	54,113
1936	21,080	46,670	778	182	102,919	2,958,268	63,373
1937	26,635	55,011	921	228	128,709	3,669,030	73,939
1938	26,635	51,982	1,161	304	147,006	4,556,621	82,630

Table 5. No. of Telegraph Office

(A) Manchoukuo

	Telegraph & Telephone Stations	Telephone Stations	Telegraph Agencies	Wireless Station	Wireless Agencies	Total incl. Others
1934	75	143	222	1	48	504
1935	95	136	242	..	48	555
1936	124	147	249	..	51	616
1937	187	100	275	..	54	691

(B) Kwantung

	Telegraph Offices	Air-station	Post offices	Post branch offices	Post stations	Wireless telegraph stations	Telephone exchange offices	Post agencies	Telegraph agencies	Wireless telegraph agencies	Telephone agencies	Total
1926	—	—	40	8	16	3	2	146	90	11	20	336
1932	1	1	44	37	22	4	3	151	102	38	25	428
1933	26	1	44	43	22	2	7	145	112	49	25	476
1934	48	1	49	39	26	1	6	146	113	48	30	507
1935	51	1	53	36	30	—	14	146	112	48	29	520
1936	54	1	56	45	32	—	11	147	118	51	17	532

Table 6. Number of Telegrams Handled

(A) Manchoukuo

(1,000)

	In-Manchoukuo		Japan-Manchoukuo		Foreign		Total	
	Despatched	Arrived	Despatched	Arrived	Despatched	Arrived	Despatched	Arrived
1934	2,067	2,094	2,110	1,859	256	281	4,434	4,235
1935	2,931	2,917	2,317	2,072	255	275	5,504	5,265
1936	3,485	3,427	2,483	2,231	282	283	6,251	5,943
1937	4,084	4,082	2,809	2,438	281	274	7,175	6,795
1938	4,926	4,920	3,218	2,695	439	421	8,583	8,036

(B) Kwantung

(1,000)

Year Ending Mar. 31:	Domestic & Japan-Manchuria			Others			Transmitted	
	Despatched	Arrived	Total	Despatched	Arrived	Total	Domestic & Japan-Manchuria	Others
1933	1,184	1,128	2,312	222	222	444	1,559	397
1934	1,364	1,293	2,657	199	217	416	1,866	364
1935	1,564	1,500	3,064	159	176	335	2,228	325
1936	1,674	1,625	3,299	149	165	314	2,686	239
1937	1,723	1,655	3,378	172	181	354	2,856	266
1938	1,686	1,706	3,392	162	163	326	2,146	259

Table 7. Number of Post Offices By Jurisdictions (Sept., 1938)

Superintendent Office	No. of Post-Office	No. of Sub-Office	Total	Superintendent Office	No. of Post-Office	No. of Sub-Office	Total
Hsinking	127	331	458	Chinchow	63	226	289
Mukden	132	558	690	Total	468	1,411	1,879
Harbin	146	296	442				

POSTAL ADMINISTRATION

On April 1, 1932 the Manchoukuo Government took control of the postal administration and postal affairs of the country. This enterprise under the former regime was controlled by the Central Government of China and due to the disunified condition then obtaining in Manchuria the service was far from satisfactory. The Manchoukuo authorities have been successful in eliminating most of the causes for the inefficiency that existed under the Chang rule. Among some of the projects that have been completed by the new government are the establishment of a number of new post offices and the lowering of postal rate. In 1938 there were over 1,879 post offices in the country. The sales of stamps and transactions of the postal savings banks also saw an appreciable increase.

The Manchoukuo Government remains still outside the International Postal Union, but the country's mails bearing the Manchoukuo stamp have been circulating without any hitch in foreign countries.

Table 8. Local Mail Matters Handled

(Unit: 1,000)

(A) Manchoukuo

	Ordinary Mail		Parcel Post		New Year's Greeting Mail	
	Despatched	Delivered	Despatched	Delivered	Despatched	Delivered
1934	101,086	130,492	774	1,011	6,268	....
1935	101,591	152,639	694	718	9,568	5,183
1936	107,878	130,554	645	745	12,671	7,521
1937	125,664	147,230	1,444	1,468	9,729	5,049

(B) Kwantung

Year ending Mar. 31:	Ordinary Mail			Parcel Post		
	Despatched	Delivered	Total	Despatched	Delivered	Total
1935	41,808	43,437	85,346	331	529	860
1936	43,965	46,036	90,001	321	506	829
1937	46,851	48,172	95,023	350	490	840
1938	48,398	53,176	101,573	380	519	899

Table 9. Foreign Mail Matters Handled in Manchoukuo

(Unit: 1,000)

(A) Ordinary Mail Matter

	Japan		China		Other Countries		Total	
	Despatched	Delivered	Despatched	Delivered	Despatched	Delivered	Despatched	Delivered
1934	12,133	12,816	5,932	5,839	947	1,493	19,013	20,149
1935	20,338	24,187	11,894	11,985	732	2,475	32,965	38,648
1936	27,284	27,810	12,456	12,456	1,990	2,148	41,732	45,143
1937	28,110	32,253	12,285	12,285	140	3,262	40,536	43,526

(B) Parcel Post

1934	60	257	23	65	0	1	83	323
1935	61	348	51	96	0	1	112	445
1936	76	493	72	141	0	1	148	635
1937	146	500	131	238	1	4	278	742

Raise in Postal Rates

Simultaneously with the revision of Japanese postal rates on April 1, 1937, the Manchoukuo postal administration enforced new rates for domestic mail matter, as well as for postal matter addressed to the Japanese Empire and China. The new charge for ordinary letters addressed to any points within the country was raised to four fen, an increase of one fen as compared with the previous rate, and the rate for post-cards, two fen instead of 1.5 fen. A new kind of post cards known as sealed post-cards was introduced and is sold at four fen.

The revised charges for mail addressed to Japan proper, Korea, Formosa, or the Kwantung Leased Territory has on the whole conformed to those for domestic mail. The fee for registering a letter to any point in these lands was reduced from 10 to 8 fen. The cost of mailing an ordinary letter to China was raised from the previous four fen to five fen, and the rate for post-card to the same destination to 2.5 fen, an increase of half a fen over the previous rate.

Table 10. Fees for Domestic and Foreign Ordinary Mail

Class	Kind of Mail	Weight	Domestic (M¥)	Foreign: Japan (M¥)	Foreign: China (M¥)	Foreign: Others (M¥)
1st class	Letter	20 grams	0.04	0.04	0.05	0.20
2nd class	Post Card	Single	0.02	0.02	0.025	...
"	"	Carte Repondee	0.04	0.04	...	...
3rd class	Periodical & Newspaper	60 grams	0.005	0.005	0.005*	0.04*
4th class	Printed Matter	120 grams	0.02	0.02	0.02†	0.20†
5th class	Commercial Sample.	120 grams	0.02	0.02	0.02(A)	0.08(B)

Note: *—Every 50 grams. †—Every 25 grams. (A)—4 grams. (B)—100 grams.

Postal Savings

(For Statistics of Postal Savings see Banking Chapter).

Improvement of Japan-Manchoukuo Postal Savings System

A law designed to improve the system of Japan-Manchoukuo postal savings transfer accounts inaugurated on December 1, 1936, was formally promulgated in the Government gazette on March 11, 1937 to be effective on and after May 1, 1937. The improvement was decided upon by the Department of Communications after consultation with the Japanese authorities concerned, as the previous system was of a temporary nature. Besides providing for many improvements in the system, the law increases the number of Manchoukuo post-offices handling postal savings transfer accounts, which was 176 early in 1937 to 233 simultaneously with the enforcement of the law. The increase will enable even residents in remote Manchoukuo towns to send postal transfers.

Agreement Concerning the Establishment of Manchuria Telegraph and Telephone Company

The Governments of Manchoukuo and Japan; Desirous of consolidating and of operating the equipments for electric communication belonging to the two Governments in the Kwantung Leased Territory, in the South Manchuria Railway Zone and in the areas under the administrative jurisdiction of Manchoukuo; and recognizing the need of establishing for that purpose a joint-stock company as a Manchoukuo-Japanese undertaking.

Have therefore agreed upon the following Articles:

Article 1. The Governments of Manchoukuo and Japan shall, in collaboration, cause a joint-stock company to be established as a Manchoukuo-Japanese joint undertaking and shall cause it to conduct enterprises concerning electric communication both by wire and wireless in the Kwantung Leased Territory, in the South Manchuria Railway Zone and in the areas under the administrative jurisdiction of Manchoukuo.

The enterprises concerning electric communication mentioned in the preceding Paragraph shall not include any which are accessory to railway and aviation enterprises nor any which are exclusively for the use of Government offices or for police and military purposes.

Article 2. The capital of the Company shall be ¥50,000,000 in Japanese currency; provided, however, that the same may either be increased or decreased with the approval of the Governments of Manchoukuo and Japan.

Article 3. The shares of the Company shall take the form of inscribed shares and shall be held only by the Governments of Manchoukuo and Japan, by local governmental bodies in those countries, by their nationals or by juridical persons formed under the laws, ordinances and regulations of their country and in which the majority of votes are held by their nationals or by their juridical persons.

Article 4. The Governments of Manchoukuo and Japan shall respectively contribute as capital such equipments for electric communications as at present belong to them in the Kwantung Leased Territory, in the South Manchuria Railway Zone and in the area under the administrative jurisdiction of Manchoukuo.

The equipments for electric communication mentioned in the preceding Paragraph shall not include any which are accessory to railway and aviation enterprises nor any which are exclusively for the use of Government office or for police and military purposes.

Nationals or juridical persons of Manchoukuo may contribute as capital such equipments for electric communications as belong to them.

Fully paid-up shares shall be allotted in respect of the contributions defined in the present Article.

The value of the contributions in kind defined in the present Article shall be assessed by equitable methods on the basis of the actual value of the equipments so contributed.

Article 5. The Directors and Auditors of the Company shall be either of Manchoukuo or Japanese nationality.

The total prescribed number of the Directors and Auditors of the Company shall be divided among nationals of each country in proportion to the total number of shares held in aggregate by the Government, national and juridical persons of their respective countries; provided, however, that the number of Directors and Auditors who are of the nationality of one country shall not be less than one-third of the number of those who are of the nationality of the other country.

Article 6. The dividend of profits of the Company shall not exceed a certain equitable rate.

Dividends or profit on the shares other than those held by the two Government may, until they reach a certain rate be distributed in preference to those held by the latter.

Article 7. In the case of the shares allotted, in accordance with the provisions of Article 4 hereof, to the Government, nationals or juridical persons of Manchoukuo, dividends of profits may be paid in Manchoukuo currency on the basis of the rate of exchange prevailing at the time of the contribution of capital; and in the case of the shares held, at the time of the first payment on such shares, by nationals or juridical persons of Manchoukuo, on the basis of the rate of exchange prevailing at the time of each payment on such shares.

Article 8. The property, income and business of the Company and every kind of registration effected by it as well as the articles necessary for its undertaking shall be exempt from taxes and from all other public charges in the Kwantung Leased Territory, in the South Manchuria Railway Zone and in the areas under the administrative jurisdiction of Manchoukuo.

Article 9. The Company shall enjoy the same privileges as have hitherto been granted to Government undertakings in respect of the expropriation of lands, the laying of electric wires, the utilization of means of transport, the collection of fees and charges and all other matters necessary for the conduct of its undertaking.

Article 10. The articles forming part of the Company's equipment for electric communication or of the installations accessory to such equipment shall not be made the object of hypothec attachment, provisional attachment or provisional disposition.

Article 11. The Governments of Manchoukuo and Japan shall superintend the undertaking of the Company.

The Governments of Manchoukuo and Japan may, in respect of the Company, issue such directions as may be necessary for the purpose of superintendence.

In cases where a resolution of the Company or the action of any of its officials is in contravention of the present Agreement, the laws, ordinances and regulations of the two countries or the Company's articles of association, or is injurious to the public welfare, as well as in cases where it is in contravention of the directions of the superintendent authorities, the Governments of Manchoukuo and Japan may cancel such resolution or remove such official from his office as the case may be.

Article 12. The Company shall obtain the approval of the Governments of Manchoukuo and Japan for every alteration of its articles of association, every appointment or removal of its Directors or Auditors, every issue of debentures, every fixation and alteration of its fees and charges, every disposal of its profits, every resolution for the purpose of amalgamation or dissolution, every program of enterprises for each business year, every conclusion of business agreements concerning electric communication and every transfer of articles belonging to its equipments for electric communication or to the installations accessory to such equipment.

Article 13. The military authorities of Manchoukuo and Japan may, with reference to the enterprises of the Company, issue such directions as may be necessary for military purposes; and may, with reference to the equipment of the Company, take such measures as may be necessary for military purposes.

They shall make compensation for any loss that may be incurred by the Company in consequence of the said directions or measures.

Article 14. The Governments of Manchoukuo and Japan may direct the Company to offer its equipment to be used for such communication as may be necessary for railway, aviation, police, military and other purposes.

Article 15. The Company may, when necessary for the conduct of its enterprises, apply to the superintendent authorities of the country concerned for sanction to use for its own purpose any equipment for electric communication accessory to railway and aviation enterprises or such as are used exclusively for police and military purposes.

Article 16. The Governments of Manchoukuo and Japan may, in case they consider that the Company is likely to go into liquidation purchase at a reasonable price the equipment for electric communication belonging to the Company and the installations accessory to such equipment.

Article 17. The Company shall, in addition to the provisions of the present Agreement be subject to further agreement to be entered into by the Governments of Manchoukuo and Japan.

Article 18. The company shall, with regard to matters concerning international electric communication, conform to the provisions of treaties and other international agreements.

Article 19. The Governments of Manchoukuo and Japan shall respectively appoint 15 members of an Organizing Committee and shall cause them to conduct, under the supervision of the two Governments, all affairs concerning the establishment of the Company.

Article 20. The Organizing Committee shall draw up the articles of association of the Company and, after obtaining the approval of the Governments of Manchoukuo and Japan thereto, shall offer shares for subscription.

Article 21. The Organizing Committee shall, upon the completion of subscription to shares, apply to the Governments of Manchoukuo and Japan for their sanction to establish the Company, submitting to them the letters of application for subscription.

The Organizing Committee shall, on obtaining the sanction mentioned in the preceding Paragraph, forthwith call for the first payment on each share, and shall on the completion of such payment, forthwith convene an inaugural General Meeting of the shareholders.

Article 22. The Organizing Committee shall, on the

termination of the inaugural General Meeting of the shareholders, hand over the affairs in their charge to the Company.

Article 23. The present Agreement shall be ratified by Manchoukuo and Japan in conformity with their respective formal modes of procedure and the instrument of ratification shall be exchanged at Hsinking as soon as possible.

The present Agreement shall come into force from the date of the exchange of the instruments of ratification.

Should any difference arise in regard to interpretation between the Chinese and Japanese texts, the Japanese text shall prevail.

In witness whereof the undersigned, duly authorized by their respective Governments, have signed the present Agreement and have affixed their seals thereto.

Done at Hsinking this 26th day of the 3rd month of the 2nd year of Tatung, corresponding to the 26th day of the 3rd month of the 8th year of Showa. (March 26, 1933).

(L.S.) HSIEH CHIEH-SHIH,
Minister for Foreign Affairs of Manchoukuo,
(L.S.) NOBUYOSHI MUTO,
Ambassador Extraordinary and Plenipotentiary.

References:

Table Nos.: 1-4 a, 5-6 a & b, 7 a, 8-10 c.
Key: a—Manchuria Telegraph & Telephone Co.
b—Kwantung Bureau.
c—Dept. of Communications, Manchoukuo.

CHAPTER XIV

TRANSPORTATION

Historical

The building of roads reflects both natural and cultural influences, such as climate, topography, geographical conditions, density of population, the cultural level of the population and administrative policies. Viewed from this standpoint, the roads of Manchoukuo cannot be regarded as being favored by either the natural or cultural factors. With respect to cultural factors, the failure of past administrators to adopt proper policies has greatly hindered the development of roads in Manchoukuo.

In the Manchu dynasty period there were the so-called Kuanmatalu (highways for official horses) connecting cities, and also great and small roads connecting towns and villages. But as these were not properly maintained State and private roads were equally in ruin. Furthermore, such highways were constructed by the former war lords from military standpoints, and no consideration was given to economic and industrial factors. Thus, roads used for military purposes were repaired and maintained whenever necessary, and other were left to local authorities who repaired them only when it was unavoidable.

Construction methods were very primitive, and bridges and other parts of roads were left unrepaired when damaged or washed away by floods. No provision was made for the permanent maintenance of bridges and there were no spans across rivers. Furthermore, roads were constructed by merely cutting through flat and uncultivated areas, and there was no surfacing As roads were on the same level with the surrounding areas, when the rainy season of summer came, the clay deposit, peculiar to Manchoukuo, turned into mud, and roads became impassable. Then in the dry season, roads were covered with yellow dust, which was extremely difficult to walk through.

All of the principal cities of Manchuria are connected by highways, but the country still possesses only a scant length of paved roads. The Government saw the necessity of constructing new highways and of broadening those already in existence and between 1932 and 1938 more than 13,000 kilometers of national and local roads have been built. The Government's initial plan in 1932 called for the construction of 60,000 kilometers of national highways in ten years, but various circumstances have necessitated slight modifications to this original project. The outcome was the formation of the First and Second Five-Year Highway Construction Plans. The First Five-Year Plan covered the years 1932-36 and involved the construction of 9,809 kilometers of national highways and 20 special bridges at an estimated expenditure of M¥30,685,000, while the Second Year Plan, extending over 1937-41, proposed the construction of 13,268 kilometers of national highways and 37 special bridges at an estimated expenditure of M¥62,000,000. For the realization of the Five Year Plan, the Government has established the State Highway Bureau and the Highway Construction Offices at Hsinking, Mukden, Harbin and Tsitsihar. With the launching of the Second Five-Year Plan, the Highway Construction Offices were shifted to Tsitsihar, Tumen, and Mutankiang.

The work thus started progressed smoothly. During the period allotted to the First Five-Year Plan, 8,992 kilometers of modern highways and 20 special bridges had been completed, while during the first two years of the Second Five Year Project, 4,613 kilometers of national highways and 24 special bridges had been successfully completed. The following table shows the growing length of roads according to years:

Table 1. Road and Bridge Construction

	National Roads		Local Roads		Bridges	
	Extension (Kms.)	Expenses (M¥1,000)	Length (Kms.)	Expenses (M¥1,000)	Length (Meters)	Expenses (M¥1,000)
1932	707.7	7,804	....	...	....	...
1933	3,000.9	12,876	5,218.5	76	480	56
1934	2,632.3		2,138.1	684	1,595	146
1935	580.4	16,615	1,468.7	346	2,122	249
1936	2,071.0		1,485.7	846	3,266	207
1937	2,168.6	10,068	989.8	717	5,700	189
Total	11,160.9	47,363	11,300.8	2,668	13,163	848

Table 2. Length of Roads Classified

(End of 1937; Unit: Kilometers)

Province:	Usable year-round	Unusable after rains	Unusable in rainy season	Usable in winter only	Total Length
Kirin	1,015	1,220	2,839	1,577	6,652
Lungkiang	504	3,486	637	1,230	5,857
Heiho*	....	....	....	....	....
Sankiang	——	371	2,037	755	3,163
Mutankiang	187	181	625	632	1,625
Pinkiang	1,080	3,490	1,918	319	6,806
Chientao	194	512	249	286	1,241
Tunghua	845	667	432	112	2,056
Antung	652	1,357	2,727	20	4,756
Fengtien	2,990	3,205	1,518	129	7,841
Chinchow	1,847	1,122	1,189	237	4,395
Jehol	1,118	1,711	1,159	166	4,153
Hsingan W.*	....	....	....	....	....
Hsingan S.	295	761	494	45	1,495
Hsingan E.	47	185	——	199	431
Hsingan N.*	....	....	....	....	....
Total	10,773	18,267	15,723	5,706	50,468
	20%	36%	31%	12%	100%

Note: * Investigation not yet completed.

In addition to the local highways, the Government also undertook in 1934 to construct or reconstruct highways in the Tungpientao region, formerly the nest of bandits, as a result of the program of rehabilitating the poverty-striken farming population of the 16 hsien in this region. As a result, during the three years between 1934 and 1936, some 3,733 kilometers of local highways had been either constructed or reconstructed at a total expenditure of M¥476,485. Another noteworthy project is the construction of highways to facilitate the work of Japanese and Chosenese immigrants in Manchuria. This work was started by the Government in 1937 with the inauguration of the Five Year Immigration Highway Project. Under this plan, some 1,290 kilometers of local highways had been constructed during 1937-38 at a total expenditure of M¥1,172,300. Thus, Manchoukuo is witnessing a spreading network of modern highways, both national and local, reaching the farthermost parts of the country and supplementing the expanding radius of railway lines.

Progress in 1938.—According to a report issued by the Government on April 8, 1939 construction of roads, including those for national defence, public peace maintenance and industrial development was 225% in excess of the amount prescribed for the year under the Five Year Plan.

Table 3. Five-Year Plan for Improvement of Local Roads and Bridges

(1938–1942)

Roads	Length (km.)	14,580
	Subsidy (M¥)	10,008,430
Bridges	Length (km.)	32,289
	Subsidy (M¥)	11,594,000
Total State Subsidy		21,602,430

Allotment for	1938	4,333,060
" "	1939	3,398,420
" "	1940	4,231,610
" "	1941	4,313,360
" "	1942	4,321,980

Note: Standard width of road is 6–8 meters.

Motor Transport

On May 31, 1933 the Government charged the Department of Communications with the supervision and control of the motor transport industry. Due partly to the efforts thus made by the Government for the development of the motor transport and partly to the construction of new highways, the motor bus business has expanded tremendously. The total extension of motor bus lines as at the end of 1937 was 13,103 kilometers under state management and 6,922 kilometers under private management. The development of the motor bus service for the last few years may be seen from the figures appended:—

Table 4. Condition of Motor Bus Transportation

	No. of lines	Length of extension lines (Kms.)	Length of operating lines (Kms.)	Investment (M¥1,000)	Aggregate number of passengers carried (1,000)	Aggregate amount of goods hauled (1,000 m. tons)	Total Receipts (M¥1,000)
Governmental:							
1934	19	8,876	3,544	2,300	358	6,650	1,223
1935	33	9,935	4,366	2,339	515	5,103	1,580
1936	65	11,272	5,644	2,422	722	7,081	1,830
1937	80	13,103	5,104	....	1,132	38,066	3,508
Private:							
1934	32	3,752	3,311	2,195	....	....	....
1935	63	4,693	4,125	3,830	34,278	16,742	3,239
1936	104	5,518	4,215	4,174	43,697	41,252	4,389
1937	123	6,922	....	....	72,821	....	5,997

Table 5. State Bus Lines

(April, 1939)

MUKDEN RAILWAY BUREAU

(Total Length: 1,857 kms.)

	Kms.
Ancheng Line:	
Antung-Chengtzutuan	232
" -Hungchikai	52
" -Wulungpei	22
Hoshenkou-Kungwangmiao	45
Takushan-Fenghuangcheng	96
" -Tashihchiao	175
Chuangho-Paipin	120
Chuangho-Siuyen	72
Siuyen-Haicheng	100
Chehmucheng-Pachakou	12
Hainiu Line:	
Haicheng-Niuchuang	25
Yingkow-Neuchuang	40
Hailiao Line:	
Haicheng-Liaoyang	62
Anren Line:	
Lishan-Liaoyang	16
Fenghu Line:	
Mukden-Fushun	56
Hutieh Line:	
Hushun-Tiehling	65
Liaohu Line:	
Hushun-Waitoushan	60
Waitoushan-Liaoyang	65
Chenghu Line:	
Hushun-Chengchang	110
Fengcheng Line:	
Mukden-Kangping	119
Faku-Changkutai	108
Faku-Tungchiangkou	29
Hsiaokou-Kangping	39
Faku-Ilu	72
Minchang Line:	
Hsinmin-Changwu	62

CHINCHOW RAILWAY BUREAU

(Total Length: 3,146 kms.)

	Kms.
Jehol Line:	
Lingyuan-Suichung	184
Suichung-Minshuitangpienmen	43
Pingchuan-Hsifengkou	97
Lamatung-Chinglung	103
Chinglung-Hsiatien	69
Pingchuan-Hsichiao	131
Hsichiao-Nolin	20
Hsichiao-Chihfeng	*59
Chengteh-Weichang	135
Sanchakou-Kupeikou	91
Yingpang-Fengning	47
Lingyuan-Lengkou	164
Chengteh City	3
Chinfu Line:	
Chinchow-Sihaikuo	36
Hsingshan-Hulutao	45
Chinsi-Yangchiachangtzu	35
Chinchow City	11
Chaoyang-Chienping	82
Yehaishou-Hsinghui	115
Tahushan-Hsiatientzu	32
Weichang-Chihfeng	*130
Weichang-Tolun	*130
Chihfeng-Linhsi	210
Peiha Line:	
Fuhsin-Halaton	62
Paituchangpienmen-Peichen	37
Fuhsin-Tunglumutewang	21
Peikai Line:	
Peipiao-Namanchi	152
Kailu-Namanchi	115
Tungliao-Koutsinsuchi	92
Tungchieng Line:	
Tungliao-Kailu	86
Kailu-Lintung	180

(Continued)

KIRIN RAILWAY BUREAU

(Total Length: 1,861 kms.)

