

The introduction of modern farming machinery will play an important part in opening up undeveloped lands in Manchuria on a large scale. It is said that Mr. Li Yun-shu, of Shanghai, in 1915 first introduced an American tractor in Han-ho, northern Amur Province, with which he experimented on his land covering about 100,000 acres. The International Harvester Export Co., of Chicago, established a branch at Harbin before the European war and sold a number of such tractors specially after the war. Kungchuling Agricultural Experiment Station, maintained by the S. M. R., for several years past has tested and demonstrated with tractors. Several Chinese Government institutions and private associations have widely adopted the tractor for exploiting undeveloped lands. The Khingan Exploitation Bureau, established at Taonan, has purchased ten, while those concerned with the late General Wu Chun-sheng, in Amur Province, purchased nine machines, with which valuable preliminary work is being accomplished.

92 Agricultural Produce