Tunghua Line:	
Tunghua-Tsian	*116
Tsian-Yangyutao	19
Tsian-Huangpai	34
Tunghua-Pataohao	60
" -Haunjen	94
" -Tunghua Station	5
Shanchengchen-Liuho Station	37
Liuho-Wufenglou	51
Chaoyangchen Line:	
Chaoyangchen-Fushung	145
Peipinanchuan-Wutaokou	85
Liuho-Kushantzu	28
Kingki Line:	
Hsinking-Kirin	126
Kirin-Hsiaofengman	25
Itung Line:	
Itung-Panshih Station	80
" -Yentungshan Station	90
" -Shihling Station	60
Chaluho-Shuangyang	37
Nungan Line:	
Nungan-Fulungchuan	50
" -Kuochiatun	*25
" -Kaoshantun	60
Kuochiatun-Tafangshen	49
Mimen-Kaoshantung	30
Chiutai Line:	
Hsiachiutai Sta.-Shanghowan	82
Chitamu-Pachitun	45
Hsiachiutai Sta.-Ssutsingtsuitzu	*
Nankuan-Hsiachiutai Station	30
Chiaoho Line:	
Chiaoho-Pachiatzu	27
Tunhai Line:	
Tunhua-Kuanti	32
Kuanti-Emu	30
Tungmen-Mahao	28
Tunhua-Emu	*50
Antu Line:	
Mingyuehkuo-Antu	124

MUTANKIANG RAILWAY BUREAU

(Total Length: 1,894 kms.)

Tungman Line:	
Tumen-Mishan	*45
Hunchung-Tinghsingchen	100
" -Chingyuchiao	51
Tahungkou-Lotzukou	82
Suifenho-Sanchakou	62
Sanchakou-Tinghsingchen	120
Mishan Line:	
Mishan-Pingyuan	78
Pingyuang-Lishuchen	52
Lishuchen-Mishan	22
Mishan-Mishan Sta.	12
Pingyuang-Pingyuang Sta.	12
Poli-Chitaiho	32
Hartung Line:	
Shanhsin-Chiamussu	106
Chiamussu-Huachuan	39
Huachuan-Fuchin	*113
Fuchin-Tungkiang	76
Sanhsin-Poli	110
Chiamussu-Fuchin	166
Fuchin-Paoching	120
Shakang-Paoching	139
Chiamussu-Hsingshantun	205
Chienchen Sta.-Huanying	5
Hunanying-Sanhsinchien	100
Chiamusse City	19

HARBIN RAILWAY BUREAU

(Total Length: 2,225 kms.)

Hartung Line:	
Harbin-Hulan	23
Hulan-Mulan	122
Mulan-Tungho	75
Tungho-Sanhsin	81
Fangcheng-Talomi	55
Tungho-Fengshan	60
Pingfeng Line:	
Harbin-Pingfeng	26
Lalin Line:	
Harbin-Acheng Sta.	45
Hsiangfang-Acheng	36
Acheng-Lalin Sta.	38
Acheng Sta.-Barrack	3
Mankou Line:	
Mankou-Yuyuan	98
Yuyuan-Fuyu	50
Mankou-Hsikang	82
Hsikang-Mingshui	60
Hsikang-Chifeipaching	52
Lanhsi-Hulan	50
Harbin-Loanchen	30
Sanchaho Line:	
Sanchaho-Wuchang	120
" -Yushu	60
Yushu-Pachitun	60
Wukoshu-Taolaichao	23
Kungpengtzu-Tapahao	12
Hsinglungtien-Ssuchiafang	74
Sanchaho-Fuyu	125
Suchiaputzu-Wuchiachan	18
Hsiaokungpengtzu-Fuyu	72
Lalin Line:	
Yushu-Lalin	59
Nohei Line:	
Heiho-Aigun	33
Aigun-Chiko	114
Heiho-Chinshangchen	*225
" -Kantachi	124
Sunwu-Chiko	115
N. Sunwu Sta.-Barrack	5

(Continued)

TSITSIHAR RAILWAY BUREAU

(Total Length: 2,826 kms.)

Tsicha Line:	
Tsitsihar-Kannan	107
Meiliszu-Fulaerhchi	14
Yungankai-Anganghsi	20
Tsita Line:	
Anganghsi-Tuerpete	100
Talahar-Taikang Sta.	106
Talahar-Tatungchen	74
Nohei Line:	
Noho-Puhsi	30
Nunkiang City	6
Tailai Line:	
Tailai-Chinghsing	107
Tatzucheng-Chalainoerh	22
Fulaerchi-Puhsi	54
Lintieh Line:	
Taikang Sta.-Lintieh	55
Lintieh-Ian	55
Tsitsihar-Lintieth	80
Paichuan Line:	
Anta Sta.-Paichuan	160
Paichuan-Koshan Sta.	65
Anta-Hsikiang	42
Paichuan-Hailun	85
" -Ian	65
" -Kotung Sta.	66
Koshan-Peihsingchen	58
Paichuan-Taian Sta.	81
Taian Sta.-Ian	47
Antai Line:	
Anta Sta.-Tatungchen	67
Tatungchen-Yuchow	57
Hsingan Line:	
Wengchuan-Hailar	*285
Hailar-Nalemutu	180
Hailar City	10
Taonan-Fengchuan	105
Wangyehmiao-Fengchuan	113
Sanchiatzu-Wafangchen	44
Wangyehmiao-Wafangchen	65
Kingtao Line:	
Taonan-Ankuang	*86
Ankuang-Lungchuantun	30
Kanan Line:	
Kaitung-Chienkuochi	155
Taipingchuang-Tanyu	45
Tanyu-Kaitung	50
Chienkuochi Line:	
Chienkuochi-Fuyu	8

All bus services along railway lines or running parallel to such lines, and others over routes which will later become railways, as well as those which play an important role in the opening up of undeveloped regions and in the maintenance of peace and order, and which are not paying proposition, are managed by the State through the General Direction of State Railways as a subsidiary business of the latter. The other bus lines, however, are left to private management.

Table 6. Number of Cars

(End of 1936)

	Bicycles	Rikisha	Wagons	Carts	Hand cars	Motor Cycles	Motor Cars: Passenger	Motor Cars: Lorry	Motor Cars: Others	Motor Cars: Total
(a) Manchoukuo										
Kirin	10,471	1,387	1,441	84,298	687	9	288	178	12	474
Lungkiang	4,587	127	2,102	66,536	219	16	217	185	16	418
Sankiang	673	7	856	15,294	10	3	78	211	—	292
Heiho	303	12	135	3,802	25	1	15	20	6	41
Pinkiang & Mutankiang	6,368	303	2,847	85,518	236	8	238	230	10	478
Chientao	3,214	156	139	19,289	222	8	94	79	3	176
Antung & Tunghua	7,360	863	436	16,466	298	6	49	233	10	292
Fengtien	49,405	12,325	6,006	155,697	6,098	49	460	280	62	802
Chinchow	4,028	1,331	877	48,148	381	13	93	106	3	202
Jehol	2,839	934	975	18,264	385	2	63	172	—	235
Hsinking Spec. Muni.	8,846	948	2,842	9,756	160	48	481	182	11	674
Harbin Spec. Muni.	6,484	6,343	2,870	5,729	709	97	836	309	31	1,176
Hailar	104	3	287	1,493	—	—	23	43	—	66
Manchouli	116	—	43	463	—	1	11	2	4	17
Total	104,852	24,739	21,856	530,753	3,430	261	2,946	2,233	168	5,347
(b) Kwantung:										
Kwantung Province	33,925	2,136	1,592	23,492	4,280	...	...	...	...	...
S.M.R. Zone	26,846	2,237	1,697	1,964	1,340	...	...	...	...	...
Total	60,771	4,373	3,289	25,456	5,620	...	...	...	...	...

Auto Transport Business Placed under New Law

With the object of ensuring the sound development of the automobile transport business in Manchoukuo by eliminating waste and checking competition under suitable state control, a new law was promulgated in March, 1937 by the Hsinking Government governing the auto

transport enterprises throughout the country. Officials of the Department of Communications, which have consequently come to supervise all transport enterprises coming under the new law, explained that the new legislation had done away with the numerous defects inherent in the former three sets of regulation adopted for temporary use when the new regime had come into power after the collapse of the northeastern administration.

Their chief shortcoming, the officials pointed out, was that the old regulations merely stipulated the duties of the entrepreneurs and the legal procedure for engaging in the auto transport business, but failed to provide either for its assistance and development or for its guidance and control. Another glaring fault was a lack of uniformity in the rule as applied in different parts of the country, which had constituted a serious obstacle to the general development of the business, according to the same officials. In short, the former regulations were proved to be antiquated and inadequate to meet the needs of growing modern enterprise.

The new law affects all the motor cars running on regular routes operated under fixed schedules or used in general transportation. This means that all passenger buses, sightseeing buses, and trucks engaged in hauling goods under fixed schedules are affected. Taxis, hired autos, hired trucks, passenger cars operated free of charge by department stores for the convenience of their customers, and school buses do not come under the provisions of the new law, but are governed by department ordinance issued as an appendix. The main provisions of the law are as follows:—

1. All automobile transport enterprises coming under the present law are to be included within the category of public utilities, and as such, must be specially approved by the Minister of Communications before they can be operated.
2. The license for any enterprise permitted by the Minister of Communications is to be valid for a period of not more than ten years.
3. The opening of any new roads for use by any transport enterprise in the operation of its cars at its own expense is to be allowed. In case the roads are to be used for other business as well, the permission of the Minister of Communications is required.
4. As all transport enterprises covered by the present law are public utilities, the permission of the said Minister is necessary whenever any enterprise is to be suspended, abolished or the company to be dissolved.

TRANSPORTATION BY WATER

The shipping industry in Manchuria had been anything but active owing to the tardy development of general transport facilities. It was not until the end of the nineteenth century when the Chinese Eastern Railway was established by Russia and the South Manchuria Railway by Japan that railway transport began to develop in Manchuria. With the growing activity of the railway service, the coast line began to be active with the ports of Dairen, Port Arthur, Yingkow and Antung as the center.

On the other hand, Manchuria is favoured by nature with many navigable rivers such as the Amur, Sungari, Ussuri, Liaoho, Yalu, Tumen, etc. The economic value of these rivers was considerable when there was no railway service. The rivers in South Manchuria are generally so shallow as can only admit of the navigation of junks, but those in North Manchuria are mostly navigable by river steamers.

Besides repleting port and harbour facilities with a view to connecting the centers of production with sea ports, the Government which recognizes the importance of the rivers is making efforts to further the facilities of river navigation. All affairs concerning the control of navigation are placed under the charge of the Bureau of Transportations, of the Department of Communications. Also, for purposes of navigation administration, the Navigation Administration Bureau has been established at Harbin, Antung and Yingkow. More specially, the Navigation Administration Bureau is under the control of the Minister of Communications and takes charge of the waterways, bays and harbours, ships, crew, pilots, nautical marks and other affairs concerning water navigation.

The navigation administration Bureaux and the district under their jurisdiction are tabulated below:—

Table 7. Navigation Bureau by Territories

Harbin Navigation Administration Bureau	Harbin	1st Sungari, 2nd Sungari, Ussuri, Amur, Arugun and their branches and coasts.
Yingkow Navigation Administration Bureau	Yingkow	Pohai and the Liaoho which empties into it and other rivers, and their branches and coasts.
Antung Navigation Administration Bureau	Antung	Huanghai and the Yalu emptying into it and other rivers, and their tributaries and coasts.

On February 9, 1933 the Manchoukuo Government entrusted the management of the state railways to the S.M.R. Company. The opportunity was taken to sign a contract with the same company for commissioning the management of the navigation business involved, by which navigation under the Sungari jurisdiction and the port and harbour business attached to the Fengshan Line were entrusted to the S.M.R. Co. As a result, on March 1, 1934 the Company established the Harbin Direction for Navigation under the control of the General Direction of State Railways to supervise navigation business on the Sungari and to take charge of Hulutao.

The principal water transportation facilities are on the Amur, Sungari, Nonni, Ussuri and Liao Rivers. The facilities on the Sungari and Amur Rivers are of particular importance, and as industrial development along these rivers progresses, the operation of these facilities will become more active. More than ten navigation routes along with the piers in Harbin, Chiamussu, Heiho, etc., and the Harbin dockyard are under the management of the General Direction. The number of arrivals of ships at the various piers during 1937 reached 16,500. Goods transported by water amounted to 603,000 metric tons of exports and 670,000 metric tons of imports.

Rivers

Important rivers on which the Navigation Association operates its vessels are the Sungari, Amur, Liao, Nonni and Yalu. The routes in operation are as follows in kilometers:

Table 8. Regular River Voyage Course

(September 1938)

	Km.
Harbin-Fuchin	623
" -Chiamussu	451
" -Heiho	1,418
" -Hulin	1,286
Chiamussu-Hulin	835
" -Heiho	967
Harbin-Fuyu-Talai	332
Heiho-Moho	453
" -Chikote	154
Hulin-Lungwangmiao	275
Chiamussu-Lienkiangkou	5
Total	6,799

Table 9. Number of Registered River Vessels

(August 1938)

Capacity: (tons)	Steamers		Sailing Vessels		Tugboats	
	No.	tons	No.	tons	No.	tons
Above 20	16	672	112	3,652	101	6,964
100	41	9,034	—	—	56	8,677
300	35	13,948	—	—	64	25,830
500	28	20,058	—	—	—	33,575
1,000	7	8,172	—	—	—	—
2,000	—	—	—	—	—	—
Total	127	51,883	112	3,652	273	74,945

As for the navigation on the Yalu and Liao rivers, the situation has not yet reached the stage where modern navigation is in much demand, so that although the General Direction is vested with right to operate vessels on them, at present it is still investigating the real conditions obtaining on these rivers. So far junks and rafts have been sufficient to take care of what traffic there are on the two rivers.

Due to severe winter, the routes can only be operated about 7 months of the year, yet the personnel has to be maintained even during the freezing season practically in full force. Added to this already adverse condition a great deal of the traffic is expected to be diverted to the railways when the projected ones are completed; consequently it is considered almost impossible to obtain any profit from this enterprise. The most that could be expected is a par between revenue and expense. In other words this enterprise is operated solely for public service.

However, the General Direction is sparing no effort in curtailing unnecessary expenses by efficient use of vessels, by elevating the efficiency of personnel, etc. and in finding new sources of revenues, such as, by opening up new paying routes, attracting traffic and popularization of this means of transportation.

Besides the transportation facilities that have effort in curtailing unnecessary expenses by ef- is also conducting various public enterprises such as the development of local industries, spreading of education, modern sanitation and the maintenance of peace and order along the railways. In other words the mission of the General Direction does not stop at merely carrying passenger and goods, but it also involves those enterprises that will help to enhance the general development of the country which might of course mean business to the railway in some distant future,

but at tremendous initial sacrifice to the railway.

The Sungari.—Though no more than a tributary, an extensive region in Northern Manchoukuo from the Changpai range down to the Heilungkiang is watered by the Sungari. Its valley extends over a long distance of 600 ri. The Sungari is the most important water course in Northern Manchoukuo, important not only for transportation but also for irrigation. Although the upper stream is not available for traffic on account of shallows and of danger from bandits, the waterway down Harbin is navigable even by steamers displacing 1,000 tons and more. Harbin is the principal river port which the Sungari has on its course. The part where traffic is most active extends from Harbin to the point where the Sungari joins the Heilungkiang, the depth measuring 7 feet on the average.

History of Traffic on the Sungari.—The orgin of traffic on the Sungari dates far back to old times. Russian steam-boats were pioneer explorers of the navigable course in the lower stream towards the latter half of the 19th century. They steamed up the Heilungkiang and entered the Sungari as far as Kirin in 1895. Chinese boats came there later than 1907, and Russia held, by virtue of treaties, the power of navigation on the Sungari until 1917, when the Tsarist Government was overthrown by Soviet Revolutionaries. Apprehensive of seizure by the Soviet, Russian shipowners hurriedly sold their vessels to Chinese capitalists interested in shipping at reduced prices. Since that time, Chinese have become powerful in the shipping world on the Sungari. The Chinese authorities prohibited shipping by Russians on the Sungari between Kirin and Laohsiaokow in 1920, and shipping business on the whole stretch of that river by Russians was forbidden in 1924. In September, 1926 China recovered quays and vessels belonging to the Chinese Eastern Railway from the possession of the Soviet.

Navigable Course on the Sungari.—The navigable course on the Sungari is divided into five sections. The uppermost course down to Kirin is shallow, where small steam launches drawing draught of two feet are plying. The course down to Sincheng is navigable by boats drawing draught up to 9 feet, and Harbin to the mouth is most easy of navigation. The plains along both banks in Lungkiang Province are fertile, so that traffic across the river on ice is carried on during winter.

Liaoho.—The east and west tributaries join in the vicinity of Sankiangkow to form the main stream of the Liaoho, which stretches over a long distance of 3,800 Chinese ri, or 650 Japanese ri. Yingkow lies at its mouth. The river is navigable from the mouth up to Chengchiatun, a distance of 1,438 Chinese ri, watering the plain of Southern Manchoukuo. The area embraced by this river measures 350,000 square ri.

However, sand in great volume is carried down by the stream, leaving shallows in its course and blocking the way of ships, while four months in winter, the most important season of traffic, the river is frozen. The value of the Liaoho in traffic has been largely reduced since the construction of the South Manchuria Railway.

Generally speaking, the Liaoho is not navigable from the 28th November, when ice begins to drift, the river begins to freeze o nthe 31st December, thaw sets on the 16th March. The river is frozen for 75 days, and drifting of ice ends on the 30th March.

Yalu River.—The Yalu River streams down from the southern foot of the Changpai Range and runs more than 200 ri into the Yellow Sea. It forms steep declivities at several points; there are reefs in the course, while water decreases in autumn every year, and the river is not easy of navigation. This shortcoming is made good to an extent by propeller vessels and craft of special structure. Manchoukho is intending to improve the traffic system on the Yalu River.

Timber forms the staple goods of trade along that river above Antung, agricultural products coming next, and principal imports up the river are cotton yarns and threads, salt, flour, oil, and miscellaneous goods. The Yalu Transport Company is conducting goods and passenger service with its vessels under instructions from the Government-General of Chosen. The Yalu Steam Craft Company is carrying on similar business with its propeller vessels and with creditable records.

The Yalu River is more or less like a dale and not very valuable from the viewpoint of communication. It is frozen from December till March, while it often overflows its banks in July and August.

The Yalu River is divided into five sections: the uppermost course, the upper course, the intermediate course, the lowest course, and the estuary. The uppermost course is passable only by rafts for seven miles. From the mouth to a distance of 40 ri is navigable by small crafts, but steamers drawing 10 feet and above can hardly go up to Antung. They must be moored at the entrance.

The Heilungkiang.—The Heilungkiang is the largest river in North Manchuria. As it streams down the boundaries, it is joined by many tributaries, and it runs 2,500 miles into Mamiya Straits. From the head down to the mouth of the Ussuri, the Heilungkiang for a distance of 1,216 miles from the frontiers between Russia and Manchoukuo and constitutes the important water-way for the development of Northern Manchoukuo. Its navigable distance extends over 8,826 kilometers, and the whole distance navigable by craft other than steam boats measures 10,601 kilometers.

The Heilungkiang is one of the large rivers of the world, deep enough for ships displacing 1,000 tons and upwards, although there are several shallows at various points, and it has large towns on its banks, such as Khabarovsk, Blagoveschensk, Heiho, and Aigun. Wealthy plains are watered by this large river. A time will come when the Heilungkiang and the Sungari will be opened for international transportation, and then the number of vessels plying between Harbin and towns on both banks of the Heilungkiang will increase. The river is frozen from the close of October to the middle of May and it is crowded with various descriptions of crafts during summer.

The navigation on this river is said to have been started by Russian explorers in 1643. Communication on this river was established since May, 1857, and the Heilungkiang Steamship Company was organized under Government subsidies later. There were many vessels on the Sungari and the Heilungkiang while Russia was governed by Tsars, but the downfall of the Tsarist Government caused the rapid decrease in the number of passengers and the volume of cargo.

The Nunkiang.—The Nunkiang is not deep enough for steamers to navigate. From the point where it meets the Sungari, the waterway can be navigable only by steamers but other courses are available only for junks and small sailing boats. The lower stream is 200 to 600 meters wide and 5 to 10 feet deep.

Apart from Dairen in Kwantung Province, there are three ports worthy of mention in Manchoukuo. They are Yingkow, Antung and Hulutao. As for those ports which are confined to sailing craft, Hsihaikou (Chinhsien) ranks first, followed by Chuang-ho. Both are provided with branches of the Customs House.

Port of Yinkow.—Yingkow is generally known as Newchwang by foreigners. Situated about 12 kilometers from the mouth of the Liaoho, it is the oldest open port in Manchuria. It had developed as the only trading port of Manchuria until Dairen began to show activity as a trading port. It was in 1858 that Yingkow was opened to commerce in accordance with the provisions of the Tientsin Treaty. But its activities as an open port dates back to 1872. It is essentially an export harbor dealing chiefly with Japan and China. Exports and imports passing through this port in 1938 totalled M¥77,818,269. Of this amount, ¥33,836,779 represented exports. Chief articles of export consisted of coal, pig-iron, ores, soya beans, and other beans, beancake, bean oil, cotton ginned and unginned, timber, oils. The principal imports, which ammounted to ¥44,031,490 were wheat flour, timber, sleeper, ores, salt, sugar, cereals, paper. Yingkow consists of the interior and exterior ports. The water depth measures 9 feet at the bar of the mouth, while the deepest part of the port measures 50 feet: 20 feet to 33 feet being the average depth. The administration in respect of harbour and shipping is conducted by the Harbour Office of the Yingkow Customs House. There is a shallow towards the lower stream, so that ships drawing draught of 17 feet and more have no other means but to steam up the river on high tide. When the river runs low, the volume of traffic is reduced, but once it rises high, the water way changes. This is the impediment to the transportation on the stream. During the winter, or from the end of December to March the river is frozen.

Port of Antung.—The port of Antung is located on the left bank of the Yalu River, about 25 miles from the mouth. Thanks to easy communications on land and water, it has attained marvellous development since its opening to trade. Antung now forms the centre of commerce in the neighbouring localities, and a prosperous emporium of commodities. Antung was formerly an obscure resort of junks or sampans, but since it was opened to commerce in March, 1907, it has become a good trading port. It is due largely to the opening of the Antung-Mukden Railway and the completion of the Yalu River that the port has attained the present prosperity.

Traffic on the river dates back to the remote past, the commodities transported being mostly soya beans, Manchurian corns, cocoons of wild silkworms, and Yalu timber. Antung forms the emporium of those commodities. Frequent shifting of waterways, and depth constitute the weak points of the river, so that vessels drawing draught of 10 feet or more cannot go up. Vessels larger than 700 or 800 tons cannot enter Antung. The port is frozen from December to March, and its value diminishes by drifting ice 100 meters long and 50 meters wide. Navigation on the Yalu closes towards the end of October or the beginning of November. While the river is frozen sleds are available for communication across it. The trade of the port for 1938

amounted to ¥45,308,147 in exports, and ¥85,532,464 in imports. Chief exports consisted of cereals, bean-cake, soya beans, coal, timber, etc., and chief imports of timber, wheat flour, cereals, sugar, etc.

Port of Hulutao.—The port of Hulutao is an ice-free port in Pohai with an extensive hinterland favoured in depth of water, direction of wind, temperature, etc. The harbour construction was started in 1908 at an estimated cost of £800,000 with a five-year-programme. The work was resumed in 1919 at an estimated expenditure of 10,000,000 dollars in silver, but it had to be suspended because of a civil disturbance. It was in January, 1930 that a contract with a Dutch firm was signed, and the harbour constructed was to be resumed again at an estimated expenditure of 6,400,000 dollars in American currency. The Manchurian incident caused the abandonment of the resumed work. After the foundation of Manchoukuo, the work was resumed. Then after again suspending the work for a time, the Government of the new country entrusted the harbour construction to the South Manchuria Railway Company for opening up industry in Jehol, especially with an eye to the shipment of Shinkiu and Peipiao coal.

The Company launched a five-year harbour construction plan for the port in 1935 at a total cost of ¥20,000,000 with the object of increasing the cargo handling capacity of Hulutao to 3,500,000 metric tons, and construction of the foundations of Piers Nos. 2 and 3 has been completed. Compared to 1938, Hulutao's cargo handling capacity in 1939 had trebled from 65,000 metric tons to 200,000 tons.

In view, however, of the increasing importance of the harbour works at Hulutao owing to the active development of Manchoukuo's Five Year Industiral Plan and to the closer relationship with North China since the China Incident, the S.M.R. Company has decided to revise and expand the above harbour construction plan in order to increase the port's handling capacity to 4,000,000 metric tons. This will entail an additional expenditure of ¥10,000,000. Under the revised project, both Piers Nos. 2 and 3 was to be opened for use in 1939, while Pier No. 4 was also to be completed the same year, raising the port's cargo handling capacity to 1,000,000 metric tons. The entire project is scheduled for completion in 1940.

Hulutao was designated as an open port by the State Council on April 5, 1937.

Port of Yuki

The port of Yuki is located on the Korean coast of the Japan Sea, 12 miles from the Tumenkiang River. It is one of the ice-free ports of Korea, and has been the anchorage of fishing boats. The port was opened in June 1921 and further extensions were completed in 1930. The length of the harbour is 200 meters and affords anchorage for two ships of 3,000 tons. Owing to the mountainous hinterland, the connection between the port and the city of Yuki is inconvenient. In spite of the above-metioned handicap the port has a unique advantage in the transportation of lumber. According to prevailing conditions, the port can collect lumber by both rail and by rafts descending the Sungari and the Mutankiang rivers. The port has another advantage in that the rafted lumber may be stored at Lake Ryushi, nearby.

Port of Rashin

The port of Rashin situated at the northern end of Korea, fifteen miles south of Yuki, was a small village with a population of 500 in 1927, The completion of the Hsinking-Tumen railway suddenly increased the importance of this port. At present it has a population of 26,000. Rashin is the best port of Korea and is surrounded by mountains on three sides, and protected by two small islands lying at the entrance of the port. The depth of the port is from eight to twenty meters in general and eight to ten meters by the piers. When harbour projects now under way are completed Rashin will become an excellent outlet for the cargoes of North Manchuria, particularly from the region of Harbin and for the import of goods to North Manchuria. The construction of the port of Rashin is being projected in three stages. When the entire plan is completed Rashin will have eight piers 300 meters each in length with capacity for handling 9,000,000 tons of cargo annually. The first stage of construction was commenced in 1933 and was completed in 1938. In this stage three piers with capacity for handling 3,000,000 tons of cargo annually were completed.

A railway line linking Yuki and Rashin, 15 miles distant, was completed in the autumn of 1935. The advantage as regards savings in mileage effected by using the Rashin route instead of the Dairen or Vladivostok routes in transortation between Harbin and Tokyo is shown in the following data:

Route	Mileage (Kms)
Harbin-Dairen-Shimonoseki-Tokyo	3,208.9
Harbin-Vladivostok-Tsuruga-Tokyo	2,194.8
Harbin-Rashin-Niigata-Tokyo	1,946.1

Table 10. Arrival and Departure of People Through Ports of Kwantung Province

	Landing			Leaving		
	Japanese	Manchoukuoan and Chinese	Total. incl. others	Japanese	Manchoukuoan and Chinese	Total incl. others
1931	65,106	242,748	311,511	52,002	179,798	235,539
1932	88,660	239,690	327,887	57,774	230,690	293,421
1933	119,447	346,098	472,280	77,676	252,465	335,973
1934	125,928	404,338	536,665	87,402	232,874	324,934
1935	149,763	267,129	423,901	107,825	198,373	310,995
1936	133,670	235,502	374,695	113,888	186,629	304,682
1937	138,488	177,703	321,672	120,970	150,420	275,447

Table 11. Number of People Leaving and Landing at Principal Ports in Manchoukuo

(1937)

	Leaving			Landing		
Ports:	Male	Female	Total	Male	Female	Total
Yingkow	32,460	3,699	86,159	82,527	5,885	88,412
Harbin	110,222	22,842	133,064	69,065	12,627	81,692
Antung	19,807	5,187	24,994	12,934	3,481	16,415
Hulutao	790	19	809	3,140	200	3,340
Hulin	1,548	260	1,808	1,527	315	1,842
Fuchin	39,798	8,567	48,365	50,471	12,112	67,583
Heiho	12,450	1,568	14,018	8,579	1,726	10,305

AIR TRANSPORTATION

(For Air Route Map See Page 208)

Since 1933 much progress has been made in developing the commercial air routes of Manchoukuo, and good connections with the air service system of Japan are in effect. The capitals of Japan and Manchoukuo have been shortened into a day's trip by air since 1937. When the projected direct flights over the Japan Sea are realized the distance between Hsinking and Tokyo will be further shortened by several hours.

Manchoukuo possessed in 1939 a fine network of commercial air routes, stretching from the Liaotung Peninsula northwards to the Soviet borders at Manchouli, Heiho, and Hunchun and connecting the intermediate cities of Mukden, Hsinking, Harbin, Tsitsihar, Mutankiang and Chiamussu. There are also air lines running westward to Jehol City and to Lintung, near the Outer Mongolia border.

Due to heavy traffic increase there is still a great shortage in aircrafts and the rule is that reservations must be made days in advance to assure passage. Most of the aircrafts used on the service are of the Douglas, Lockheed and Heinkel types. The Douglas is built in Japan through foreign license.

Table 12. Principal Airlines and Timetable

(1939)

Distance (Km.)	Fare (M¥)		Dairen-Chiamussu (Daily)			Chiamussu-Dairen (Daily)		
			Dairen	Lv.	10:00	Chiamussu	Lv.	9:00
355	23	.....	Mukden	Arr.	11:25	Harbin	Arr.	10:20
			"	Lv.	11:35	"	Lv.	10:30
270	18	.....	Hsinking	Arr.	12:40	Hsinking	Arr.	11:30
			"	Lv.	13:00	"	Lv.	11:50
250	16	.....	Harbin	Arr.	14:00	Mukden	Arr.	12:55
			"	Lv.	14:10	"	Lv.	13:05
305	39	.....	Chiamussu	Arr.	15:25	Dairen	Arr.	14:30
1,118	96							
			Mukden-Antung-Dairen (Mon., Wed. & Fri. only)			Dairen-Antung-Mukden (Tues. Thur. & Sat. only)		
			Mukden	Lv.	9:30	Dairen	Lv.	9:40
175	17	.....	Hwanjen	Arr.	10:25	Siuyen	Arr.	10:50
			"	Lv.	10:35	"	Lv.	10:55

(Continued)

Distance (Km.)	Fare (M¥)								
60	7	.....	Tunghua	Arr.	11:00	Antung	Arr.	11:30
			"	Lv.	11:10	"	Lv.	11:40
60	7	.....	Tsian	Arr.	11:40	Kwantien	Arr.	12:10
			"	Lv.	11:45	"	Lv.	12:15
130	13	.....	Kwantien	Arr.	12:30	Tsian	Arr.	13:00
			"	Lv.	12:35	"	Lv.	13:05
85	8	.....	Antung	Arr.	13:05	Tunghua	Arr.	13:35
			"	Lv.	13:15	"	Lv.	13:45
95	6	.....	Siuyen	Arr.	13:50	Hwanjen	Arr.	14:10
			"	Lv.	13:55	"	Lv.	14:20
210	14	.....	Dairen	Arr.	15:10	Mukden	Arr.	15:25
815	**72**							

Mukden-Chengteh **Chengteh-Mukden**

(Daily)

			Mukden	Lv.	9:15	*9:00	Chengteh	Lv. 12:15	——
200	15	.....	Chinchow	Arr.	10:25	10:10	Chinchow	Arr. 13:35	——
			"	Lv.	10:35	——	"	Lv. 13:45	*15:45
280	28	.....	Chengteh	Arr.	12:00	——	Mukden	Arr. 14:50	16:50
480	**43**								

Note: * Monday, Wednesday & Friday only.

Mukden-Peking **Peking-Mukden**

(Mon., Wed. & Fri. only)

			Mukden	Lv.	9:00	Peking	Lv.	13:10
200	15	.....	Chinchow	Arr.	10:10	Tientsin	Arr.	13:45
			"	Lv.	10:20	"	Lv.	13:50
410	36	.....	Tientsin	Arr.	12:10	Chinchow	Arr.	15:35
			"	Lv.	12:15	"	Lv.	15:45
120	15	.....	Peking	Arr.	12:50	Mukden	Arr.	16:50
730	**66**							

Chengteh-Changchiakou **Changchiakou-Chengteh**

(Mon. & Thur. only)

			Chengteh	Lv.	12:30	Changchiakuo	Lv.	10:00
255	36	.....	Changchiakou	Arr.	14:00	Chengteh	Arr.	11:30

Hsinking-Chinchow **Chinchow-Hsinking**

(Tues. & Sat. only) (Wed. & Sun. only)

			Hsinking	Lv.	9:00	Chinchow	Lv.	9:00
240	26	.....	Tungliao	Arr.	10:40	Chihfeng	Arr.	10:30
			"	Lv.	10:50	"	Lv.	10:40
85	10	.....	Kailu	Arr.	11:25	Linsi	Arr.	11:50
			"	Lv.	11:30	"	Lv.	11:55
170	20	.....	Lintung	Arr.	11:35	Lintung	Arr.	12:35
			"	Lv.	12:40	"	Lv.	12:40
105	13	.....	Linsi	Arr.	13:25	Kailu	Arr.	13:35
			"	Lv.	13:30	"	Lv.	13:40
155	18	.....	Chihfeng	Arr.	14:25	Tungliao	Arr.	14:10
			"	Lv.	14:35	"	Lv.	14:20
230	23	.....	Chinchow	Arr.	15:55	Hsinking	Arr.	15:40
985	**110**							

Hsinking-Chukochin **Chukochin-Hsinking**

(Wed. & Fri. only)

			Hsinking	Lv.	8:30	Chukochin	Lv.	11:00
265	25	.....	Tunghua	Arr.	9:40	Tsian	Arr.	11:30
			"	Lv.	9:50	"	Lv.	11:35
69	7	.....	Tisan	Arr.	10:15	Tunghua	Arr.	12:05
			"	Lv.	10:20	"	Lv.	12:15
95	10	.....	Chukochin	Arr.	10:55	Hsinking	Arr.	13:30
429	**42**							

(Continued)

Hsinking-Seishin **Seishin-Hsinking**

(Tues., Thur. & Sat. only)

Distance (Km.)	Fare (M¥)							
395	37	.....	Hsinking	Lv.	9:10	Seishin	Lv.	12:15
			Tumen	Arr.	10:50	Hunchun	Arr.	12:50
			"	Lv.	11:00	"	Lv.	12:55
45	7	.....	Hunchun	Arr.	11:15	Tumen	Arr.	13:10
			"	Lv.	11:20	"	Lv.	13:20
130	12	.....	Seishin	Arr.	12:00	Hsinking	Arr.	15:15
570	**56**							

Hsinking-Manchouli **Manchouli-Hsinking**

(Mon., Wed. & Fri. only) (Tues., Thur. & Sat. only)

			Hsinking	Lv.	8:40	Manchouli	Lv.	9:30
390	38	.....	Tsitsihar	Arr.	10:25	Hailar	Arr.	10:20
			"	Lv.	10:40	"	Lv.	10:30
410	48	.....	Hailar	Arr.	12:30	Tsitsihar	Arr.	12:15
			"	Lv.	12:40	"	Lv.	13:00
180	21	.....	Manchouli	Arr.	13:30	Hsinking	Arr.	14:45
930	**107**							

HsinkingSanchakow **Sanchow-Hsinking**

(Mon., Wed. & Fri. only)

			Hsinking	Lv.	8:00	Sanchakow	Lv.	12:00
360	41	.....	Mutankiang	Arr.	10:00	Suifenho	Arr.	12:20
			"	Lv.	10:40	"	Lv.	12:25
50	7	.....	Mulingchan	Arr.	10:55	Mulingchan	Arr.	12:55
			"	Lv.	11:00	"	Lv.	13:00
75	11	.....	Suifenho	Arr.	11:25	Mutankiang	Arr.	13:20
			"	Lv.	11:30	"	Lv.	13:40
50	7	.....	Sanchakow	Arr.	11:50	Hsinking	Arr.	16:05
535	**66**							

Mutankiang-Fukin **Fukin-Mutankiang**

(Tues., Thur. & Sat. only) (Wed., Fri. & Sat. only)

			Mutankiang	Lv.	10:45	9:50	Fukin	Lv. 8:30	——
80	12	.....	Pamientung	Arr.	11:10	10:15	Tungkiang	Arr. 8:50	——
			"	Lv.	11:15	10:20	"	Lv. 8:55	——
100	14	.....	Panchiehho	Arr.	11:45	10:50	Jaoho	Arr. 9:40	——
			"	Lv.	11:50	10:55	"	Lv. 9:45	——
50	6	.....	Tungan	Arr.	12:10	11:15	Paotsing	Arr. 10:35	——
			"	Lv.	11:25	——	"	Lv. 10:40	——
95	14	.....	Paotsing	Arr.	12:55	——	Tungan	Arr. 11:15	——
			"	Lv.	13:00	——	"	Lv. 11:25	11:25
150	21	.....	Jaoho	Arr.	13:50	——	Pachiehho	Arr. 11:45	11:45
			"	Lv.	13:55	——	"	Lv. 11:50	11:50
150	21	.....	Tungkiang	Arr.	14:50	——	Pamientung	Arr. 12:25	12:25
			"	Lv.	14:55	——	"	Lv. 12:30	12:35
60	9	.....	Fukin	Arr.	15:20	——	Mutankiang	Arr. 13:00	13:00
685	**97**								

Mutankiang-Tungan **Tungan-Mutankiang**

(Saturday only)

			Mutankiang	Lv.	8:30	Tungan	Lv.	10:15
155	18	.....	Poli	Arr.	9:20	Poli	Arr.	11:00
			"	Lv.	9:25	"	Lv.	11:05
120	14	.....	Tungnan	Arr.	10:05	Mutankiang	Arr.	12:00
275	**32**							

Harbin-Tsitsihar-Heiho-Harbin

(Mon., Wed. & Fri.) (ues., Thur. & Sat.)

			Harbin	Lv.	9:15	Harbin	Lv.	7:40
275	22	.....	Tsitsihar	Arr.	10:30	Lungchen	Arr.	8:55
			"	Lv.	10:45	"	Lv.	9:00
230	23	.....	Nunkiang	Arr.	11:45	Sunwu	Arr.	9:40
			"	Lv.	11:50	"	Lv.	9:45

(Continued)

Distance (Km.)	Fare (M¥)							
250	25	.....	Heiho	Arr.	12:50	Heiho	Arr.	10:10
			"	Lv.	13:00	"	Lv.	10:20
100	15	.....	Sunwu	Arr.	13:25	Nunkiang	Arr.	11:25
			"	Lv.	13:30	"	Lv.	11:30
145	14	.....	Lungchen	Arr.	14:10	Tsitsihar	Arr.	12:35
			"	Lv.	14:15	"	Lv.	12:50
275	28	.....	Harbin	Arr.	15:35	Harbin	Arr.	14:00
1,275	**127**							

Harbin-Fukin (Daily) **Fukin-Harbin**

			Harbin	Lv.	8:00	Fukin	Lv.	11:00
160	20	.....	Tungho	Arr.	8:50	Chiamussu	Arr.	11:45
			"	Lv.	8:55	"	Lv.	13:10
75	10	.....	Ilan	Arr.	9:20	Ilan	Arr.	13:40
			"	Lv.	9:25	"	Lv.	13:45
80	9	.....	Chiamussu	Arr.	9:50	Tungho	Arr.	14:15
			"	Lv.	10:00	"	Lv.	14:20
140	17	.....	Fukin	Arr.	11:40	Harbin	Arr.	15:15
455	**56**							

Chiamussu-Tangyuan (Tues. & Sat.) **Tangyuan-Chiamussu**

			Chiamussu	Lv.	8:00	Tangyuan	Lv.	8:20
35	6	.....	Tangyuan	Arr.	8:15	Chiamussu	Arr.	8:35

Chiamussu-Fukin (Daily) **Fukin-Chiamussu**

			Chiamussu	Lv.	8:30	Fukin	Lv.	10:50
150	21	.....	Paotsing	Arr.	9:35	Paotsing	Arr.	11:30
105	13	.....	"	Lv.	9:45	"	Lv.	11:40
			Fukin	Arr.	10:30	Chiamussu	Arr.	12:50
255	**34**							

Chiamussu-Jaoho (Tues. & Sat.) **Jaoho-Chiamussu**

			Chiamussu	Lv.	9:00	Jaoho	Lv.	12:05
30	5	.....	Holichen	Arr.	9:10	Tungkiang	Arr.	13:00
			"	Lv.	9:15	"	Lv.	13:05
100	14	.....	Lopei	Arr.	9:55	Fukin	Arr.	13:30
			"	Lv.	10:00	"	Lv.	13:40
75	9	.....	Fukin	Arr.	10:30	Lopei	Arr.	14:10
			"	Lv.	10:10	"	Lv.	14:15
60	9	.....	Tungkiang	Arr.	11:10	Holichen	Arr.	15:00
150	21	.....	"	Lv.	11:15	"	Lv.	15:05
			Jaoho	Arr.	12:00	Chiamussu	Arr.	15:15
415	**58**							

Chiamussu-Moho (Wed.) **Moho-Chiamussu** (Thur.)

			Chiamussu	Lv.	9:30	Moho	Lv.	12:40
230	32	.....	Foshan	Arr.	11:00	Oupu	Arr.	13:50
			"	Lv.	11:05	"	Lv.	14:00
75	10	.....	Wuyun	Arr.	11:40	Huma	Arr.	14:40
			"	Lv.	11:45	"	Lv.	14:45
230	32	.....	Heiho	Arr.	13:10	Heiho	Arr.	16:00
			"	Lv.	8:00*	"	Lv.	9:30*
225	25	.....	Huma	Arr.	9:40	Wuyun	Arr.	10:45
			"	Lv.	9:45	"	Lv.	10:50
130	18	.....	Oupu	Arr.	10:40	Foshan	Arr.	11:20
			"	Lv.	10:45	"	Lv.	11:25
260	30	.....	Moho	Arr.	12:30	Chiamussu	Arr.	12:45
1,150	**147**							

Note: * Indicates following morning.

Management

The management of the commercial air service of Manchoukuo is under the control of the Manchoukuo Aeronautical Company established on October 26, 1932. Capitalized at M¥13,970,000 the Company has been expanding its network of routes steadily. The air fares on the Manchurian air lines worked out in 1938 at about M¥0.065 per kilometer. Thus the fare for the flight from Dairen to Hsinking of 630 kilometers was M¥41, and that from Dairen to Chiamussu M¥96.00.

Hsinking-Tokyo and Tokyo-Tientsin Fast Air Services Opened

The much heralded "super express service" bringing Hsinking and Tokyo within less than ten hours of each other was inaugurated on June 1, 1937 when a powerful 12-passenger all-metallic Nakajima A.T. plans left the capital of each Empire early in the morning, and safely reached its destination, the Tokyo bound machine landing at the Haneda aerodrome at 4.30 p.m., 9 hours and 10 minutes after its departure from Hsinking, and the Manchuria-bound plane alighting at the Hsinking aerodrome at 5.15 p.m., after flying for 9 hours and 48 minutes.

The same day a ten-hour air service was also opened between Tokyo and Tientsin via Keijo and Dairen.

Air Ports of Manchuria Aeronautical Co.

Mukden Branch:
Mukden, Chinchow, Chaoyang, Chiehfeng, Shanhaikwan, Lingyuan, Chengteh, Dairen, Shingishu, and Tunghua.

Hsinking Branch:
Hsinking, Yenki, Tumen, Lungchingtsun, Tunhua, Kirin, and Ranan.

Harbin Branch:
Harbin, Tsitsihar, Manchouli, Hailar, Peianchen, Taheiho, Mutankiang, Ilan, Fuchin, Pamientung, Taoan, and Nunkiang.

Mukden-Fukuoka Fast Air Service

As a result of the protocal recently concluded between the Manchuria Aeronautical Co. and the Japan Airway Co. with a view to expanding the air-service between the two Empires, a test flight was made successfully on 25th November, 1939 by a 10-passenger model 86 twin-motored Junker plane belonging to the former. The plane with 7 passengers and a staff of four left Mukden at 8:31 am. and arrived at the Fukuoka aerodrome at 2:18 p.m. via Keijo. The craft has a cruising speed of 330 kilometers per hour, and is expected to be engaged on this route regularly.

HOTELS

A chain of modern, western hotels are operated by the South Manchuria Railway Company. Known as Yamato Hotels, they are located at Dairen, Port Arthur, Mukden, Hsinking and Harpin. Fushun, Wulungpei (Goryuhai) and Peking have Japanese-style hotels under the management of the S.M.R. Similar establishments are to be found in Tsitsihar, Hulutao and the hot spring resort of Hsingcheng.

There are also several hundred Japanese-style hotels in Manchuria managed by individuals, the rates at these hotels, inclusive of Japanese breakfast and dinner, ranging from ¥3.50 to over ¥10.00 per person according to accommodations and regions.

Principal Hotels

(Year Ending March, 1938)

Along S.M.R. Lines	No. of guests	No. of dinning guests	No. of parties held	Revenue (¥)	Expenditure (¥)
Dairen Yamato Hotel	22,644	118,246	26,058	441,050	452,374
Hoshigaura " "	13,072	60,576	3,940	211,090	217,528
Ryojun " "	2,389	12,782	2,507	34,202	68,498
Mukden " "	20,544	147,087	18,408	469,115	472,254
Hsinking " "	17,069	132,680	21,488	415,900	441,619
Goryukaku	8,354	20,106	388	61,736	60,708
Chikushi-kan	1,026	2,107	...	7,952	9,247
Peking Fuso-kan	7,371	18,109	336	80,986	90,805
Total	92,469	511,693	72,125	1,722,032	1,813,133

(Continued)

Along State Lines	No. of guests	No. of dinning guests	No. of parties held	Revenue (¥)	Expenditure (¥)
Hsingcheng Wenchuang Hotel.	1,898	5,443	153	12,582	25,633
Hulutao Hotel	1,415	6,294	1,294	15,869	25,689
Tsitsihar Ry. Hotel	3,590	77,950	4,747	77,720	103,742
Harbin Yamato Hotel	10,186	52,323	4,999	233,527	365,871
Aerhshan Hotel	776	3,062	226	7,914	13,822
Total	17,865	145,923	11,419	347,612	534,757

References:

Table Nos.: 1-5 a, 6 a & b, 7-11 a, 12 c.
Key: a—Dept. of Communications, Manchoukuo.
b—Kwantung Bureau.
c—Manchuria Air Transport Co.

CHAPTER XV

RAILWAYS

General

The mileage of railways in Manchuria at the end of March, 1939 was 10,000.5 kilometers. Of this length 3,896.9 kilometers, were built after the establishment of Manchoukuo in 1932.

All of the railways of Manchoukuo are under the supervision of the South Manchuria Railway Company through an organ known as the "Tetsudo Sokyoku" (General Direction of Railways). With good rolling stock and standard gauge tracks the important cities in the country are within easy rail access.

The unification of the railways under one management was greatly facilitated by the purchase of the Chinese Eastern Railway from Soviet Russia in March, 1935 at the price of M¥170,000,000. By the purchase the state railways was increased by 1,732.4 kilometers and placed at Manchoukuo's command one of the most important lines in the whole territory.

Location of Railways.—The trunk lines of the railways in Manchoukuo form a rough T. This formation was the outcome of Tsarist Russia's far-flung plan to pierce Manchuria for the shortest route to Vladivostock and to find an year round ice free port in the south. The midsection of the T is represented by the city of Harbin, the lateral ends by Manchouli in the west and Suifenho in the east, while the lower end of the T is represented by Port Arthur.

Around this skeleton a series of tributary lines has been projected in the intervening years since the turn of the present century. In general the growth in branch lines has tended to move from South Manchuria to North Manchuria and this tendency has been especially pronounced since the establishment of the present government.

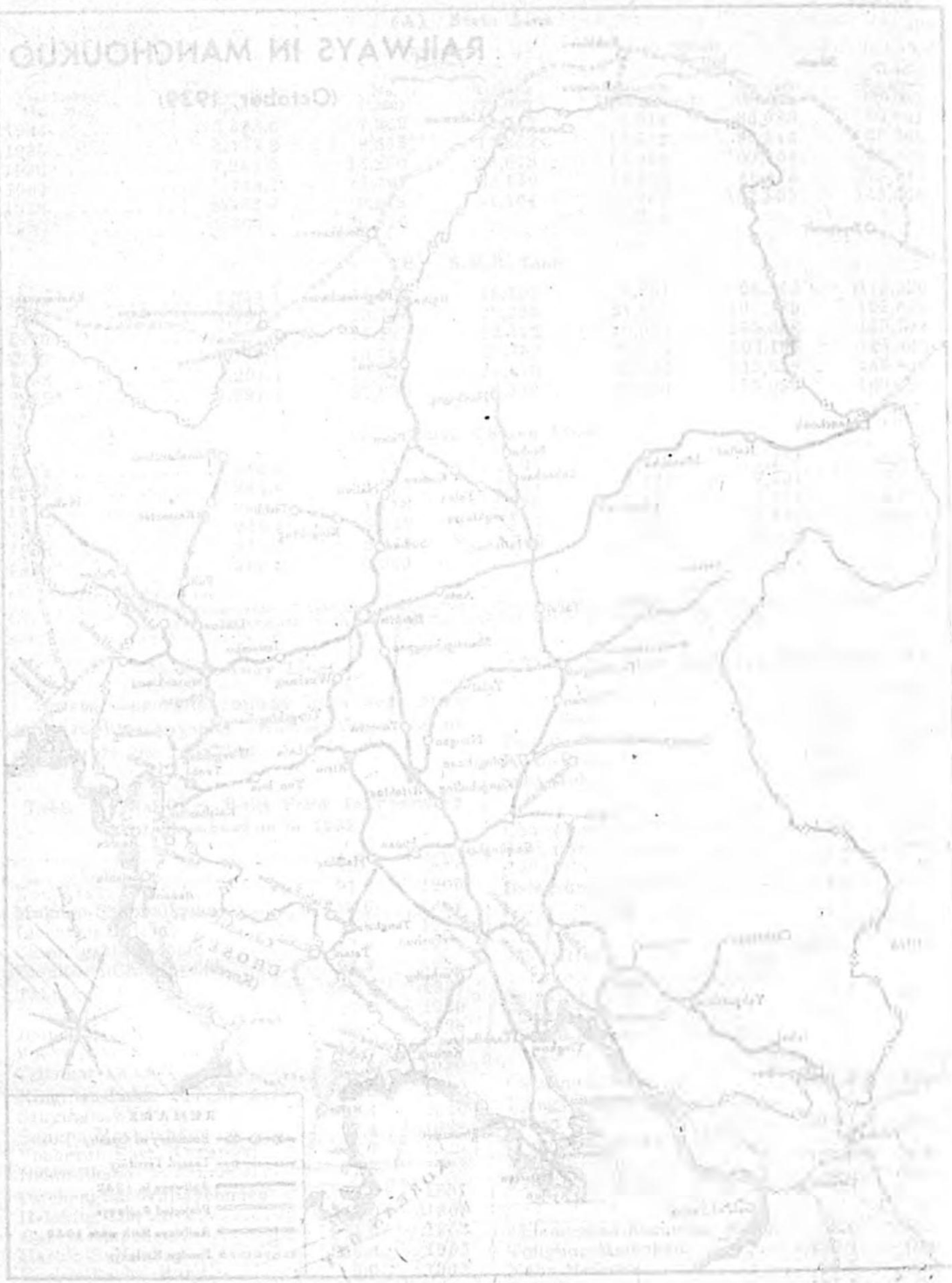
From the viewpoint of commercial importance four lines stand out prominently. There are the South Manchuria Railway trunk line between Dairen and Hsinking, the Hsinking-Tumen line, the Tumen-Chiamussu line and the Mukden-Shanhaikwan line. The Dairen-Hsinking line is 701.4 kilometers in length and connects the principal port of the country with the so-called granary of South Manchuria. The larger portion of local farm produce for export and incoming commodities for distribution in the hinterland is transported by this railway.

The Hsinking-Tumen line, 568 kilometers, and the Tumen-Chiamussu line, 444.9 kilometers, which run through the northeastern districts and are linked with the three North Korean ports of Yuki, Seishin and Rashin come next in importance. By these two lines, the majority of farm produce and lumber from North-east Manchuria are taken to the three ports for shipment abroad.

The Mukden-Shanhaikwan railway, 419.6 kilometers, links Manchoukuo with North China via the Peking-Shanhaikwan railway. This line play the principal rôle in the overland trade between Manchuria and North China. The fact also must not be overlooked that along the line are two good ports, Hulutao, Chinchow Province, and Hopeh, Fengtien Province, which both face the Gulf of Pechihli.

Railway Investment.—Expenditures for railways in Manchuria in the five years ending 1938 are estimated by Mr. M. Izawa, director of the South Manchuria Railway Company, at roughly ¥870,000,000. This amount is apportioned as follows: ¥400,000,000 for the construction of 4,000 kilometers of new railway lines under the First Railway Construction Program; ¥170,000,000 for the cost of repairing old lines; ¥50,000,000 for the cost of constructing and repairing harbors (the Yuki-Rashin line and the harbor of Hulutao included); ¥170,000,000 for the cost of purchasing the North Manchuria Railway (the former Chinese Eastern Railway); ¥80,000,000 for miscellaneous purposes. The amount comprised about two-thirds of the total sum of Japan's investments in Manchoukuo, war expenditures being excluded.

Operation of Railways.—The operation of the railways of Manchoukuo are entrusted to the Tetsudo Sokyoku (General Direction of Railways) which was established in October, 1936 at Mukden, succeeding the Tetsudo Sokyoku. The new organ takes under its control and supervision the operation of all Manchurian railways owned either by the South Manchuria Railway Company or by the Manchoukuo Government and those in North Chosen whose management had already been entrusted by the Korean Government-General to the South Manchuria Railway Company.



Section	Length (Kms.)	Operated to Traffic 1938
Suihwa-Tiehshanpao	54.2	May
Wangching-Suehling	75.0	June
Jehol-Kupehkow	106.3	April
Lungtanshan-Tafengman ..	22.7	Aug.

Section	Length (Kms.)	Opened to Traffic 1938
Mingshan-Newshintai	13.3	Sept.
Kingcheng-Tiehli	101.9	Oct.
Yangfeng-Tsian	13.8	1939 Sept.
Total	3,896.9	

Table 4. South Manchuria Railway Lines

(At end of Aug., 1938)

Lines	Distance	Working mileage (kilometers)	Gauge (Feet)	No. of stations
Dairen Line	Dairen-Hsinking	704.3	4.85	74
Antung Line	Antung-Suchiatun	260.2	4.85	27
Port Arthur Line	Choushuitzu-Port Arthur	50.8	4.85	5
Fushun Line	Suchiatun-Fushun	52.9	4.85	6
Yingkow Line	Tashihchiao-Yingkow	22.4	4.85	1
Yentai Colliery branch line ...	Yentai-coal mines	15.6	4.85	—
Other branch lines		22.9	4.85	2
Total		1,129.1	—	115

Chiamussu - Linkou Line. — The Chiamussu-Linkou section of the Tumen-Chiamussu Railway which was opened to traffic in January, 1937 furnishes rapid and direct transit for freight and passengers from the Japan Sea to the Lower Sungari. The entire line, from the North Korean coast to the Sungari River, is 580 kilometers, of which the Chiamussu-Linkou section is 196 kilometers. A combined passenger and freight train operates daily both ways on the section, providing second and third class passenger accommodation. The commencement of regular operation through the whole length of the Tumen-Chiamussu Railway is of great commercial, political and strategic significance in the swift development of Northeast Manchuria. The new railway, stretching almost due north, is crossed at Mutankiang by the N.M.R. and it sends forth a spur line at Linkou northeastward to Hulin via Mishan. From Mutankiang to Linkou on the north is 110 kilometers.

Hsinlitun-Ihsien Line. — The Tsinlitun-Ihsien Line was opened to traffic in April, 1937. It is 68.5 kilometers in length and is situated in Chinchow Province. Inasmuch as this line runs through Fuhsin, a noted coalfield, and is linked at Ihsien with the Chinchow-Chengte railway along which is located the port of Hulutao, it is believed that the new line will play an important rôle in the development of the entire district it traverses. The importance of the line is especially associated with Manchoukuo's plan to increase coal production at Fuhsin under the announced five-year industrial program. With the completion of this line, Fuhsin coal is taken southward by the new line to Ihsien whence it is further carried to the port of Hulutao for shipment to Dairen and other outside ports.

Cheng-Ku and Ku-Tung Lines.—On March 28, 1938 two new railways were formally opened to link North China and Manchuria. The new railways in question are known respectively as the Cheng-Ku Line and the Ku-Tung Line, the former between Chengteh (the capital of Jehol) and Kupeikou, close to the line of the Great Wall forming the boundary between North China and Manchoukuo, and the latter between the abovementioned Kupeikou and Tangchow, the former capital of East Hopei Autonomous State. By the opening of these two connecting sections of railway the capital of Jehol has been brought into direct communication with Peking.

The construction of these railways, especially through the mountainous region of Jehol and North China, was attended with extreme technical and other difficulties. Their completion within six months after surveying was started is therefore regarded as a great technical achievement. The building of the road bed has involved the construction of many tunnels, bridges and tracks up precipitous hillsides and many sharp passes winding among the mountains. A special technical corps from the South Manchuria Railway Company has been in charge of the work of construction.

Wangching-Hsuehling Line. — The 75 kilometer railway constructed by the South Manchuria Railway Company and connecting Wangching and Hsuehling, in Eastern Manchuria, was opened to provisional traffic on June 1, 1938. This new line runs through dense forest regions where only a few had ever set foot up to several years ago.

Transportation of lumber on the line has become brisk. A total of 250,000 metric tons of lumber, including 150,000 tons of logs and 50,000 tons of sleepers, were produced in 1938.

RAILWAY HISTORY

The first railway construction in Manchuria was made by Great Britain and Russia, in competition against each other, in the period from 1890 to the beginning of the 20th century. Great Britain established her influence in Manchuria by constructing the North China Railway which now connects Peking with Mukden. This railway was at first a short, light railway for carrying the output of the Kaiping coal mine, situated between Shanhaikwan and Tientsin. From about 1887, Li Hung-chang attempted to further extend this light railway line from military consideration against Japan, and although it was first planned to carry out the proposed extension with native capital, he failed. Then, obtaining the loan of funds from Great Britain, Germany, Russia and other countries, construction was started to extend the line southward to Tientsin and Peking, and eastward to Yingkow and Mukden. It was in 1894, the first year of the Sino-Japanese War, that the eastern extension of the line crossed the Shanhaikwan barrier and entering Manchuria reached Suichung, about 90 kilometers from Shanhaikwan. Thus, this line was the first railway constructed in Manchuria.

As Russia obtained the privilege of constructing the Chinese Eastern Railway in 1896, the British and Chinese Corporation granted a loan of 2,300,000 pounds sterling to the Peking Government in October, 1898, and urged the speedy construction of the eastern extension of the railway of North China. As the result of this British activity confronting the Russian advance, the main line was extended in 1903 to Hsinmintun situated in the important locality on the middle course of the Liao River, and a branch line was constructed to Yingkow on the lower stream of the Liao, which was the only open port of Manchuria until October, 1903. (The connection between Hsinmintun and Mukden was completed in 1907).

But the advance of this Peiching or North China Railway into Manchuria was not made without resistance by Russia. Russia insisted that the entire territory of Manchuria was under her influence and opposed the advance of British capital into Manchuria. In September, 1896, Russia obtained the right of constructing and operating a railway line crossing North Manchuria east to west and also "absolute and exclusive right of administration" in the railway zone. Then in July, 1898, Russia secured a similar right to construct a branch line from a station (Harbin) on the main line to Port Arthur and Talienwan, and also to Yingkow. The construction of the main line of the Chinese Eastern Railway extending from Manchouli to Pogranichnaya was commenced in May, 1898, and finished in 1901. The southern line, including the Yingkow branch, was completed in 1903. The main and branch lines, comprising 2,500 kilometers, were opened to traffic on July 1, 1903.

It was in the same year that the North China Railway, under British capital, reached Yingkow, and thus South and North Manchuria came to be connected by railways at the Liao River, by the capital of the two great Powers which rivalled each other to gain influence in China.

By the terms of the Portsmouth Treaty of September, 1905, concluded to end the Russo-Japanese War, Japan succeeded to the Russian railway in Manchuria, south of Changchun (Hsinking) totalling about 840 kilometers. Also, according to the agreement attached to the Sino-Japanese Treaty concluded in December, 1905, Japan secured the right of improving the light railway between Antung and Mukden, about 290 kilometers, constructed by the Japanese Army during the Russo-Japanese War. The gauges of these railways were divergent as the line constructed by Russia was of five feet, the portion of the Russian railway occupied by Japan during the war was of the narrow gauge as used in Japan, and the Antung-Mukden light railway was 2 feet six inches wide. The South Manchuria Railway Company changed these latter lines to the international wide gauge of 4 feet 8½ inches, by May, 1908. The expenditure required for this improvement was defrayed by debentures floated in England, amounting to more than ¥42,000,000.

Fengshan Railway.—The Fengshan railway comprises the section between Mukden and Shanhaikwan of the Peiping-Mukden line. The railway is the oldest in Manchoukuo and its construction was started in 1893 as the extension of the line between Peking and Shanhaikwan. The section from Shanhaikwan to Hopei was opened to traffic in 1899, that from Koupangtzu to Hsinmin in 1903. During the Russo-Japanese war the Japanese built a light railway connecting Hsinmin with Mukden and in 1908 the Chinese government purchased it at the price of ¥1,660,000 by incurring a loan from the Japanese government gauge.

The lines dividing out from the foregoing railway were construction as follow: Chinchou-Peipiao line in 1924, Hulutao line in 1911, Tahushan-Tungliao line in 1927. Later the administration of the Three Eastern Provinces connected the Tahushan-Tungliao line with the Ssu-Tao, Tao-Ang and the Tsi-Ko lines with the object of bringing pressure to bear on the South Manchuria Railway. The line between Shanhaikwan and Hsinmin, and the Yingkow branch line were constructed with loans incurred by the Chinese government from the British & Chinese Corporation and the Hongkong & Shanghai Banking Corporation amounting to £2,300,000, which is known as the Peking-Newchwang loan. The British interests had attempted to take control of the railway by negotiating with the Chinese government but through objections from the administration of the Three Eastern Provinces the plan failed to materialize. Since the independence of Manchoukuo the government has been refunding the said loan, the first payment on which was made in September, 1932 amounting to £65,850.

Feng-Ki Railway.—The Feng-Ki railway connects Fengtien (Mukden) with Kirin by way of Chaoyangchen, and consists of what were formerly known as the Shen-Hai (Shenyang-Chaoyangchen) and the Ki-Hai (Kirin-Chaoyangchen) railways. The section from Shengyang to Chaoyangchen was constructed wholly with Chinese capital through the Fenghai Railway Company capitalized at 20,000,000 Fengtien tayang. Construction of the line was started in July, 1925 and completed in 3 years, 2 months.

In 1928 the line was purchased by the Chinese government and made into a government railway, the name being changed simultaneously to the Shen-Rai Railway Company. The Manchurian Incident disrupted business on the line and in March, 1932 it was brought under the control of the Communications Department of the Manchoukuo government.

The section from Kirin to Chaoyangchen was planned in 1926 and in November of the same year a railway office was established and a sum of 12,000,000 Kirin-tayang was allotted as constructional expenses. Surveying of the line was started in March 1927 and actual construction begun in June of the same year. Due to lack of funds and building materials constructional progress on the line was slow and it was only in November 1928 that the section between Chaoyangchen and Panshih was completed. In May 1929 the rest of the line to Kirin was completed. From a technical point of view the construction of the line was a violation of the privilege granted Japan by the protocols attached to the Treaty of Peking signed on December 22, 1905, Paragraph 3 of which reads: "The Chinese Government engage, for the purpose of protecting the interest of the South Manchuria Railway, not to construct, prior to the recovery by them of the said railway, any main line in the neighbourhood of and parallel to that railway, or any branch line which might be prejudicial to the interest of the abovementioned railway." With the founding of Manchoukuo the line was taken over by the new government.

King-Tu Railway.—The King-Tu railway consists of the three principal lines, the Ki-Chang, connecting Kirin with Hsinking, the Ki-Tun, connecting Kirin with Tunhua and the Tun-Tu, connecting Tunhua with Tumen. The Ki-Chang railway was to have been constructed as a branch line of the Chinese Eastern Railway by virtue of the Provisional Agreement signed between the Chinese Eastern Railway Company and the Chinese Government in September 1902. The outbreak of the Russo-Japanese war (1904-05), however, automatically dissolved the construction of the line. Following the war Japan acquired the right of advancing one-half of the constructional cost of the railway by virtue of the protocol attached to the Treaty of Peking. This agreement was later revised by the Hsin-Feng and Ki-Chang Railways Agreement whereby one-half of the constructional expenses were defrayed by the South Manchuria Railway Company. In August 1909 the Ki-Chang Railway Loan Contract was signed whereby the South Manchuria Railway Company advanced a loan of ¥2,150,000 to the Communications Department of the Chinese Government. Accordingly, in 1910 construction was started on the line, and completed in October, 1912. In 1917 the loan contract was revised. The amount was changed to ¥6,150,000 and the period of redemption to 30 years, while the South Manchuria Railway was given the privilege of supervising the line.

The Ki-Tun Railway was established following the agreement signed between the South Manchuria Railway and the Communications Department of the Chinese Government in 1925. In February 1926 a construction office was established and actual work on the line was started in June of the same year. The line was completed in October, 1928. Until 1931 when the Ki-Tun and Ki-Chang railways were merged the lines had been operating independently in spite of an agreement calling for their joint operation. This hitch in operation was caused, according to the Chinese Government, by the high constructional expenses of the Ki-Tun railway which amounted to ¥2,400,000. At present both lines are under the supervision of the South Manchuria Railway.

The Tun-Tu Railway was completed in April 1933, the construction having been started in

May, 1932. The line connects Tunghua and Tumen, as stated above, and its importance is greatly due to its medium as a connecting link between North Chosen and Hsinking. Plans for this line were formulated some twenty years ago. The line came under the control of the General Direction of Manchoukuo State Railways in September, 1933 and simultaneously the three lines, namely, the Ki-Chang, Ki-Tun and Tun-Tu were merged and called the King-Tu Railway.

Ping-Tsi Railway.—The Ping-Tsi railway connects Ssupingkai with Sanchienfang (Anganki), by way of Taonan and consists of what were formerly known as the Ssu-Tao (Ssupingkai-Taonan) and the Tao-Ang (Taonan-Anganki) lines. Construction of the section between Ssupingkai and Taonan was divided into three stages, namely, the first stage from Ssupingkai to Chengchiatun, the second from Chengchiatun to Tungliao and the third from Chengchiatun to Taonan.

The line between Ssupingkai and Chengchiatun was started in April, 1917 the funds for its construction being met by a loan made to the Chinese Government by the Yokohama Specie Bank in December, 1915. The line was completed in December, 1917.

The negotiations for constructing the line from Chengchiatun to Tungliao and that from Chengchiatun to Taonan were carried out in September 1919 between the Chinese Government and the South Manchuria Railway company. Construction on the Chengchiatun-Tungliao or Cheng-Tu line was begun in April 1921 and completed in January 1922. Construction on the Chengchiatun-Taonan or Cheng-Tao line was begun in September 1921 and completed in November 1923. The loan advanced by the Yokohama Specie Bank which was ¥5,000,000 has since been refunded by the Chinese Government. The aggregate loan advanced by the South Manchuria Railway for the same purpose to the Chinese Government amounted to ¥32,000,000, including ¥10,000,000 of the first issue. The loans remained unrefunded until the outbreak of the Manchurian Incident. In December 1931 the Ssu-Tao Railway recognized its debt amounting to ¥49,000,000, following the approval obtained from the Fengtien Provincial Government and the new Northeastern Communications Committee, and entrusted the supervision of the entire line to the South Manchuria Railway Company.

The section from Taonan to Sanchienfang (Anganki) was completed in July 1926. Russia's attempt to obtain control of construction rights of the railway through the medium of Belgian interests was frustrated in 1913. In 1924 the administration of the Three Eastern Provinces and the South Manchuria Railway Company reached an agreement whereby the latter company obtained the rights for constructing the line at a cost of ¥12,920,000. The loans for the railway remained unrefunded by the reigning Chang family until the outbreak of the Manchurian Incident.

Tao-So Railway.—The Tao-So railway connects Taonan and Huiyanchen. Plans for constructing the railway were started in 1926 but actual construction work was begun in 1928. The object for the line was purely a personal one of Chang Tso-lin in establishing facilities for transporting his troops in his retreat from Peking in June 1928. Construction on the line was commenced in April 1929 and completed in February 1931. The extension of the line from Huiyuanchen to Solun was completed in 1935.

Tsi-Pei Railway.—The Tsi-Pei Railway consists of two principal lines, one connecting Sanchiengfang with Peian via Tsitsihar, and the other connecting Ningnien with Noho. The line between Sanchienfang and Peian was first considered as an extension of the Tao-Ang railway. Objection to this project was expressed by the Chinese Eastern Railway as violating treaty rights forbidding the crossing of the C. E. R. by other lines. As a result the Chinese authorities cut off the line at Sanchienfang (formerly Angangki) temporary but in July 1928 upon reaching a compromise with the C. E. R. the Chinese authorities created a railway bridge over the C. E. R. lines and extended the line in December 1928 to Tsitsihar. The line between Tsitsihar and Koshan (Tsi-Ko) was begun in June 1928 but due to lack of funds only a part of the line, that extending from Tsitsihar to Taian, was completed by March 1930. Since the Manchurian Incident construction on the line has continued and the stretch between Taian and Koshan and to Peian was completed in December 1932. In December 1933 the two principal lines were merged and called the Tsi-Pei Railway.

Pin-Pei Railway.—The Pin-Pei railway consists of two lines, one running from Hailun to Harbin and the other from Hailun to Peian. Plans for constructing the section from Harbin to Hailun were under consideration since the Russo-Japanese War and a Construction Office was established in 1911. Due to the revolution in China in that year work on the line was delayed. In that year the Chinese Government gained the approval of obtaining a loan from the Russo-Asiatic Bank for the construction of the line not only to Hailun but to Heiho on the Russo-Manchurian border. The construction of the line failed to materialize, however, due to objections raised by China on mutual supervision of the line and due to the Russian Revolution. In 1925 Wu Chun-sheng, Governor of Heilungkiang Province, proposed the building of the section between Harbin and Hailun and established an organ known as the Hu-Hai Railway Company, capitalized at 10,000,000 yuan. Construction of the line was actually begun in 1926 and completed in December 1928.

The stretch between Hailun and Peian consists of a section of the Hai-Ko Railway which connects Hailun and Koshan. The completion of the Hai-Ko line was effected in December, 1933. Since December of the same year the Hu-Hai railway and the line between Hailun and Peian have been incorporated in the Pin-Pei Railway. The importance of the Pin-Pei Railway is due largely to its connection with the Harbin-Lafa line.

Fusan-Peking Through Train Service

Through train service between the port of Fusan, Chosen and Peking was inaugurated on October 1, 1938. As a result the two points can be negotiated in thirty-nine hours. The express leaving Fusan at 8:15 a.m. arrives at Peking the following evening at 11.35 p.m.

Fusan-Hsinking Through Train Service

The through train service connecting Fusan and Hsinking brings the two points within twenty-seven hours of each other. The express leaving Fusan at 7.30 a.m. arrives at Hsinking the following morning at 11.42. Keijo is reached enroute at 3.20 a.m. of the first day, Antung at 0.30 a.m., and Mukden at 7.00 a.m.

Freight Traffic

Freight traffic on the railways of Manchuria have been brisk in recent years. In the year ending March 31, 1939 a total of 49,500,097 metric tons of goods were hauled. The trend of railway freight traffic in recent years is as follows:

Table 5. Goods Hauled by Kinds
(%)

Year ending March 31:	Agricultural products	Live-stock	Forestry products	Aquatic products	Mineral products	Industrial products	Other goods	Total	Business goods	Office goods
1931 ...	31.0	0.4	5.5	0.9	40.6	7.9	13.5	100.0	83.1	16.9
1932 ...	40.0	0.3	3.7	0.7	36.6	7.8	13.6	100.0	85.5	14.5
1933 ...	36.4	0.4	3.2	1.1	33.0	13.1	12.8	100.0	91.9	8.1
1934 ...	24.5	0.3	8.1	1.0	38.2	15.2	11.3	100.0	88.0	12.0
1935 ...	16.7	0.3	6.2	1.2	55.3	16.5	3.4	100.0	80.0	20.0
1936 ...	16.2	0.3	6.5	1.0	54.0	13.0	8.4	100.0	80.5	19.5
1937 ...	16.9	0.4	7.1	1.8	54.0	12.2	8.3	100.0	78.7	21.3
1938 ...	16.2	0.4	7.4	1.5	45.8	14.6	14.1	100.0	87.2	12.8

Table 6. Principal Commodities Hauled
(Unit: 1,000 metric tons)

Year Ending Mar. 31:	Soya Beans	Kao-liang	Maize	Millet	Wheat	Other seeds	Bean oil	Bean cake	Total
1937	2,667	513	286	356	...	...	21	239	5,481
1938	2,643	573	393	293	563	1,116	21	322	5,926
1938:									
S. M. R.	586	172	77	126	1	451	10	139	1,562
Chinchow Ry. Bureau..	46	181	70	51	0	174	1	17	539
Kirin " ..	487	46	41	10	0	133	1	19	737
Mutankiang " ..	213	10	5	2	26	36	1	7	301
Harbin " ..	948	41	75	35	369	125	9	125	1,726
Tsitsihar " ..	337	123	125	61	165	158	1	14	984
N. Chosen Office	26	0	1	8	0	39	0	1	76

	Timber	Coal	Minerals	Cement	Wheat flour	Cotton yarns & tissues	Iron, Steel and Mfrs.	Gunny bags	Grand total incl. others
1937	1,560	11,169	...	568	486	129	1,119	129	36,408
1938	1,520	11,050	1,346	562	505	142	1,323	151	40,122
1938:									
S. M. R.	326	9,231	1,054	379	124	97	1,092	90	20,767
Chinchow Ry. Bureau.	48	293	11	3	15	18	46	9	2,848
Kirin " ..	309	694	162	58	15	6	29	8	3,915
Mutankiang " ..	325	139	0	2	18	1	18	4	2,624
Harbin " ..	219	38	109	35	295	11	55	28	5,318
Tsitsihar " ..	114	57	1	2	34	3	17	11	2,929
N. Chosen Office	189	599	8	83	5	6	67	1	1,721

Freight Rates

The South Manchuria Railway Company announced on July 1, 1938 a wholesale revision of freight rates on all lines (the S. M. R. lines, the Manchoukuo State Railways and the North Chosen Railways) under the operation of the Company to be effective commencing October 1, 1938. The main points of the revision are as follows:

(1) The system of diminishing rates for longer distances and uniform rates will be enforced on all lines in Manchuria.

(2) Preferential rates will be set for cereals, livestock, lumber, coal and other minerals, which are vitally related to Manchoukuo's Five-Year Industrial Plan, showing further reductions for longer distances.

(3) Goods to be transported in small lots and by carload on Manchoukuo State Railways and S. M. R. lines, which were divided into six grades each, will be divided into three grades and those by carried into four grades to simplify classification.

(4) For shipments containing more than 2,000 kilogrammes of one product a special 25 per cent. reduction will be made.

(5) The scope of goods coming under the classification of daily necessities for which special rates are prescribed will be enlarged, while the special rates for daily necessities already in force on certain lines will be extended to other lines.

(6) For the better utilization of the three North Korean ports, Rashin, Seishin and Yuki, uniform rates will be enforced for goods shipped between any of these ports and stations on Manchoukuo State Railways and S. M. R. lines.

With the projected revision of railway freight rates in Manchuria, the burden on shippers was expected to be lightened to the amount of ¥10,000,000 in 1938 and ¥18,000,000 in 1939, estimating that the amount of goods in 1939 will be about the same as in 1938. The estimated decrease in revenue from various products is as follows:

	1938 (¥1,000)	1939 (¥1,000)
Agricultural produce	5,380	7,492
Timber, wood and manufactures thereof	537	1,533
Mineral products	2,761	5,877
Live-stock	273	512
Industrial products, etc.	1,110	2,518
Total	10,061	17,932

THE SOUTH MANCHURIA RAILWAY COMPANY

The South Manchuria Railway Company has played an important role in the transportation service of Manchuria during the last three decades.

The railway system that the Company first took over from the Japanese Government in April, 1907, was rather in a depleted state. During the Russo-Japanese War, most of the rolling stock was withdrawn by the Russians, or destroyed in their retreat, and the bridges were blown up. With the advance of the Japanese armies to the north, the track was changed from the five-feet Russian gauge to the narrow gauge used by the railways in Japan so that Japanese rolling stock might be more readily utilized in the Manchurian campaign. Before the Company came into existence, however, the standard gauge of 4 ft. 8½ inches had been already adopted in Korea and China. In order to serve international trade on the Asiatic continent more efficiently, the South Manchuria Railway Company promptly adopted the standard gauge and proceeded to lay a double track as ordered by the Government.

In adopting the standard gauge, it was necessary to import rails and rolling stock from abroad so that the work of reconstruction might be quickly carried out without much interruption of traffic. Immediately after the railways were transferred from Government control on April 1, 1907, a comprehensive programme of reconstruction was started. The work of widening the gauge on the Dairen-Port Arthur branch line, (31.6 miles) was completed by December 1, 1907; that on the Dairen-Changchun (present Hsinking) via Mukden main line, (438.5 miles), by April 30, 1908, and that on two other branch lines, one to Yingkow and the other to Fushun Mine by May 30. The doubling of the track between Dairen and Suchiatun (near Mukden), a distance of 283 1/3 miles, was begun at the same time and was completed on October 27, 1909. The doubling of the track between Suchiatun and Mukden, a distance of ten miles, begun in June, 1915, was completed in November, 1918. The work on the line between Mukden and Hsinking was begun in 1919. The original Russian 65 lb. rails were first replaced with 80 lb. and later with 100 lb. rails. The roadbed being constantly improved, the steepest grade on the trunk line between Dairen and Hsinking is now only one per cent., while the shortest radius of any curve is 15 chains.

The line between Antung and Mukden was originally built as a light military railway by the Japanese during the Russo-Japanese War. As already stated, Japan obtained from China the right to reconstruct the railway on standard gauge and operate and maintain the same for international railway traffic. When the railway was transferred to the charge of the Company, it was decided to substitute the standard gauge within three years. But, owing to the controversy which arose on the subject between China and Japan, and to the line traversing mountainous regions, the reconstruction work was delayed until August 7, 1909, when the tunneling work at Fuchinling was begun. The whole work, including 24 tunnels, 205 bridges, and 213 culverts, was completed in two years and three months, and on November 1, 1911, the opening of this 161-mile railway was held with appropriate ceremonies. The cost amounted to about 25,000,000 yen.

References:
Table Nos.: 1-6 a, 7 b.
Key: a—S. M. R. Co.
b—Manchuria Public Information Assn.

CHAPTER XVI

AGRICULTURE

Introductory Remarks

Manchuria is one of the large agricultural countries of the world, and farming forms the backbone of the nation's economy. About 41,158,000 hectares, or approximately 31.5 per cent of the entire country is arable. This compares with only 16 per cent for Japan proper. The area at present under cultivation amounts to roughly 16,800,000 hectares, which works out at about 41 per cent of the arable area of the entire country.

Table 1. Utilization of Land and Farming Population

(1937)

(A) Land Utilization

	(1,000 hectares)	%
Arable Land	**41,158**	**31.5**
Cultivated	16,796	12.9
Not Yet Cultivated .	24,362	18.6
Unarable Land	**89,156**	**68.5**
Forest Zone	31,422	24.1
Others	58,000	44.4
Grand Total	**130,314**	**100.0**

(B) Farming Population

	(1,000)	%
*Farming Population ..	25,667	88.7
*Farming Households ..	4,008	85.2

Note: * Statistics are for 1934 and percentages are against the total population and total households of Manchoukuo.

Climatic conditions are generally favorable to cultivation. The year is characterized by the short duration of spring and autumn and the comparatively long summers and winters. With consideration of such conditions and the seasons and amount of rainfall, the choice of crops, the period of planting and harvesting are accordingly determined. The country as a whole is marked by continental dryness, which is particularly emphasized in the west and whatever rainfall is mostly centered in the eastern half of the country. Frost prevails in North Manchuria for some 225 days during the year and in South Manchuria for some 180 days and moisture is thickest in the months of June and July. Taking advantage of the thick moisture in June and July planting is undertaken and harvest is done in the dry season.

The agricultural crops raised in Manchuria comprise some sixty varieties. Compared with the 401 for Japan, this number is rather small. In fact, the diversity is even less than a third of that of Hokkaido and Korea. This is accounted for by the fact that the dry climate and the alkaline character of the soil compel the choice of such crops as are suited to such climate and such soil. The limited number of crops raised, however, implies the extensiveness of the area applied to each crop. The area devoted to soya beans, Italian millet, wheat and maize range respectively form one to three or four million hectares.

Position of Agriculture in Foreign Trade.—Manchoukuo's exports consist in the main of agricultural products. In 1938 the export of agricultural products amounted to 418 million yuan representing 58 per cent of the country's total exports. The arable area and farming population are listed below:—

Table 2. Farming Land and Population

(Unit: 1,000 hectares)

(A) Exclusive of Hsingan Provinces

Name of Province	*Farming Population (1,000)	*Farming Population % to total pop.	Total Area	Unarable land	Unarable land % to total	Arable land	Arable land % to total	Cultivated land	Cultivated land % to arable land	Not yet cultivated	Not yet cultivated % to arable land
Kirin	3,525	85.9	8,991	4,512	50.2	4,479	49.8	3,040	67.9	1,440	33.1
Lungkiang ..	1,078	85.6	12,564	4,248	89.9	8,316	66.2	2,101	25.3	6,215	74.7
Hieho	31	61.6	10,981	9,876	89.9	1,106	10.1	54	4.9	1,051	95.1
Sankiang ...	734	78.2	10,754	5,477	50.9	5,277	49.1	752	14.3	4,525	85.7
Pinkiang } Mutankiang }	3,428	88.8	14,343	7,857	54.8	6,485	45.2	3,530	54.4	2,956	45.6
Chientao ...	401	70.2	2,939	2,522	85.8	417	14.2	166	39.7	251	60.3
Antung } Tunghwa } ..	2,246	86.5	4,823	4,246	88.0	577	12.0	418	72.5	159	27.5
Fengtien ...	7,103	80.4	8,555	4,817	56.3	3,737	43.7	2,919	78.1	818	21.9
Chinchow ...	2,796	88.8	3,946	2,681	67.9	1,265	32.1	1,154	91.2	111	8.8
Jehol	2,286	91.4	9,659	8,640	89.4	1,019	10.6	782	76.8	237	23.2
Harbin Spe. City	25	90.7	93	36	38.8	57	61.2	45	79.3	12	20.7
Total ..	25,667	84.7	87,647	54,912	62.7	32,736	37.3	14,960	45.7	17,775	54.3

Note: * Indicates population in 1934.

(B) Four Hsingan Provinces

	Agricultural area	% to total	Pastoral area	% to total	Agri.-Pastoral area	% to total	Forestry zone	% to total	Waste land	% to total	Total
Eastern Hsingan ..	365	3.5	913	8.5	548	5.2	4,924	45.9	3,924	36.7	10,675
Southern " ..	760	9.6	1,520	19.3	2,165	27.5	950	12.0	2,507	31.6	7,902
Western " ..	715	8.8	1,789	22.2	1,074	13.3	109	1.4	4,352	54.0	8,041
Northern " ..	1,633	10.0	4,896	30.6	1,632	10.2	4,924	30.6	2,955	18.4	16,039
Total	3,472	8.1	9,116	21.4	4,774	12.2	10,908	25.5	13,739	32.3	42,657

Agricultral Division

Manchoukuo may be divided into four parts according to its physical configuration and distribution of arable lands. These are:

(1) South-eastern portion; (2) South-western portion; (3) Central portion; (4) Northern portion.

1. The chief features of the South Eastern portion, which, comprises the whole basin of the Yalu and the Liaotung Peninsula, are its prominent mountains and, in general, its sandy and sterile soil with its mixture of gravel. The Japanese leased territory of Kwantung is very hilly and the soil is especially poor. But, since it is the most densely populated portion of Manchoukuo, every inch of arable land, even the hillside and the river bed, is under cultivation. The same condition prevails more or less in other parts of this portion with the exception of the districts along the upper reaches of the Yalu, where there are still left some lands yet to be cultivated.

2. The south-western portion, which comprises the entire basin of the Liao, is level, and generally well suited for agriculture. The whole region is well cultivated, and, with the exception of some districts along the upper reaches of the river and those adjacent to Outer Mongolia, there is little room left for further exploitation. Some parts of this portion are quite rich, though other parts, especially along the sea coast and the lowlands, have a soil that is sandy and sometimes saline. What is most deplorable in connection with this portion is the lack of proper drainage system, some districts along the lower Liao, once the best agricultural fields, being already in part deserted on account of repeated inundations.

3. The central portion, which occupies the middle part of Manchoukuo watered by the River Hurka and the upper and middle reaches of the Sungari, is unquestionably the best agricultural region in the new empire. Especially are the lands around Hsinking, Kirin and Harbin exceedingly rich, and moreover there is still plenty of room for further exploitation. As a matter of fact, it is in this region that the most wonderful development has taken place in agriculture in recent years.

4. The northern portion, which comprises the whole of the northern region watered by the lower Sungari, the Nonni, and the Amur, is generally rich in soil, though being so sparsely populated it is not as yet much developed. But its possibility is immense.

On the whole it may be said that the best farm lands in Manchoukuo are not found in South but in North Manchuria.

Soil.—The soil of Manchoukuo is fertile in general and may be divided into two main classifications, consisting of black and yellow soil. The black soil region is to be found in the north and is rich in chemical and mineral matters. The yellow soil region is centered in South Manchuria, and is poor in nitrogenous and organic matter. The soil as a whole is rich in alkaline. While the farming lands in the south have been deprived of much fertility due to indiscretion in agricultural methods and choice of crops in the past, the soil in the north with its wonderful natural loaminess, especially in the regions of Shwangchengpu, assures good harvests for many years to come. With a view to developing the fertility of the soil in the exhausted regions the government has been taking steps at propagating the use of fertilizers and discreet rotation of crops.

Methods of Farming

In studying the methods of farm production in Manchuria, it may readily be noted that the scale of production is quite small on the whole. The arable land is divided into extremely small pieces which are being cultivated by several million farmers on the old Chinese methods of farming.

There are only a handful of farms managed along the modern lines of machinery. The use of tractors is limited to the contractors for reclamation of waste land. The system of farm management is generally primitive. The main crops require little farming skill, such as kaoliang, soya beans, millet, maize and wheat. Naturally, the methods of what is termed "extensive agriculture" is necessary to ensure the livelihood of the farmer.

Under this system, it is hardly possible for

Table 5. Output of Principal Crops

(In 1,000 Metric tons)

	Soya Beans	Other Beans	Kaoliang	Millet	Maize	Wheat	Rice	Upland rice	Other cereals	Total incl. others
1924	3,455	256	4,477	3,042	1,694	806	95	88	760	14,672
1925	4,188	334	4,710	3,137	1,888	962	193	150	891	16,453
1926	4,790	523	4,550	2,982	1,774	969	181	134	829	16,731
1927	4,835	580	4,605	3,226	1,803	1,446	149	147	1,018	17,810
1928	4,852	622	4,643	3,290	1,853	1,471	151	145	1,271	18,298
1929	4,865	550	4,712	3,374	1,733	1,303	138	157	1,601	18,434
1930	5,318	519	4,818	3,304	1,719	1,538	156	158	1,730	19,080
1931	5,245	462	4,533	2,983	1,833	1,582	161	163	1,862	18,829
1932	4,288	456	3,757	2,635	1,687	1,134	112	138	1,561	15,764
1933	4,601	304	4,022	3,184	1,759	651	166	143	1,804	16,847
1934	3,398	277	3,470	2,123	1,503	643	200	126	1,046	12,787
1935	3,859	327	4,103	2,968	1,903	1,015	296	147	1,106	15,725
1936	4,147	341	4,241	3,187	2,072	959	442	155	1,093	16,638
1937	4,352	327	4,315	3,226	2,240	1,125	549	140	1,069	17,344
1938	4,612	363	4,680	3,134	2,306	979	4,750		1,114	17,938

Note: Statistics from 1934 are the investigation of the Dept. of Industry.

Table 6. Principal Industrial Crops

(Unit: Area in hectares; Quantity in m. tons)

	Cotton		Tobacco: Native		Tobacco: Improved		Hemp (fibre)	
	Area	Qty.	Area	Qty.	Area	Qty.	Area	Qty.
1935	55,374	36,875	31,419	17,268	2,537	3,997	25,187	10,374
1936	....	....	....	....	....	....	....	....
1937	105,173	63,901	15,580	3,577	4,334	....	20,838	8,976
1938	100,369	51,354	18,876	11,496	6,009	5,797	30,312	12,396
1938:								
Hsinking ...	——	——	——	——	——	——	——	——
Kirin	5	2	6,797	4,620	1	1	5,806	2,904
Lungkiang ..	——	——	1,163	....	7	....	5,370	....
Heiho	——	——	27	7	——	——	37	11
Sankiang ..	——	——	522	260	12	17	1,607	474
Mutankiang .	——	——	245	83	92	29	406	148
Pinkiang ...	——	——	3,425	1,948	1,127	....	9,975	5,672
Chientao ...	——	——	614	548	139	173	272	167
Tunghua ...	10	1	1,153	695	47	29	1,720	816
Antung	271	37	456	271	1,980	2,308	1,170	512
Fengtien ...	44,291	23,879	3,559	2,494	1,878	2,270	3,354	1,530
Chinchow ..	55,792	27,435	915	570	726	970	595	162

	Flax		Perilla		Hempseed		Sesamum	
	Area	Qty.	Area	Qty.	Area	Qty.	Area	Qty.
1935	5,523	5,801	259,858	207,935	26,438	17,070	32,424	14,997
1936	....	....	....	....	....	....	....	....
1937	15,047	....	....	....	....	....	....	....
1938	27,861	29,056	153,265	111,337	37,652	9,637	23,626	9,125
1938:								
Hsinking ...	3	5	3	2	——	——	——	——
Kirin	——	——	12,362	9,059	1,554	941	1,444	794
Lungkiang .	5,942	....	113,909	83,404	3,739	....	1,862	....
Heiho	——	——	——	——	——	——	——	——
Sankiang ...	58	35	405	379	80	46	58	33
Mutankiang .	6,258	4,599	67	34	58	23	103	32
Pinkiang ...	15,599	24,416	19,991	14,082	309	211	2,731	1,597
Chientao ...	——	——	244	137	——	——	80	34
Tunghua ...	——	——	995	716	29	17	125	66
Antung	1	1	181	89	20	12	257	100
Fengtien ...	——	——	4,281	3,046	13,389	3,862	7,940	2,523
Chinchow ..	——	——	827	389	18,474	4,525	9,026	3,946

Principal Crops

From the angles of production amount and economic importance, soya beans, kaoliang, millet, maize and wheat make up the most favorite crops in Manchoukuo, taking up amongst them 90 per cent of the total. All combined they are called the staple produce of Manchoukuo.

Soya Beans

This crop is to Manchuria what raw silk is to Japan. Soya beans, known the world over, form the most important agricultural product of Manchuria. Manchuria produces 60 per cent. of the world's total. There are 500 varieties of soya bean of which the yellow one is of the best quality. Soya beans are exported as harvested, or in the form of bean oil and cakes, to be used mainly for food, fodder, and fertilizer. With the progress of modern industry, the demand for soya beans has greatly increased and the field of its use has greatly expanded. The crop forms a highly important factor in the economy of Manchuria.

Soya beans are cultivated chiefly in South Manchuria, along the Liao and Sungari rivers, and in North Manchuria, along the Sungari, with the vicinity of Harbin as the centre. The cereal has a wide range of uses for making substitute articles including:

Food (coffee, artificial butter, condensed milk, casein, soy, sauces, coups, cheese, salad oil, crackers, macaroni, flour, confectionery).
Clothing (artificial wool).

Pure alcohol, glycerine, explosives, enamels, varnishes, linoleum, paints, soap, celluloid, rubber substitutes, printing ink, lighting and lubricating oil.

Output.—The output of soya beans have ranged from between 3,800,000 metric tons to 5,300,000 metric tons in the last dozen years, depending upon weather and market conditions. In 1938 the production was over 4,000,000 metric tons and the Government is taking steps to increase the acreage as well as the amount of output of this staple crop for export purposes.

Breed Improvement.—The S.M.R. Agricultural Experiment Station at Kungchuling has been experimenting for many years to improve upon the quality of the soya beans and highly satisfactory results have been obtained. Through the distribution of superior seeds to Manchurian farmers crops have been increased by 10 to 20 per cent. while the oil contents of such improved beans has been increased by more than ten per cent. The use of these improvements is being advocated by means of poster campaign and other forms of propaganda. At the same time a new industry of manufacturing beans into oil and cakes has sprung up, the modern methods rapidly replacing the old-fashioned presses.

Exports.—The export of soya beans, bean oil and beancake in 1938 amounted to ¥319 million yuan, representing about 44 per cent. of the total exports of the country. Principal markets are Japan, China, Germany, Great Britain, Egypt, Holland and the United States.

Kaoliang

Kaoliang is most widely cultivated and occupies an important position in the agricultural economy next to soya beans. Besides being very important as the principal foodstuff of the Manchoukuo people it is used as material for distilling Kaoliang spirits and in the starch manufacturing industry and as fodder for domestic animals, while its stalks are also utilized for building materials and as fuel. The first shipment to Europe was made soon after the World War as grain food for horses. The principal producing centres are the districts along the South Manchuria Railway main line, Mukden-Shanhaikwan railway line and the district around Tungshan.

Kaoliang is exported chiefly to China for the use of food, distiling and fodder. It is also exported to Japan where it is used as materials of spirits and starch.

Millet

Millet is cultivated throughout Manchoukuo, more profusely in North than South Manchuria. In South Manchuria, the millet produced in the district around Haicheng, Liaoyang and Mukden is reputed for its good quality It is another important foodstuff of the Manchoukuo people, and is also largely used for distilling native spirit while its stalks are used as fodder. Millet is chiefly exported to Korea to be taken by the people who export rice to Japan.

Wheat

The soil in North Manchuria is generally suitable for wheat cultivation. In North Manchuria good wheat are produced in the districts around Ningan, Petuna, Harbin and along the right bank of the Sungari and the district around Suihua, while in South Manchuria the producing centres are found around Hsifeng, Hailung and the district lying to the west of the Liao. There are many large modern flour mills at several important cities around Harbin and along the North Manchuria Railway line. The wheat

flour industry in Manchoukuo is an important industry, being only second to that of bean oil extraction.

For the purpose of increasing Manchurian wheat output, especially by changing from soya bean to wheat cultivation in accordance with the Manchoukuo five-year industrial plan, the Provincial Governments in North Manchuria have purchased superior wheat seeds for the hsien in the provinces.

Wheat seeds purchased by the Provincial Governments up to the middle of March, 1937 amounted to 2,365 tons in Pinkiang Province, 2,227 tons in Sankiang, 2,207 tons in Lungkiang, and 901 tons in Kirin, totalling 7,320 tons, of which the seeds to be distributed among the farmers were to have been 2,207 tons in Pinkiang, 1,757 tons in Sankiang 1,758 tons in Lungkiang and 781 tons in Kirin, aggregating 6,323 tons

Provincial wheat crop areas are estimated at 21,000 hectares in Pinkiang, 18,000 hectares in Sankiang, and 18,000 hectares in Lungkiang or 65,000 hectares altogether.

Table 7. Twenty-Five-Year Expansion Plan for Wheat Production

	Area under wheat (Hectares)	Production (Metric tons)
1933	1,222,200	1,210,895
1934	1,222,200	1,210,895
1935	1,264,100	1,252,400
1936	1,306,000	1,294,020
1937	1,348,000	1,335,623
1942	1,658,800	1,643,456
1947	1,987,800	2,011,923
1952	2,326,000	2,458,117

Rice

The paddy-fields devoted to rice cultivation are mostly found in the districts around Mukden, Fushun, Antung, Kaiyuan, Sungshu, Haicheng, Yingkow and Hailun, Chientao, and the district along the banks of the Liao, the Sungari, the Tatzuho, the Hunho and other rivers. As the rice is used on rare occasions such as dinners and festivals and among the upper class Chinese, the demand for rice has ever increased. The entry of the Japanese into Manchoukuo stimulated the cultivation of paddy-rice. The cultivation of paddy-rice was first undertaken by Korean immigrants, next by Chinese, and now many Japanese are engaged in paddy-field cultivation along the railway lines.

Upland rice is inferior to paddy-rice in quality, though the crops are gradually increasing. It is chiefly taken by the natives,

Maize

Maize is one of the principal products of Manchoukuo. When ground it becomes a high class food for the farmers. Together with millet it is only second to kaoliang as food. Maize is produced chiefly in the southern part of South Manchuria. Only a small quantity is produced in North Manchuria where it is used in distilling spirits. Maize is exported chiefly to China and also to Japan.

Sericulture

First introduced into Manchuria some 200 years ago from Shantung Province, sericulture is now carried on quite extensively in the mountainous regions of the Liyaotung Peninsula as a subsidiary occupation of Manchurian farmers. Wild silk is mainly produced in Antung, Kaiping, Haicheng, Hsiuyen, Fengcheng, Chuangho, Kwantien, Hsifeng and Huanjen-hsien. Wild silkworms were formerly raised on oak, "nara" (Quercus glandulifera) and (glandulifera) and "kunugi" (Quercus serrata) trees in the past, but in recent years it has been found that they also thrive well on "akayanagi" trees.

Production of wild silk cocoons amounted to 566,693 kilgrams in 1936 and 671,529 kilograms in 1937. In Manchuria silkworms are raised twice a year, in spring and autumn, but the cocoons produced in autumn are superior and are used chiefly for reeling silk. Silk thread has hitherto been exported to Japan for making pongee. The production of mixed cloth woved with wild silk and Japanese raw silk for making western and Japanese clothing is anticipated in the future.

Hemp (Tama)

The tissues of hemp which are commonly called Tama in Manchuria are used principally for manufacture of nets, ropes, cloth and last but not least, paper. Its seeds, or Siaomatzu, are used mainly as material for oil extraction. The Tama intended for textile manufacture is grown notably in Fengtien Province and the mountainous district in the eastern part of Kirin Province and that for oil extraction in the Tungshan district, Fengtien Province, the region west of the Liao river and the districts along the Itung and Lalin rivers, Kirin Province.

The Manchurian farmer makes it a rule to plant one or two rows of Tama on the boundaries of his farms for the purpose of maketing its tissues as a remunerative secondary occupation. The output of Tama per Japanese tan (0.245 acre) is about 8 Japanese kamme (1 kamme is 8.28 lbs.). The total cultivation area in Manchuria is estimated at 20,000 Japanese cho (1 cho is 2.45 acres) and the yearly output of the plan at 16 million lbs., although any authentic figures are not available in the connection. There are several kinds of Tama now grown in Manchoukuo.

Blue Hemp (Tsingma)

Tsingma is grown almost everywhere in Manchuria, particularly in low, humid districts along rivers. So far as Tsingma cultivation is concerned, the regions along the Liao, Lalin and Nunkiang rivers are widely known. The total area under cultivation is put at 25,000 cho and the yearly output of the plant at 25 million lbs. Particularly, the district in the vicinity of Liaoyang, Chinchow and Newchwang are best suited for Tsingma cultivation, where the plant usually grown to a length of from 7 to 10 feet.

Like Tama, Tsingma is used primarily for manufacture of nets, ropes and cloth. Of late, it has begun to be used as a substitute for ramie which is imported to Manchoukuo in large quantities for manufacture of gunny bags. The output per Japanese tan of dried Tsingma issues averages 16 kamme. There are two kinds of the plant grown in the country.

Kunma

Kunma is a kind of hemp indigenous to Manchurian soil, which is grown for oil extraction. In some parts of the country, it is called Tamatzu. A full-grown Kunma plant measures only 2 feet or so. Liaoyang, Tungliao Taonan and Changwu are the principal producing centres of Kunma. From Kunma is extracted Kunma oil which is used for industrial purposes. The output of this oil per Japanese tan averages 5 Japanese sho (1 sho 0.48 gallon).

Perilla-seed

Perilla is grown everywhere in Manchuria, although its output is relatively negligible. Particularly, the region north of Mukden is well adapted to the cultivation of perilla. Following the sharp drops that have occurred in the price of soya beans, there are growing signs in evidence of perilla being cultivated on a much larger scale in the near future. The plant usually measures 3 feet. The oil extracted from it is used for medical, lighting and industrial purposes. Perilla is usually planted on the boundaries of farms as a means of protection for staple farm crops.

Tobacco

The southern and eastern sections of Kirin province form the main tobacco producing territory of Manchuria. In the northern and eastern parts of Fengtien Province it is also planted on a fairly large scale. Kirin Province leads in production followed by Fengtien Province. Generally speaking, the quality of tobacco produced in Manchuria is not good but of late it has been proved by the experiments conducted by the South Manchuria Railway Co. at Fenghuangcheng and Tehlissu that the cultivation in Manchuria of yellow tobacco of the American origin is quite promising and profitable.

To meet the tobacco shortage caused by restriction in leaf tobacco imports in accordance with the revised Customs tariff in effect since January 1938, the Manchoukuo Government plans to increase its tobacco land by 43,000 hectares in Antung, Fengtien, Chinchow, Jehol, Kirin, Chientao, Pinkiang and Mutankiang provinces, which are suitable for tobacco cultivation.

In line with the plan for increasing the crop, the Government was planning to increase its leaf tobacco import from Japan to some 2 million yuan in 1938 from about 800,000 yuan annually in the past, upon which negotiation were under way between the Finance Department of Japan and the Department of Finance and Commerce of Manchoukuo.

Cotton

When the climate and topographic features of Manchuria are taken into careful consideration, it may readily be seen that the region south of Mukden alone is adapted to cotton cultivation. At present, cotton is planted mainly in the districts around Liaoyang, Haicheng, I-hsien and Chihsien. Their fibres are generally coarse and the major portion of the output is used for stuffing purposes. In recent years, however, the volume of native cotton for spinning purposes has steadily been on the increase.

A new Five Year Cotton Cultivation Plan was launched in 1937 to replace the 20-year program enforced since 1933 with the object of producing 250,000,000 kin (1 kin equals 1.32 pounds) of unginned cotton annually after 1941 from 180,000 hectares of cotton fields in South Manchuria. Special attention will be paid to the cultivation of upland cotton in place of the native variety which is to be replaced by the former eventually as the yield from the former is far greater than that from the latter.

The Government in 1933 created a Raw Cotton Society with a view to devising equitable ways and means to encourage cotton cultivation among the agrarian masses. This was followed closely by the establishment of the Manchuria

Raw Cotton Company which is to purchase surplus raw cotton from the farmers.

Under orders of the Minister of Industry, the company is to buy up cotton crops in districts to be designated by the Minister. It is to undertake various enterprises to encourage the industry. The authorized capital of the company is 10,000,000 in Manchoukuo yuan. The government is to disclaim dividends accruing to the account of Government-owned shares in the company until the concern is able to declare a 6 per cent. dividend. The Government is ready to grant an annual subsidy of 100,000 in Manchoukuo yuan to the company for the time being.

Of the total Manchoukuo output, only 4 million kin is spun, the remainder being used by the farmers themselves for stuffing purposes.

Peanut

Epochal progress has been made of late in the growing of peanuts in Manchuria, particularly in the Kwantung Leased Territory. For this is largely responsible for the fact that peanut cultivation requires no fertilizer and yet is quite profitable. As a matter of fact, the peanut has come to rank among the principal items of Manchurian farm produce for exportation. For instance, more than 80 per cent. of the output in the Kwantung Leased Territory is shipped abroad. In order to ensure the smooth progress of peanut exports, peanut growers' associations were created at Pulantien and Pitzuwo in the Territory in 1929 which are designed to conduct strict examinations of peanut exports on the one hand and, on the other, to function as a credit organ or the growers themselves. Since 1930, the Government of the Kwantung Leased Territory has been subsidizing these associations. It is believed that peanut cultivation will grow more popular in Manchuria in the near future.

Sugar-beet

The first cultivation of sugar-beets for manufacturing purposes which was started by Manchurian farmers near Suchiatun, Shenyang prefecture, met with good results, thus giving the possibility of adding another product to native husbandry with the hope that it might become in future an important item in the list of Manchurian crops.

Though the experimental cultivation of sugar-beets, which was started in 1914 by the S.M.R. Agricultural Station at Kungchuling, proved that the percentage of sugar content in local beets and also the production area in the country were promising for manufacturing purposes, much difficulty has been experienced in persuading the Manchurian farmers to see the commercial value of sugar-beets.

In 1936 the Manchurian Sugar Refining Company Ltd. (Manshu Seito) successors to the South Manchuria Sugar Manufacturing Company, succeeded in interesting the farmers and in encouraging sugar-beet production in 47 villages near Suchiatun, around which 463 hectares of beets were cultivated in the spring of 1936.

The total crop amounted to about 5,000,000 kin or about 10,000 kin per hectare, to the great satisfaction of both the promotors and cultivators. Shipments of sugar-beets to the company's plant, which started its operation in November, began in the middle of December, and the movement of beets to the Suchiatun station was active, amounting to about 220,000 kin per day.

Vegetables

Generally speaking, vegetables are grown in Manchuria primarily to be consumed by the farmers themselves. Under the circumstances, they are marketed as commodities only in densely populated cities and towns along the railways. Among the principal vegetables produced in Manchuria are: mad-apple; rapes; leek; garlic; yam; potato; sweet potato; pumpkin; water-melon; cucumber; musk-melon; green peas; red beans; onion; turnip; spinach; burdock; pepper.

Vegetables are grown on usual farms and specially built gardens, the latter being drained or irrigated. Mad-apple, onion, turnip, burdock, rape, potato, pepper, pumpkin and musk-melon are the principal ones grown on usual farms, while irrigated vegetable gardens are generally confined to the growing of water-burdock, garlic, cucumber, beans and yam. Drained gardens are used chiefly for the raising of mad-apple, white-rape, garlic, pepper, pumpkin and spinach.

Apples

The cultivation of apples has made rapid progress in a short period of time. In 1916-17, the area devoted to this purpose was no more than several hundred acres, but the orchard area increased to 4,800 acres in 1927 and to 14,000 acres in 1936. The climate of Manchuria is well suited to apples, and the cultivation is economically profitable. The cultivation is, however, limited to the areas south of Anshan. The output in Kwantung Territory is three of four times that for all Manchoukuo. The value of apple output in 1935 was ¥1,569,700. Imports amounted to ¥612,000.

Apiculture

In North Manchuria Italian honey-bees were formerly raised extensively by Russians in districts along the Harbin-Suifenho Railway. In South Manchuria the culture of another species, imported by Mr. Kozui Otani in 1915, flourished for some time, but owing to imperfect knowledge of apicultural technique, this industry gradually declined and honey production considerably diminished. Bee-raising flourished naturally in the past because of the abundance of larch trees, fruit trees, pasturage, and buckwheat plants in Manchuria. Consequently it is possible to predict a promising future for apiculture. The Italian species raised in the Harbin-Suifenho railway districts possess the characteristic of quickly adapting itself to any climate. Originally native to cold regions, the other species reared in South Manchuria by Japanese, is prolific and is well adapted to the Manchurian climate.

Table 8. Summary of Principal Crops in 1939

(As forecasted on July 1st, 1939)

(Unit: Area in 1,000 hectares; Crops in 1,000 M. Tons)

Crops:	Area Sown	Area under Crop	Crop per hectare	Total Crop	Index (1938 as 100)
Soya Beans	4,161	4,141	1.19	4,961	107
Other Beans	478	496	0.86	427	116
Kaoliang	3,890	3,872	1.33	5,165	109
Millet	3,651	3,626	1.08	3,943	106
Maize	1,961	1,954	1.54	3,011	116
Wheat	1,287	1,285	0.99	1,278	140
Rice	285	284	2.57	731	121
Rice, upland	106	106	1.32	139	112
Other Cereals	1,662	1,658	0.92	1,535	109
Hemp-seeds	66	66	0.76	50	127
Perilla	138	137	0.85	117	97
Total	17,705	17,623	—	21,357	111

STOCK FARMING

CATTLE

The native cattle are of two types, namely, Mongolian and Manchurian. The former are chiefly reared in western Manchuria adjoining Mongolia, and in West Hsingan Province, and the latter in the Changpai mountain regions. Very few are raised in the vast Manchurian plains that form the central portion of the country.

In the eastern part of Manchuria, cattle are used for cultivation, in the western Mongol banner districts they are reared for obtaining milk. It should be observed that Manchurians and Chinese generally do not like milk very much. Milk was formerly consumed only by the Mongols, but in recent years the demand for this product has increased owing to the rise of the Japanese population in Manchuria. As a result Japanese-managed dairy farms have sprung up in various parts of South Manchuria.

Though the native breeds are sturdy, have strong power of resistance to disease, and are able to live on poor food, they are small when compared to Korean or Japanese cattle, and are not so useful as draught animals as the other species. In economic value, in consequence they are inferior to Korean and Japanese cattle.

It is estimated that 1,421,000 head of cattle are raised by some 540,000 households in Manchuria in 1937.

Table 9. Number of Domestic Animals

	Horned Cattle	Sheep	Goats	Swine	Camels
1936 (August)	1,401,300	1,668,700	742,500	5,852,300	11,000
1937 (September)	1,683,200	1,965,900	1,243,000	5,335,800	12,800
1937:					
Kirin	77,300	22,100	5,400	716,300	——
Lungkiang	118,100	53,600	12,500	644,400	——
Heiho	4,100	300	——	16,700	——
Sankiang	48,200	1,700	500	167,200	——
Mutankiang	17,200	1,400	1,000	66,700	——
Pinkiang	89,100	37,900	3,400	878,700	——

	Horned Cattle	Sheep	Goats	Swine	Camels
Chientao	53,400	1,000	200	93,100	——
Tunghua	19,200	300	1,100	68,100	——
Antung	118,700	200	7,800	252,800	——
Fengtien	158,400	29,500	16,600	1,073,200	——
Chinchow	97,400	196,300	85,200	562,800	——
Jehol	276,700	247,700	785,400	549,500	1,300
Hsingan W.	183,100	147,900	182,600	53,300	1,700
" S.	214,700	83,300	87,700	164,600	800
" E.	11,700	1,300	100	17,300	——
" N.	195,400	1,141,300	53,500	5,700	9,000
Hsinking	500	100	——	5,400	——
Total	1,683,200	1,965,900	1,243,000	5,335,800	12,800

Note: Statistics of horses later than those appearing in the 1938 issue of the Japan-Manchoukuo Year Book are not available.

Table 10. No. of Animals Slaughtered

(1937)

	No. of Head	Meat	Meat per head
Cattle	170,717	25,607,550	150
Horse & Mule	7,899	631,920	80
Ass	6,558	363,480	60
Swine	1,641,851	106,720,315	65
Sheep	179,196	268,794	15
Goat	72,868	874,504	12
Calf	10,517	473,265	45
Colt	41	825	20
Young pig	4,058	24,348	6

HORSES

Almost all the horses raised in Manchuria are Mongolian breeds. Although they are small in stature, the native horses are large-boned, have strong legs and are capable of working long hours, withstanding bitterly cold climate, and living on poor and scanty food. The Hulunbair district is the chief supplier of horses to North Manchuria. In South Manchuria those bred in the eastern part of Mongolia, particularly Wuchumuchi, Chahar Province, are famous. The Manchoukuo Government, in accordance with its horse-raising program, is directing its efforts to improve the native breeds by crossing them with Arab, Anglo-Norman and other superior strains imported from abroad. For this purpose State stud-farms have been established in various parts of the country. Horse-raising in Manchuria has a bright future because of the extensive pasture lands and the large demand for military mounts.

About 1,800,000 horses are raised in Manchuria. In proportion to the area of the country, this number is very small when compared with 1,448,481 horses raised in Japan, which is little more than half the area of Manchuria. Besides Mongol horses, Hailar breeds are raised in the Hailar, Manchouli and Jalainor districts, Russian horses in the Houpeichiaerhlai district, and Sanbeis breeds in the regions west of the Hsingan Mountains.

HOGS

Most of the hogs raised in Manchuria are Chinese stock, originally brought here by the Chinese when they migrated to Manchuria. They are raised for their meat throughout the country, particularly in Fengtien and Pinkiang provinces, by Manchurian farming households who invariably keep scores of them. Pork, however, is not eaten by Mohammedans and Mongols in accordance with religious custom.

Considerable pork is consumed at home, while live hogs, bristles and intestines are exported. Bristles are particularly in demand for making shaving brushes and have great commercial value. Manchurian hogs are generally prolific but mature late. Although they are very hardy and can subsist on almost any kind of food, their bodies are rather lean and the meat somewhat tough. In order to improve the native-breeds, the Manchoukuo Government and other agencies are actively encouraging hog-raisers to cross the native species with imported Berkshires. As a result, superior breeds are being gradually produced in increasing numbers.

Manchurian hogs are of three types, large, medium and small, but are all black in color. In addition to the native stock, there are improved Russian breeds (white and of great econmic value) and improved breeds of Manchurian hogs. It is estimated that 2,530,000 households are raising a total of 5,911,000 hogs. Asides from pigs' bristles, pigskin is widely used in place of cowhide and horsehide. A promising future is in store for the pigskin tanning industry in view of the large number of hogs raised in Manchuria.

Pigs' bristles are practically all exported abroad, chiefly to America, Japan, China, Hongkong, Great Britain and Germany. Exports of this product in 1938 amounted to 558 metric tons valued at ¥5,471,000.

Goats

Jehol is the leading goat-raising province, followed by West Hsingan Province. The number of goats raised in the country totals some 750,000.

Camels

Camels are raised chiefly in North and West Hsingan provinces, particularly in the Hulunbair district (where many Mongols are engaged in this occupation) and to a certain extent in South Hsingan and Jehol provinces. They are good pack and draught animals, but their number is gradually decreasing, and it is estimated that there are now about 11,000 camels in the country. Two species of camels, namely, the Arabian or one-humped, and the Bactrian or two humped, are found in Asia. Those belonging to the latter species are chiefly raised in Manchuria as they are able to stand the cold climate far better than Arabian camels.

Manchurian camel-hair possesses great elasticity, is of excellent quality and is highly valued as material for making woollen goods. The greater part of the country's production is consumed at home, while the remainder finds a ready market abroad. Exports for 1937 amounted to 53,996 chin valued at ¥41,882.

Deer and Angora Rabbits

Deer-raising is carried on only in parts of Kirin, Fengtien, Heiho and Jehol provinces, for making highly valued drugs obtainable from the antlers. Besides the above animals, Angora rabbits are raised for their wool, which is better than camel-hair in quality and is used for making high-grade hats and fabrics. The raising of silver foxes for exportation abroad is also under experimentation.

Sheep

In Mongolia sheep and goats are extensively raised by the inhabitants as their principle occupation, and constitute their most important source of livelihood. Native sheep were formerly reared only for their meat and skins, but in recent years efforts have been directed to their improvement for the production of high quality wool. The amount of wool produced from native stock is small, and the quality is poor, inferior in texture and elasticity. As the wool is not suitable for making high quality woollen yarns, it is only used for making low grade woollen cloth, felt, blankets and rugs.

In accordance with the five-year industrial plan (1937-42), the Government, with the object of attaining self-sufficiency in wool, is importing large numbers of Merino, Corriedale and other superior strains for breeding purposes. The Government plans to produce 4,000,000 head of improved sheep and 4,500,000 metric tons of wool within the five-year period.

Some 1,680,000 head of sheep are raised in Manchuria at present, principally in the Mongol grasslands in the western section, covering the four Hsingan Provinces, Jehol Province and Chinchow Province.

The livestock section of the South Manchuria Railway Experiment Station has since 1924 carried on extensive experiments with a view to raising the quality and quantity of sheep's wool. An accompanying table shows that the Merino breed cared for at the Experiment Station produced almost seven times as much wool as the Mongolian breed.

Table 11. 30-Year Plan for Sheep's Wool Production in Manchoukuo and Kwantung Province

(a) No. of sheep (1,000 heads):

	Manchoukuo			Kwantung Province		
	Thorough bred	Improved bred	Native bred	Corriedale	Improved bred	Native bred
1937	8	24	3,080	1.6	1.9	0.9
1938	14	35	3,220	2.1	2.7	0.9
1939	20	91	3,386	3.2	3.8	0.9
1940	26	161	3,619	4.3	5.1	0.8
1941	35	310	3,857	5.8	6.7	0.8
1946	3,163		3,115	25.6	24.7	0.7
1951	5,982		2,374	113.8		0.5
1956	8,800		1,632	115.7		0.3
1961	11,618		890	116.6		0.2
1966	14,436		148	119.6		0.0
1967	15,000		—	120.0		—

(b) Wool production (1,000 pounds):

	Manchoukuo		Kwantung Province	
	Thorough & improved bred	Native bred	Corriedale & improved bred	Native bred
1937	209	6,790	24.2	2.1
1938	329	7,099	33.3	2.0
1939	670	7,465	49.2	1.9
1940	1,091	7,978	66.0	1.9
1941	1,955	8,503	88.1	1.8
1946	22,143	6,868	351.7	1.5
1951	41,871	5,233	796.3	1.1
1956	61,599	3,597	809.9	0.8
1961	81,326	1,962	823.6	0.4
1966	101,054	327	837.2	0.0
1967	105,000	—	840.0	—

Table 12. Wool Yield By Breeds

	Sex	Age (Year) over	No.	Volume of wool per head (Grams)	%
Mongolian breed	Female	2 or 3	2,928	1,182	100
Merino-Mongolian cross-breed	"	"	"	2,456	208
Ditto, improved breed	"	"	"	2,863	243
Merino	"	3	427	5,860	496
Mongolian breed	Male	2 or 3	356	1,610	136
Merino-Mongolian cross-breed	"	"	"	3,421	289
Ditto, improved breed	"	"	"	4,581	388
Merino	"	3	193	8,060	682

Donkeys and Mules

Donkeys are raised chiefly in Fengtien, Antung and Jehol Provinces in South Manchuria, and are fine breeds. There are two species, large and small, but the latter are generally used for farm cultivation as well as for domestic work and as pack animals. They are hardy and can subsist on poor food. About 620,000 donkeys are raised in Manchuria.

Manchurian mules, raised only in farming districts, produced by crossing stallions with donkeys, are larger than Mongolian horses, being from 1.3 to 1.6 meters high, are gentle in nature, sturdy, and capable of working long hours. Very few are raised in North Manchuria as they do not stand severe climate conditions very well. The number of mules raised in Manchuria totals between 560,000 and 570,000 and is smaller than that of donkeys.

Chickens

It is estimated that 450,000 chickens are raised in Manchuria. Most of them are native stock and are mixed breeds which have degenerated from the Asiatic species. The native species are generally small-boned and hens do not lay more than 100 eggs a year. The large variety of native stock is reared in Fu-hsien, Chuangho-hsien, and in the Pitzuwo district, Kwantung Territory. Their productive capacity is about 60 eggs annually.

In addition to the native species, superior egg-laying breeds such as the White Leghorns, Rhode Island Reds and the Nagoya (Japanese) have been imported and are raised extensively in districts along the former S.M.R. lines. The native species are raised chiefly as table fowl, the meat being known for its fine flavour, while the raising of improved species is being actively encouraged for production of eggs. Incubation by the Korean heating system, though primitive, is being pursued with satisfactory results. Chicken manure, when used in tanning hides, does not deteriorate the quality of hides and moreover makes them fine and smooth in texture. Much attention is therefore being paid to the utilization of this product in hide tanning.

Manchuria Live-Stock Industry Co.

The Manchuria Live-Stock Industry Company, which was established in August, 1937 as a semi-governmental corporation on a capital of 5 million yuan, half of which is paid-up, to play a leading role in the guidance and improvement of live-stock raising is to be reorganized into a special governmental corporation, simultaneously with collection of its unpaid capital to the amount of ¥2,500,000, it has been tentatively decided by the Manchoukuo Department of Industry and other authorities concerned.

The Company, after its reorganization, will undertake the following enterprises: (1) The company will loan money to the live-stock exchanges to facilitate fair transactions. (2) Loaning money to the Agricultural Association. Besides, assisting its enterprises.

The Manchuria Live-Stock Industry Company, it is reported, will take part in the manufacture of commodities from farm produce. It is understood that in the latter half of the fiscal year of 1939 it will take over the factories in Harbin now being managed by the South Manchuria Railway Company for the production of such commodities.

Poppy Growing

The area under cultivation of poppy amounted to 1,030,000 hectares in 1937 as compared with 880,000 hectares in 1936 and 941,000 hectares in 1933. In 1938 it was planned to reduce the area to 710,000 hectares.

The largest poppy growing districts are the provinces of Jehol, Sankiang and West Hsingan.

Table 13. Legalized Area for Poppy Growing

	Jehol	Kirin	West Hsingan	Fengtien	Chinchow	Antung	Chientao	Pinkiang	Sankiang	Total
1933	580	361	—	—	—	—	—	—	—	941
1934	460	486	40	80	—	—	—	—	—	1,066
1935	310	—	10	—	30	10	145	50	135	690
1936	600	—	50	—	—	—	—	30	200	880
1937	700	—	50	—	—	—	—	30	250	1,030
1938	650	—	60	—	—	—	—	—	—	710

Table 14. State Purchases and Sales of Opium

Quantity in liang (1 liang=50 grams); Value in M¥.

	Purchased		Sold	
	Quantity	Value	Quantity	Value
1933	3,429,601	7,630,775	1,220,403	5,511,033
1934	6,612,951	14,999,670	3,808,499	14,372,726
1935	7,601,254	15,362,449	7,780,606	28,230,347
1936	10,307,943	19,834,666	10,108,223	38,667,556
1937	13,500,000	29,025,000	12,300,000	47,850,000

Public Granaries

By Departmental Order No. 14, August 31, 1935, the Regulations for the Control of Public Granaries were announced by the Department of Civil Affairs. The sum of M¥3,000,000 is being distributed throughout the country as funds and subsidies for building the necessary granaries. The new regulations will enable each "hsien" or county to collect grains from the people and store them for emergency relief and other similar purposes, particularly, in cases of disasters or calamities or for supplying the poor with foodstuffs or furnishing them with needed funds.

Table 15. Statistics on Granaries

	Minimum* quantity cereal holdings (Koku)	Minimum Capacity (Tsubo)	State Subsidy: Construction expenses (M¥)	State Subsidy: Other expenses (M¥)
Kirin Hsien	222,750	742.5	51,583	88,200
Lungkiang "	87,750	292.5	29,709	42,924
Heiho "	2,400	8.0	1,390	2,293
Sankiang "	39,900	133.0	11,920	17,052
Pinkiang " / Mutankiang "	200,250	667.5	52,200	91,728
Chientao "	21,000	70.0	4,040	9,878
Antung " / Tunghua "	141,000	470.0	46,440	54,096
Fengtien "	411,450	1,371.5	122,819	167,757
Chinchow "	144,000	480.0	55,100	52,272
Jehol "	106,500	355.0	37,964	51,744
Hsingan "	14,250	47.5	5,700	7,056
Total	1,391,250	4,637.5	418,865	585,000

Note: * Each hsien is furthermore required by law to command the financial resources to double its minimum quantity of stored cereals. The said quantity shall be determined by the Civil Affairs. Minister (at present the Minister of the Department of Industry).

Manchoukuo Government's Basic Policy for Agricultural Development

On April 21, 1936 the Manchoukuo Government announced a fundamental policy for the exploitation of the country's inexhaustible agricultural resources. The policy is the outcome of lengthy and careful consultation among the Department of Industry, the Interior and Mongolia Administration which have been in close association with the commercial and industrial possibilities of the State.

The policy is designed to improve the existing out-of-date and primitive methods of agriculture along modern lines and to multiply the output of soya beans, kaoliang, cotton and other staple farm products. It also provides for extensive reforms and renovations in credit and other public facilities for the farming population, including inter alia, the erection in various localities of farm warehouses. Many elaborate and concrete programmes are also laid down in regard to the policy for the general improvement of farming methods, which, it is stated, will be enforced one by one.

The utmost importance is attached to the announced policy, in view of the fact that Manchuria fundamentally is a land of agriculture, nearly 90 per cent. of its population being represented by farmers. It is believed that the enforcement of the policy will reshape the country so far as its agriculture is concerned. The following are the chief programmes put forward by the Government, which relate to the country's staple farm products:

(1) Soya-beans: The growing of soya-beans should be properly controlled according to their actual demand both at home and abroad. For the time being, efforts should be directed towards the improvements of the methods for soya-bean cultivation and quality of the crop, while trying to lower its production cost and commercialize the bean as a commodity.

(2) Kaoliang, millet and maize: The output of kaoliang, millet and maize should be increased by considering the growing demand for them as foodstuffs arising from a steady increase in the national population, their use as fodder in Japan and also the domestic consumption of these products as industrial materials.

(3) Wheat: Particular efforts should be exerted to improve and encourage wheat cultivation in North Manchuria. The total future wheat acreage should be increased to 2,300,000 Japanese cho and the total output of the crop to 20,000,000 Japanese koku.

(4) Cotton: The total cotton acreage should be increased to 300,000 cho and the annual output of cotton to 150,000,000 kin.

(5) Wild silk: Better silk worms should be distributed among the farmers while trying to improve the existing methods of raising them. The annual output of silk cocoons should be raised to 30,000,000.

(6) Sugar beets: The total acreage under sugar beets in North Manchuria alone should be increased to 12,500 cho and the total yearly output of sugar beets to 500,000,000 lbs. so that 700,000 piculs of sugar may be produced to place the country on a self-sufficing basis as far as sugar production is concerned.

(7) Plants for production of fabrics: Cultivation of kenafe particularly in South Manchuria should be encouraged with a view to increasing the total acreage of land for its growing and its annual output to 18,000 hectares and 18,500 metric tons respectively. The total acreage of farms for hemp growing also should be raised to 200,000 cho. The output of other kinds of hemp for fabric manufacture is to be increased to suffice the domestic demand.

(8) Perilla, peanut, sesame, etc.; Cultivation of these crops as materials for oil extraction should be encouraged and at the same time, efforts should be made to improve the methods of their growing.

(9) Hop: In view of a brisk demand for hop in Japan, the total acreage of land under hop is to be raised to 30,000 hectares.

(10) Fruits: Fruit growing particularly in South Manchuria, Chinchow and Jehol should be encouraged as a lucrative subsidiary occupation for the farmers.

(11) Vegetables: Special efforts should be exerted to improve the quality of vegetables. At the same time competent storage facilities should be established to facilitate their distribution.

The erection of farm warehouses in the farming districts is also provided for in the policy. These warehouses are designed not only to store farm products but also to function as credit organs for the farmers in need of funds. It is explained that any farmer will be able easily to borrow money at low rates of interest on the security of his products stored in the warehouses. This method, it is believed, will go a long way towards relieving the farming population from the depression.

The creation of agricultural meteorological observatories in important districts and "model" villages and despatch of agricultural experts to various parts of the country to give counsel to the farmers are also stipulated in the policy.

New State-owned Experimental Farms Planned

In connection with the fundamental policy for agricultural development enumerated above, on April 25, 1936 the Department of Industry of Manchoukuo announced its decision to establish many more State-owned experimental farm stations throughout the whole country. The officials of the Department of Industry declared in this connexion that the necessity had been brought home to them of creating State-owned experimental farm stations in various districts to help improve farming methods and the quality of farm produce. According to the announcement, the country will be divided into 18 farm districts for the sake of convenience, in each of which one State-owned farm station is to be created.

Another novel plan to introduce the use of windmills into Manchoukuo for irrigation purposes has also been revealed by the Department of Industry. In view of the fact that there are many agrarian districts where competent irrigation facilities are lacking, the Department's experts, after a careful study, have determined that the use of windmills as in Belgium is most advisable and profitable.

It is believed that the use of the windmill will be a great blessing to the farmers particularly those who are engaged in live-stock raising in the districts lacking constant sources of water supply, because subterranean water will be made available through the use of the windmill.

Farm Improvement Embodied in Five-year Industrial Development Plan

As one of the principal projects contained in the five-year industrial development plan, which was formally put into operation on January 1, 1937, the Department of Industry has announced a comprehensive programme for the improvement of agriculture and live-stock farming throughout the country. Under this programme an important reform in farm administration is planned. Efforts will be made by the Department especially to facilitate the organization of farmers' guilds in all agrarian districts for which purpose a sum of 750,000 yuan was set aside for the financial year of 1937. The creation of many more model farm village is another important item of the program.

Regarding the improvement of agriculture, attention is to be paid by the Department to the question of increasing the country's output especially of wheat, rice, rye, maize and hemp through the introduction of better seeds and a substantial expansion of areas under cultivation.

A new experimental farm is to be established in Harbin while those already maintained at Koshan and Chiammsu will be enlarged. As regards live-stock farming, officials will be despatched to the United States and Australia to purchase 1,000 heads Merino and Corriedale sheep.

Further, another sheep-breeding farm under State management is to be newly opened in addition to four already in operation. Improvement of facilities for the prevention of animal epidemics is also on the tapis with an animal epidemic prevention law scheduled to be promulgated shortly.

Plans for 1939

The Manchoukuo Government has projected a sufficient increase in the yield of staple agricultural produce by adopting modern mechanical agricultural methods. A concrete plan was drafted in 1938 by the authorities concerned with the Industrial Department of the Manchoukuo Government and the Manchuria Development Company as the nucleus. The plan having been pushed to completion, it was decided to carry into effect the project from the fiscal year 1939, to be completed in three consecutive years. The projected provisions will first be made in the districts in North Manchuria which have been appointed to be settled with Japanese immigrants and which have been fixed as first likely places for the realization of the project. The authorities are expected shortly to despatch special agents to the spot to carry out the necessary investigations. As soon as these have been finished, actual work will be started. The principal features of the project are as follows:

1. Of the areas in North Manchuria allotted for Japanese immigrants settlers, 220,000 chobu shall be set apart and half that area be turned into fields and half partly into pastures and partly reserve fields in the course of three years, the last mentioned fields finally to be worked for agricultural cultivation.

2. Mechanical agricultural provisions shall be established in fifty-five places with a total area of fields of 4,000 chobu. Part of these fields shall be brought into full working order within two years and the rest within three years.

3. Under the entire programme, the effort shall be connected on increase in wheat production, which stands in the most urgent need of increase, and at the end of the programme three years after, a fresh yield of wheat shall be obtained at least to the amount of 160,000 tons. Barley and soya-bean products shall be limited to the bare amount necessary.

4. One hundred and fifty tractors shall be imported from Germany, 16,500 horses and 11,000 head of cattle imported from Japan and America. Of the fund of ¥30,000,000 needed for the execution of the project, the Manchuria Development Company shall take responsibility for raising part or whole of it by issuing loan debentures and obtaining loans from certain prescribed quarters through the good office of the Manchoukuo Government.

References:

Table Nos.: 1-2 a, 3 b, 4-5 a & c, 6-10 a, 11 a & b, 12 c, 13-14 b, 15 a.

Key: a—Dept. of Ind., Manchoukuo.
b—Dept. of Fin. & Com., Manchoukuo.
c—S. M. R. Co.
d—Kwantung Bureau.

CHAPTER XVII

COMMERCE

Commercial Code

The newly compiled Commercial Code of Manchoukuo was promulgated on June 24, 1937 and went into force on July 1st of the same year. The Commerciol Code is comprised of five separate laws, namely, the General Commercial Law, the Corporation Law, the Transportation Law, the Warehousing Law, and the Maritime Commerce Law, and, together with the Law Relating to Bills of Exchange and Promissory Notes and Law Relating to Cheques already promulgated, furnishes the basic regulations for commercial activities in Manchoukuo.

The new Manchoukuo Commercial Code is adopted from the Japanese Commercial Code but has the following distinctive departures:

1. Manchoukuo General Commercial Law, comprised of 93 articles and providing general regulations, has been built up with merchants (having corporate existence or conducting business with stores) as its basis, whereas the Japanese General Commercial Law makes the business transaction its basis.

2. The Manchoukuo Corporation Law (a) recognizes no distinction between business and civil corporations and treats them alike, (b) requires the acknowledgement of a notary public for articles of association, (c) does not require directors and auditors to be shareholders, (d) requires banks to supervise shares, and (e) makes the penal regulations more strict.

3. The Manchoukuo Transportation Law was compiled with a view primarily to land transportation and secondarily to sea transportation.

4. The Manchoukuo Warehousing Law does not recognize the mixed-storage system.

5. The Manchoukuo Maritime Commerce Law is practically the same as the Japanese Maritime Commerce Law, except that the former emphasizes the navigation policy.

Chambers of Commerce

The number of chambers of commerce in Manchuria and their membership by locality are tabulated below:—

Table 1. Chambers of Commerce & Industry

(March, 1939)

Location	No.	Members
Dairen	1	1,148
Hsinking	1	4,601
Fengtien	20	23,841
Pinkiang	20	13,277
Kirin	19	11,280
Chinchow	18	5,198
Antung	8	4,560
Chientao	4	2,604
Sankiang	7	2,677
Lungkiang	11	...
Mutankiang	6	...
Jehol	4	...
Heiho	2	...
Hsingan N.	2	...
" E.	2	...
" W.	4	...
" S.	1	698

Foreign Chambers of Commerce and Industry

The commercial activities of foreigners excepting Japanese and Chinese are concentrated in Harbin and Dairen, so their chambers of commerce and industry are chiefly situated in those two places as follows:—England: Dairen, Yingkow and Harbin; U.S.A.: Harbin; Germany: Harbin; France: Harbin; Soviet Russia: Harbin.

Industrial and Commercial Association.—The industrial and commercial association is a sort of trade association, which has for its object the maintenance of the public interests of the traders. The Government has drafted legislation concerning the Association. Pending the enactment of the law similar laws which were in force during the former regime are made use of in regard to the Association.

Trade Marks

In September, 1933 the Trade Mark Law and Detailed Regulations for the Enforcement of the Law were promulgated by the Manchoukuo Government. From their enforcement on November 20 of the same year to the end of December, 1936 the Government received a total of 24,054 applications for trade mark registration.

The number of applications from nationals of countries, which have not yet recognized the new State, is steadily increasing.

Weights and Measures

Various standards of weights and measures have been in use in Manchoukuo, to the great inconvenience of dealers and customers alike. Generally speaking they may be classified into the Chinese, Japanese and Russian systems, the

international metric, and the British "foot-pound" systems. Each has its own particular field of use, the Chinese system being employed among the Manchurians and Chinese, the Japanese among the Japanese, the Russian among the Russian population, and the metric and the foot-pound standards among those having transactions with the South Manchuria Railway Co. In order to reform this confused state of affairs, the Government, on January 25, 1934 promulgated the Weights and Measures Law, stipulating that for general transactions and for purposes of certification, the international metric system or the new "chih-chin" system should be used. In September, 1935, a measurement law was enacted to unify all weights and measures which were excluded from the Weights and Measures Law of 1934.

Under the present system all implements for weights and measures must be duly inspected and authenticated by the authorized public weighters and measurers located in town and country before such implements can be used for business transactions.

Japanese Organs

The Japanese commercial organs may be broadly divided into two groups. One of them is intended to promote and further the interests of the Japanese merchants and the other the interests of those engaged in the same line of business. The former consists of Chambers of Commerce and Industry, Business Societies and Business Associations. The latter consists of co-operative societies. Besides, there are commercial museums, which are playing an important role in the development of Japanese trade and commerce.

Trade Associations.—Co-operative undertakings are generally developing both in the size of capital and in the scope of the business. Excepting, however, the consumption guild composed by the members of the S. M. R. Co., and the Manchou Import Guild, these associations in general do not yet show great activity. The trade associations organized by Japanese, Manchoukuoans and foreigners as at the end of 1914 were 353 in number with a total membership of 107,833.

Manchu Import Guild.—The first import guild in Manchuria was established in Mukden in 1927 with the object of reviving the activity of the Japanese merchants residing in Manchuria, who had been hard hit by the post-war depression and of accelerating the import of Japanese goods into Manchuria. At present there are in all a score of import guilds scattered over principal cities and towns.

Table 2. Condition of Import Guilds

	Members	Member unions (¥1,000)	Subscription (¥1,000)	Advances		
				Advanced (¥1,000)	Redeemed (¥1,000)	Outstanding (¥1,000)
1935	1,273	340	2,346	....	....	3,461
1936	1,279	342	2,447	17,769	17,956	3,254
1937	1,377	363	2,586	18,620	18,307	3,567
1938	1,352	370	2,658	19,980	19,950	3,597
1939	1,423	...	....	16,022	14,056	4,099

S.M.R. Consumption Guild.—Principal associations formed by consumers comprise the S.M.R. Consumption Guild, the Kwantung Government Purchasing Guilds, the Communications Purchasing Guild, etc.

The origin of the S.M.R. Consumption Guild is to be sought in an institution established by the S.M.R. Co., in August, 1907 to supply the necessaries of life to the members of the Company resident along the railway lines. It was on November 1, 1919 that it was reorganized into a consumption guild under the present title partly to meet the requirements of the times and partly to meet the ardent desires of the whole staff of the Company. At present the guild is concerned not only in the sale but also in production by keeping factories for foreign and and Japanese clothing and a bakery at Dairen and also a watch mending factory. Thus it meets the requirements of the members of the S.M.R. Company, who, as at the end of July, 1936, numbered 42,971 (115,150 inclusive of their families). The gross receipts of the guild for 1935 were ¥19,978,000, approximately, and there was a surplus of ¥468,000.

Trading Houses.—The trading houses which carry on the introduction of goods, their propaganda, etc., were at first subsidized by the S.M.R. Company. There are nine of these houses, eleven branches and five sub-branches scattered over Tsitsihar, Taonan, Kirin, Chinchou, Hailar and four other places.

Japan-Manchoukuo Business Association.—The Japan-Manchoukuo Business Association was organized on November 18, 1933 in accordance with the resolution adopted at a reunion of prominent Japanese and Manchoukuoan business men held under the auspices of the Association

Supporting the Dairen Exhibition in August, 1933. The Association, of which Vice Admiral Takuo Godo is president, has its headquarters in the Japan Chamber of Commerce and Industry, Tokyo and branches at Dairen and Seoul. It has for its object expediting the economic co-operation of the two countries and assisting in the economic construction of the new Empire, with an eye to the co-prosperity of the two countries.

At the sixth session of the Japan-Manchoukuo Business Association convened at Hsinking on May 18, 1939 the following bills were approved: (1) A measure to set up an organ to control and promote East Asiatic Trade, (2) Regimentation and rationalization of industrial facilities to the most suitable locations, (3) Revision of the tariff system to accommodate the best interests of both countries, and eventually lead to the entire removal of Customs barriers between the two Empires, (4) Modification and revision of the ban on Japanese imports to Manchoukuo, (5) Development of traffic routes for the facilitation of industrial enterprise.

Japan-Manchoukuo Trade Federation.—The Japan-Manchoukuo Trade Federation was brought into being in January, 1935 as a by-product of an anti-consumption guild campaign. It is organized by associations of firms in Dairen, Tsitsihar and Chinchou and other similar organizations in all the other cities of Manchoukuo, numbering 14 in all. It has headquarters in the Chamber of Commerce and Industry, Hsinking.

Japan-Manchoukuo Trading Company

The Japan-Manchoukuo Trading Company (Nichiman Shoji K.K.) was established in 1936 with a capital of ¥10,000,000 (¥6,000,000 paid up) with a view to transacting in the following business:

(1) To deal in fuels, metals, fertilizers, minerals, building materials, chemical industrial products, etc. and conduct commission business, (2) To conduct business at the request or order of the Government in addition to the foregoing business.

The Company is at present a national distribution control organ of the Government. At the outset, the Company was composed of the former sales department of the South Manchuria Railway Co. and the former sales department of the Manchuria Coal Mining Co. and the former Fushun Coal Sales Co. in Japan. Later, the sales departments of the Showa Steel Works and the Manchuria Chemical Industrial Co. were also incorporated in the firm.

EXCHANGES

Japanese Exchanges

The Japanese exchanges in Manchuria may be broadly divided into two classes, namely, the Government exchanges established by and under the supervision of the Kwantung Government (as a result of the reorganization of the exchange, the right of supervision has been vested in the Envoy Extraordinary and Ambassador Plenipotentiary since the end of 1934) and the private exchange of the organization of joint-stock company to be established with the approval of the Kwantung Government. The former exchanges are in Dairen and Hsinking, dealing in the staple products of Manchuria, viz. soya-beans, bean-cake, bean oil, kaoliang and rice and gold and silver currencies. The latter exchanges comprise the Dairen Stock and Produce Exchange, the Antung Exchange, the Manchu Exchange and the Harbin Exchange, which was established in October, 1933 under Japanese and Manchoukuoan joint management.

Government Exchanges

In 1913 the Kwantung Government established the Dairen Exchange. Later exchanges were established in many places such as Kaiyuan, Changchun, Kungchuling, Tiehling, Ssupingchieh, Mukden, Yingkow, Liaoyang and Antung. In the post-war depression, however, most of these exchanges found themselves in serious circumstances. At last in October, 1934 the exchanges in Tiehling, Liaoyang and Yingkow were closed. In March, 1934 those in Kaiyuan, Ssupingchieh and Kungchuling were also closed. The only produce exchange that enjoys a thriving business is the Dairen Exchange. Like the produce exchange, the currency exchange at Dairen enjoys a good run of business, while similar exchanges at Mukden, Antung and Hsinking are generally declining in activity.

Dairen Stock and Commodity Exchange.—The Dairen Stock and Commodity Exchange was established in February, 1920 with a capital of ¥10,000,000 in accordance with the Exchange Act of Kwantung Province. As a result of readjustments effected several times, the capital as in December 1938, was down to ¥5,000,000, of which ¥2,500,000 was paid up. It is popularly known as the "Five Goods Market," because it deals in five items namely, securities, gunny bags, cotton yarn and cloth, wheat flour and sugar. At present there are little or no transactions in flour and sugar. The Exchange deals chiefly in securities. It is fast improving in position as the largest securities market in Manchoukuo.

Provisional Capital Control Law

The Provisional Capital Control Law was enforced by the Manchoukuo Government on October 1, 1938, in line with its policy to control the raising of funds in Manchuria, which are urgently needed for the execution of the Five-Year Industrial Plan. Various enterprises in Manchoukuo have been making much progress of late parallel with the progress of the Five-Year Plan, and the demand for capital has, as a result, become increasingly large. If the situation were left to take its own course, it is feared that the capital may be used in not urgently necessary industries. It is to effectively utilize domestic capital for the smooth execution of the five-year plan as well as for other enterprises which are indispensable to the economic life of the people that the Provisional Capital Control Law was enacted. This law also aims at regulating any unreasonable soaring of general commodity prices.

Formerly, all companies, with the exception of special corporations, were not required to apply to the Department of Finance and Commerce to obtain permission on such matter as the establishment of new concerns, increase of capital, mergers, calling up of unpaid shares, and debenture flotation. Under the above law, however, all companies, regardless of the amount of their capital, are subject to the same requirements.

Capitalization Expansion

In accordance with the provisions of the Provisional Capital Control Law, enforced on October 1, 1938, a total of 232 permits were granted to various companies in Manchoukuo during the six-month period ending March 31, 1939, for increasing their capital, calling up unpaid shares, floating debentures, etc., to the amount of M¥993,959,000, according to an announcement made by the Department of Finance and Commerce on June 2, 1939.

Classified by business, mining and manufacturing companies led the list with M¥754,000,000, which is 70 per cent of the total amount involved in the permits, and indicates the rapid expansion of "emergency" industries in Manchuria. According to categories, the calling up of unpaid shares came first with M¥194,000,000, and debenture flotation second, with M¥127,000,000. The following table shows the amount of permits, classified by enterprises:

Table 6. Companies Classified By Scale of Paid-up Capital

	Below M¥50,000		Above M¥50,000		Above M¥100,000		Above M¥500,000		Above M¥1 Million	
	Cos.	Cap. %	Cos.	Cap. %	Cos.	Cap. %	Cos.	Cap. %	Cos.	Cap. %
1935	1,372	1.5	289	1.3	442	6.3	78	3.6	87	13.5
1936	1,635	1.6	372	1.5	546	6.7	95	3.9	98	14.0
1937	2,047	1.3	432	1.1	642	5.1	115	3.0	141	12.1
1938	2,596	1.4	499	1.1	775	5.5	132	3.0	161	12.1
1938:										
Agriculture & Forestry	49	2.1	17	2.1	18	7.8	4	4.1	2	7.2
Aquatic	6	5.0	—	—	3	20.0	1	25.0	1	50.0
Mining	27	0.2	10	0.3	16	2.0	9	3.3	14	17.0
Mfg. Ind.	549	1.0	122	0.9	230	5.5	51	3.9	78	21.3
Transportation	104	0.2	25	0.2	39	1.0	6	0.5	12	3.4
Communications	—	—	—	—	—	—	—	—	—	—
Development	—	—	—	—	—	—	—	—	—	—
Real Estate	119	3.1	56	4.3	130	30.0	18	12.5	13	23.8
Commerce	1,488	12.8	214	8.1	235	26.2	28	10.3	25	25.0
Exchange	—	—	—	—	9	16.6	1	5.3	3	78.1
Bourse	99	2.2	32	2.6	56	15.0	12	10.8	9	19.0
Others	156	0.4	23	0.3	39	1.6	2	0.4	4	1.9

	Above M¥5 Million		Above M¥10 Million		Above M¥100 Million		Total	
	Cos.	Cap. %	Cos.	Cap. %	Cos.	Cap. %	Cos.	Cap. (M¥1,000)
1935	7	3.1	10	24.4	1	46.3	2,286	1,262,594
1936	16	6.9	10	24.3	1	41.1	2,768	1,421,685
1937	20	5.3	19	19.3	3	52.8	3,419	2,233,450
1938	31	6.9	26	19.8	4	50.2	4,224	2,588,367

(Continued)

	Above M¥5 Million		Above M¥10 Million		Above M¥100 Million		Total	
	Cos.	Cap. %	Cos.	Cap. %	Cos.	Cap. %	Cos.	Cap. (M¥1,000)
1938:								
Agriculture & Forestry	3	35.8	1	40.9	—	—	94	48,859
Aquatic	—	—	—	—	—	—	11	2,006
Mining	1	4.3	5	72.9	—	—	82	162,877
Mfg. Ind.	18	13.5	12	27.8	2	26.1	1,061	795,991
Transportation	1	0.6	2	3.7	1	90.4	190	770,221
Communications	—	—	1	100.0	—	—	1	36,250
Development	2	18.4	2	81.6	—	—	2	40,800
Real Estate	1	6.6	1	19.7	—	—	338	76,080
Commerce	4	11.1	1	6.5	—	—	1,995	153,103
Exchange	—	—	—	—	—	—	13	9,38b
Bourse	1	8.4	2	42.0	—	—	211	71,393
Others	1	1.2	—	—	1	94.2	226	421,398

Note: The % of paid-up capitalization is against the grand total in case of the yearly comparison, and is against each class total when subdivided by industries

Table 7. Number of Companies and Movements of Capital
(Unit: Amount in One Million M¥)

	Newly Established		Newly Increased		Newly paid up		Decrease		Dissolved		Outstanding	
	Firms	Amount	Firms	Amount	Firms	Amount	Firms	Amount	Firms	Amount	Firms	Amount
1935..	358	72.0	43	5.9	33	56.2	13	3.6	93	6.3	2,380	1,294.3
1936..	587	186.3	49	15.9	40	51.6	19	19.7	131	24.0	2,836	1,505.6
1937..	686	374.5	96	202.7	65	64.1	11	2.7	140	20.0	3,382	2,182.3
1938..	811	161.2	128	29.8	98	196.4	5	0.3	151	28.2	4,042	2,581.1

Table 8. Paid-up Capital and No. of Joint Stock Companies

		No. of Cos.	Capital (M¥1,000)
Agriculture & Forestry	1935	20	9,705
	1936	24	9,893
	1937	26	18,330
	1938	30	36,573
" Agriculture	1935	13	8,625
	1936	16	6,313
	1937	14	6,375
	1938	15	6,500
" Forestry	1935	—	—
	1936	1	2,500
	1937	4	8,375
	1938	5	23,700
" Stock-breeding	1935	7	1,080
	1936	7	1,080
	1937	8	3,580
	1938	10	6,373
Aquatic	1935	5	1,408
	1936	5	1,408
	1937	4	1,648
	1938	5	1,613
" Salt	1935	1	500
	1936	1	500
	1937	1	500
	1938	1	500
" Fishery	1935	4	908
	1936	4	1,185
	1937	4	1,148
	1938	3	1,113
Mining	1935	16	37,600
	1936	16	37,825
	1937	31	77,163
	1938	42	160,188
" Coal	1935	2	18,500
	1936	2	18,500
	1937	4	36,600
	1938	6	69,200
" Gold	1935	4	7,875
	1936	4	7,875
	1937	9	23,025
	1938	14	40,075
" Others	1935	10	11,225
	1936	10	11,450
	1937	18	17,538
	1938	22	50,913
Manufacturing Industries	1935	238	349,157
	1936	384	469,736
	1937	351	630,496
	1938	417	766,112
" Spinning	1935	21	16,371
	1936	24	24,138
	1937	31	36,243
	1938	33	49,883
" Metallic	1935	14	105,648
	1936	16	115,948
	1937	20	147,448
	1938	33	191,303
" Machinery	1935	15	10,538
	1936	17	15,023
	1937	32	25,940
	1938	45	59,898

(Continued)		No. of Cos.	Capital (M¥1,000)
" Ceramic			
	1935	34	17,933
	1936	41	21,191
	1937	44	22,231
	1938	51	27,263
" Chemical			
	1935	38	46,840
	1936	48	71,685
	1937	58	106,255
	1938	75	124,855
" Food			
	1935	47	31,713
	1936	56	42,572
	1937	71	50,324
	1938	77	51,205
" Electric			
	1935	18	92,978
	1936	17	93,345
	1937	20	123,300
	1938	16	135,717
" Gas			
	1935	1	10,000
	1936	1	10,000
	1937	2	18,000
	1938	2	18,000
" Lumbering & Wood-working			
	1935	20	6,055
	1936	26	8,190
	1937	25	7,960
	1938	30	9,430
" Printing & Bookbinding			
	1935	10	1,201
	1936	13	1,451
	1937	16	2,486
	1938	18	3,976
" Miscellaneous			
	1935	20	9,883
	1936	25	66,195
	1937	32	90,311
	1938	37	94,584
Transportation	1935	55	639,078
	1936	58	624,531
	1937	67	730,945
	1938	75	675,671
" Land Transport			
	1935	22	612,648
	1936	24	595,558
	1937	25	690,613
	1938	29	721,589
" Marine Transport			
	1935	16	18,463
	1936	16	18,313
	1937	20	20,708
	1938	21	21,188
" Air Transport			
	1935	1	3,850
	1936	1	8,000
	1937	1	11,580
	1938	1	13,970
" Express			
	1935	16	4,118
	1936	17	2,660
	1937	21	8,045
	1938	24	8,925
Communication	1935	1	29,375
	1936	1	36,250
	1937	1	36,250
	1938	1	36,250
Development	1935	—	—
	1936	2	16,500
	1937	2	37,500
	1938	2	40,800
Real Estate	1935	49	25,753
	1936	65	28,453
	1937	81	29,306
	1938	94	49,044
Commerce	1935	151	32,835
	1936	178	44,087
	1937	225	74,946
	1938	283	98,608
" Commercial			
	1935	135	30,639
	1936	160	41,621
	1937	205	72,295
	1938	264	96,032
" Warehouse			
	1935	8	1,456
	1936	9	1,481
	1937	10	1,556
	1938	10	1,556
" Market			
	1935	8	740
	1936	9	985
	1937	10	1,095
	1938	9	1,020
Exchange	1935	13	9,885
	1936	12	8,260
	1937	12	9,260
	1938	13	9,385
" Stock Exchange			
	1935	4	2,950
	1936	4	2,950
	1937	4	2,950
	1938	4	2,950
" Bill Clearing			
	1935	9	6,935
	1936	8	5,310
	1937	8	5,310
	1938	9	5,435
Bourse	1935	95	55,027
	1936	108	49,849
	1937	111	67,592
	1938	114	69,351
" Banks			
	1935	35	27,506
	1936	41	31,325
	1937	44	47,708
	1938	45	48,783
" Miscellaneous			
	1935	60	17,521
	1936	67	18,524
	1937	67	19,884
	1938	69	20,568
Others	1935	31	6,193
	1936	41	9,252
	1937	47	409,392
	1938	61	416,805
Grand Total	1935	674	1,196,015
	1936	794	1,336,042
	1937	959	2,122,827
	1938	1,136	2,450,398

Corporate Investments by Leading Companies

With almost no exception capital investments made in the leading companies in Manchuria in recent years are by Japanese establishments. All of the principal Japanese concerns have shown interest in Manchurian enterprises in varying degree. Hereunder are given the leading companies in Manchuria established since the founding of the new state and the amount of investments made in them by Japanese interests:

Table 9. Principal Companies in Manchuria

(1938)

	Established	Capital: Authorized (¥1,000)	Capital: Paid-up (¥1,000)	No. of shares	Principal Investors: Names	Principal Investors: Shares (1,000)
Agriculture:						
Dairen Agricultural	1929	10,000	5,000	200	S.M.R.	200
*Manchuria Cotton	1934	2,000	500	40	Manchoukuo Gov.	20
					Noji Gassakusha	20
*Manchuria Forestry	1936	5,000	5,000	100	Manchoukuo Gov.	50
					S.M.R.	25
					Kyoei Ind.	25
Manshu Shinwa Mokuzai (Timber)	1937	2,000	1,000	40	N. Nakamura	30
*Manchuria Livestock	1937	5,000	2,500	100	Manchoukuo Gov.	55
					Manchuria Ind. Develop.	30
					Mansen Develop.	15
Mining:						
*Manchuria Colliery	1934	80,000	48,000	1,600	Manchuria Heavy Ind.	1,555
					Manchoukuo Gov.	23
*Manchuria Gold Mining	1934	12,000	12,000	240	Manchoukuo Gov.	100
					Manchuria Ind. Develop.	100
					Oriental Develop.	40
Tempozan Mining	1937	7,000	7,000	140	S. Manchuria Taiko	139
Manshu Lead Mining	1935	4,000	4,000	80	Manchuria Mining	40
					Nichiman Mining	40
*Manchuria Mining Develop.	1935	50,000	20,000	1,000	Manchoukuo Gov.	950
					S.M.R.	50
†Penhsihu Iron & Colliery	1910	10,000	10,000	200	Okura Mining	119
					Dept. of Fin. & Com.	80
Manchuria Mining	1938	50,000	25,000	1,000	Manchuria Ind. Develop.	1,000
Tohendo Develop.	1938	30,000	15,600	600	Manchuria Ind. Develop.	400
					Manchuria Colliery	200
Manufacturing Ind.:						
Manchu-Mongol Wool	1918	10,000	6,625	200	Oriental Develop.	174
					S.M.R.	3
Manshu Cotton Spinning	1923	5,000	3,750	100	Fuji Gas Spinning	49
					S.M.R.	25
Manshu Hemp	1917	5,000	2,375	100	T. Inoue	19
					Hiyoshi Co.	8
					Teikoku Ramie	6
Yingkow Weaving	1933	8,000	8,000	320	Chosen Weaving	184
†Mukden Spin. & Weav.	1936	4,500	4,171	45	Manchoukuo Gov.	22
					Central Bank of M.	3
†Showa Steel Works	1929	200,000	125,000	4,000	Manchuria Ind. Develop.	3,100
					S.M.R.	899
Manshu Sumitomo Metal Ind.	1934	10,000	10,000	200	Sumitomo Concern	200
Anshan Steel Materials	1934	5,000	3,000	100	Tekko Shoken	7
					Japan Rail	6
Nichi-Man Steel Tube	1935	5,000	1,250	100	Japan Steel Tube	93
					Anshan Steel Material	5
Manshu Casting	1936	5,000	5,000	100	Kobe Steel Works	100
*Manshu Light Metal Mfg.	1936	50,000	31,250	1,000	Manchuria Ind. Develop.	980
					Sumitomo Co.	10
					Manchuria Ind. Develop.	71
					Tokyo Automobile	18
*Dowa Automobile	1934	6,200	6,200	124	Mitsubishi Heavy Ind.	9
					Kawasaki Loco. & Car.	9
					Nippon Sharyo	9

(Continued)

	Established	Capital: Authorized (¥1,000)	Capital: Paid-up (¥1,100)	No. of shares	Principal investors: Names	Principal investors: Shares (1,000)
Manshu Kosho (Machinery)	1934	20,000	8,600	400	.....	
Manshu Kiki (Machinery)	1935	10,000	6,500	200	T. Ito	47
					Y. Terayama	30
					Manchoukuo Gov.	5
*Mukden Arsenal	1936	4,600	4,600	9	Mitsui Bussan	2
					Okura Shoji	2
*Manshu Keiki (Guage & Meter)	1936	3,000	1,500	60	Manchoukuo Gov.	30
					Shinwa Shokai	41
Dairen Kikai (Machinery)	1918	10,000	8,000	200	Nippon Sharyo	20
					Y. Aioi	15
Daito Cement	1933	3,000	3,000	100	Asano Cement	100
Manshu Onoda Cement ...	1935	5,000	2,500	100	Onoda Cement	51
					Mitsui Bussan	20
					S.M.R.	259
†Manshu Chem. Ind.	1933	25,000	25,000	500	Union of All-Japan Purchasing Guilds	50
					Toyo Chisso Kogyo ...	30
					Manchoukuo Gov.	140
*Manshu Sekiyu	1934	20,000	15,000	400	Ind. Bank of Manchou .	64
					S.M.R.	50
Manshu Daizu (Soya Bean)	1935	5,000	2,525	100	Japan Oil & Fat	57
					S.M.R.	34
					Asahi Glass	56
†Manshu Soda	1936	8,000	6,000	160	S.M.R.	40
					Manshu Kagaku Kogyo.	40
					Shoko Glass	24
					Nichiman Fibre Ind. ...	140
†Manshu Tokan Pulp	1937	10,000	5,000	200	Manchoukuo Gov.	20
					S.M.R.	20
					Ind. Bank of Manchou.	20
Manshu Pulp	1936	10,000	5,000	200	Mitsubishi Paper	65
					G. Terada	15
					Manchoukuo Gov.	340
*Manshu Synthetic Fuel ...	1937	50,000	10,000	1,000	Mitsui	340
					Manchuria Colliery	140
					Teikoku Nenryo Kogyo.	100
*Manshu Liquefaction	1938	20,000	7,500	400	Manchoukuo Gov.	200
					Ind. Bank of Manchou .	100
					Oriental Develop.	29
Manshu Flour	1934	10,000	6,000	200	Japan Sugar	12
					Mitsui Bussan	12
					Mitsubishi Shoji	11
					Taiwan Sugar	27
Manshu Sugar	1935	10,000	2,500	200	Dainippon Sugar	24
					Meiji Sugar	24
					Ensuiko Sugar	24
					Dainippon Salt Ind. ...	32
*Manshu Salt Ind.	1936	5,000	2,500	100	Manchoukuo Gov.	25
					S.M.R.	20
†Manchuria Electric	1934	160,000	107,500	3,200	S.M.R.	826
					Ind. Bank of Manchou.	844
					Manchoukuo Gov.	531
*Manshu Oryokko Hydro Electric	1937	50,000	25,000	1,000	Manchoukuo Gov.	500
					Oriental Develop.	200
					Choshinko Hydro	200
S. Manchuria Gas	1925	10,000	10,000	200	S.M.R.	98
*Manshu Tosho (books) ...	1937	2,000	2,000	40	Manchoukuo Gov.	20
					Tokyo Book	6
					Japan Book	6
Manchou Tobacco	1934	12,000	3,000	240	T. Hasegawa	103
Manshu Toa Tobacco	1937	25,000	25,000	500	Toa Tobacco	500
Traffic, Transportation & Communication:						
					Japanese Gov.	8,000
*South Manchuria Ry. Co. .	1906	800,000	676,208	16,000	Bank of Chosen	251
					Yasuda Bank	170
Dairen Toshi Kotsu	1926	5,000	4,400	100	S.M.R.	100

(Continued)

	Established	Capital: Authorized (¥1,000)	Capital: Paid-up (¥1,000)	No. of Shares	Principal Investors: Names	Principal Investors: Shares (1,000)
					Okura & Co.	5
Kimpuku (Chinfu) Ry. ...	1925	4,000	2,800	80	Mitsui	5
					Mitsubishi	5
Dairen S.S.	1915	25,700	14,450	514	S.M.R.	514
					Manchoukuo Gov.	10
					S.M.R.	5
†Manshu Aeronautical	1932	13,970	13,970	27.9	Sumitomo	4
					Mitsui	4
					Mitsubishi	4
Kokusai Unyu	1926	5,000	3,400	100	S.M.R.	100
					Japanese Gov.	330
*Manchuria Tel. & Teg. ...	1933	50,000	36,250	1,000	Manchoukuo Gov.	120
					S.M.R.	69
Development:						
†Mansen Takushoku	1936	15,000	7,500	300	Senman Takushoku ...	299
					Manchoukuo Gov.	300
*Manshu Develop.	1937	50,000	30,000	1,000	Japanese Gov.	300
					S.M.R.	200
Toa Civil Engrg.	1920	5,000	1,250	100	S.M.R.	47
Real Estate:						
Manshu Immovable Property	1937	10,000	2,500	200	S.M.R.	200
					Manchoukuo Gov.	200
*Manshu Bosan	1938	30,000	15,000	600	Oriental Develop.	200
					Ind. Bank of Manchou .	200
Kotoku Immovable Property	1937	5,000	1,250	100	Tokyo Tatemono	100
Commerce:						
Manshu Imports Co.	1935	5,000	5,000	100	S. Yamanaka	99
					S.M.R.	1
					Penhsihu Iron & Colliery	1
*Manshu Explosives Sales Co.	1935	500	500	10	Manchuria Colliery	1
					Showa Steel Works	1
					Mukden Arsenal	1
					Manchoukuo Gov.	5
†Nichiman Trading	1936	10,000	6,000	200	S.M.R.	102
					Manchuria Colliery	80
					Manchoukuo Gov.	30
Manshu Life Ins.	1936	3,000	1,500	60	Daiichi Life Ins.	5
					Chiyoda Life Ins.	5
					Nihon Life Assurance ..	5
					Tokyo Marine & Fire ..	19
Manshu Fire & Marine Ins.	1937	5,000	1,250	100	Mitsubishi " " ..	7
					Meiji Fire	7
					Taisho Marine & Fire ..	7
Exchanges & Clearing:						
Dairen Exchange Trust ...	1913	12,000	4,125	240	Ind. Bank of Manchou .	57
Dairen Stock & Commodity Exchange	1920	5,000	2,000	100	Ind. Bank of Manchou .	6
Manshu Security Exchange.	1919	1,000	250	20	J. Hirose	3
					T. Umagami	2
Antung Exchange	1920	2,000	500	40	M. Fukuhara	7
					T. Fukuma	4
Hsinking Gov. Exchange ..	1916	1,000	250	20	S.M.R.	10
Harbin Exchange	1933	2,000	1,200	40	S.M.R.	5
					Manchuria Life Ins. ...	2
Bourse:						
*Central Bank of Manchou.	1932	30,000	15,000	300	Manchoukuo Gov.	300
*Industrial Bank of Manchou	1936	30,000	15,000	300	Manchoukuo Gov.	150
					Bank of Chosen	150
Tahsin Kungssu	1933	6,000	6,000	120	Central Bank of M. ...	120
Others:						
*Manchuria Information Assn.	1936	3,000	2,850	60	Manchoukuo Gov.	31
					S.M.R.	24

(Continued)

	Established	Capital: Authorized (¥1,000)	Capital: Paid-up (¥1,000)	No. of Shares	Principal Investors: Names	Principal Investors: Shares (1,000)
*Manshu Eiga (Movie) Assn.	1937	5,000	2,000	100	Manchoukuo Gov.	50
					S.M.R.	50
Daido Sangyo	1920	10,000	5,000	200	S. Kawamoto	10
					Manchoukuo Gov.	45,000
					Nissan	45,000
*Manchuria Ind. Develop. Co.	1937	450,000	396,750	900	Manchoukuo Govt.	450
					Nissan	450

Note: * Represents Special Concerns.
† " Semi-special Concerns.

Warehousing

The warehousing business in Manchuria originated in the Dairen Warehousing Company which began to show activity in 1909. During the war boom more than 40 warehousing companies were brought into being. Since the post-war economic depression set in 1920, the business has dwindled. The warehousing business under the management of the S.M.R. alone has steadily developed without being affected by the depression. The godowns run by the S.M.R. Company are in no way behind those in the advanced countries of the West in scope, accommodating capacity and general equipments.

The S.M.R. warehousing business is so predominent that it represents about 90 per cent. of goods in the godowns in all Manchuria. Besides the S.M.R. godowns, there are twelve principal warehousing companies in Manchoukuo, four of them being in Dairen, two in Mukden, two in Hsinking, three in Harbin and one in Fushun.

Principal goods handled by these godowns are soya-bean, bean-cake, kaoliang, maize, rice, red beans, iron, wheat flour, cement, petroleum. In view of the sharp increase in imports and poor accommodating capacity the Manchou Import Federation started a co-operative import warehouse for its members at the end of July, 1935. The warehouse, which was completed towards the end of the year, is placed under the supervision of the Manchou Import Company, which was established in August, 1935.

S.M.R. Warehousing.—It was in September, 1911 that the S.M.R. Company opened the warehousing business. Prior to this, or in 1908 the Company instituted a small-scale warehousing facility in the Dairen pier compounds; in 1919, it introduced the open-air storage system at the leading stations along its lines and in 1911 inaugurated the present up-to-date warehousing system at the Dairen waterfront and along its railways. At present there are 70 godowns with an aggregate floor space of over 385,000 square metres on the piers and within the pier compounds of the Dairen harbour and no less than 199 godowns with an aggregate floor space of 154,000 square metres at 3 leading stations. The cargoes handled at these godowns amount to over 11,600,000 tons a year, 60% of which are beans and bean products.

It is of special importance to note that, in order to facilitate the shipment and marketing of soya-beans, the Company had inaugurated what is known as the mixed-storage system, first at the Dairen pier in 1912 and then gradually at Mukden, Kaiyuan; and other centres on the main line. Under this unique system the Company grades and classifies beans at receiving points according to qualities and weights and issues receipt which are negotiable at banks and which call for like quantities and qualities of beans at the specified terminal points. The system was so successful that it was later extended to bean-cake, bean-oil and wheat. It is also significant to add that the Company, with the inauguration of its warehousing facilities introduced the practice of the insurance on all goods in storage at the Company's godowns, entirely free of charge to the shippers.

Manchoukuo Enterprise

The warehousing business under Manchoukuoan management is still in a primitive stage of development. It consists simply in receiving goods for custody for a small amount of fees. No warehousing certificate is issued. Nor any means of affording credit is provided. Besides, there is another sort of warehousing agent known as "Liangchan," which exercises superb influence over the trade in special Manchurian products. Besides receiving goods for custody it runs hotel and financial business. Its godowns occupy a very important position outside the S.M. zone, but they are out of comparison with the Manchu and other godowns under Japanese management in point of storage and equipments.

COMMODITY PRICES

Wholesale Price

The wholesale price of commodities has generally advanced since 1934. In certain items the average price obtaining in 1934 has about tripled in the succeeding three and a half years. In the general index in Hsinking, export goods show a spectacular advance, rising from 100 in 1933 to 231.1 in July, 1939. Imports goods rose in the corresponding period from 100 to 171.6, while commodities for domestic consumption increased from 100 to 179.6 in the same period.

Taking the price of specific items for comparison, kaoliang showed a remarkable advance from M¥1.59 in 1934 to M¥6.07 per 100 kin in July, 1939. The commodity which showed the least fluctuation was coal which rose from M¥10.42 per ton in 1934 to M¥12.80 in July, 1939.

Table 10. International Comparison of Wholesale Prices

(Index: 1933=100)

	Hsinking	Dairen	Tokyo	Shanghai	Tientsin	London	New York	Paris
1933 (Aver.)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1934 (")	92.6	102.2	99.0	93.7	91.3	102.9	113.8	94.3
1935 (")	103.4	106.9	103.3	92.6	94.8	106.2	121.4	89.4
1936 (")	106.1	109.0	109.6	104.4	110.0	111.4	122.6	104.4
1937 (")	125.1	124.8	132.7	123.8	131.1	129.0	131.0	145.1
1938 (")	149.6	151.4	140.0	147.0	166.9	114.7	119.1	164.9
1939:								
Jan.	161.4	166.7	144.3	163.2	182.5	104.4	116.4	174.2
Feb.	164.9	171.4	147.3	166.6	186.0	104.3	116.4	174.5
Mar.	171.1	176.2	147.5	173.2	194.0	104.8	116.5	175.5
Apr.	171.7	179.0	148.3	174.4	200.7	106.5	115.5	175.8
May	178.2	184.8	150.1	177.3	225.6	106.6	115.5	178.6
June	182.7	188.4	150.1	192.0	229.2	94.7	114.7	176.5
July	186.0	190.0	150.6	196.8	248.4	...	114.3	174.5

Table 11. Wholesale Commodity Price Indices in Hsinking

Average of	Commodities for domestic consumption (17 Art.)	Export goods (13 Art.)	Import goods (33 Art.)	Raw materials (13 Art.)	Consumers' goods (38 Art.)	Equipment goods (12 Art.)	Farmers' purchases (19 Art.)	Farmers' sales (8 Art.)
1933	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1934	93.6	95.5	90.6	92.9	95.9	93.6	91.5	97.1
1935	103.2	136.7	90.7	94.5	109.3	94.1	99.5	153.1
1936	104.3	147.3	90.7	100.8	112.3	92.4	103.2	157.0
1937	117.0	165.4	113.3	121.4	122.0	139.2	112.0	178.8
1938	137.4	167.2	194.0	147.6	141.8	174.6	141.4	185.2
" July	141.3	184.5	176.9	168.0	152.6	208.1	106.3	206.4
1939 July	179.6	231.1	171.6	166.6	198.4	166.9	171.3	276.8

Average of	Chief staple products (6 Art.)	Miscellaneous cereals (5 Art.)	Foods and beverages (12 Art.)	Textiles (13 Art.)	Metals and metal wares (7 Art.)	Building materials (6 Art.)	Light and fuel (6 Art.)	Miscellaneous (8 Art.)	Average of all commodities (83 Art.)
1933	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1934	94.5	92.8	94.0	90.4	92.4	89.8	94.0	93.4	92.6
1935	179.2	104.5	104.1	88.3	93.3	93.9	91.5	93.6	103.4
1936	185.7	115.8	106.5	91.8	92.8	91.2	94.7	96.0	106.1
1937	202.4	134.4	112.5	106.5	161.7	106.6	98.6	112.5	125.1
1938	202.9	141.6	124.9	151.6	211.6	128.6	106.9	149.5	149.6
" July	230.3	150.7	124.6	183.5	256.2	134.7	108.3	171.2	168.8
1939 July	295.6	204.9	156.7	192.3	152.0	179.6	130.6	201.8	186.0

Table 12. Wholesale Prices of Principal Staple Commodities in Hsinking

(Unit: M¥)

	Rice (koku)	Wheat (1 LB.)	Millet (100 kin)	Wheat flour "3 star" (bag)	Soya Bean "1st" (100 kin)	Bean cake (piece)	Bean Oil (100 kin)	Kaoliang (100 kin)	Gunny bag (100)
1934	20.74	1.35	3.84	2.79	3.36	0.90	10.50	1.59	43.44
1935	26.57	1.42	6.95	3.30	4.10	1.32	18.02	3.84	44.66
1936	25.56	1.47	6.51	3.40	6.18	1.72	22.72	3.17	42.95
1937	26.17	2.07	7.29	4.40	6.30	1.89	22.79	3.71	45.39
1938	32.00	2.69	7.81	5.73	5.69	1.85	17.59	4.17	55.93
1939 July	41.00	2.54	10.58	5.36	7.96	2.68	20.88	6.07	132.67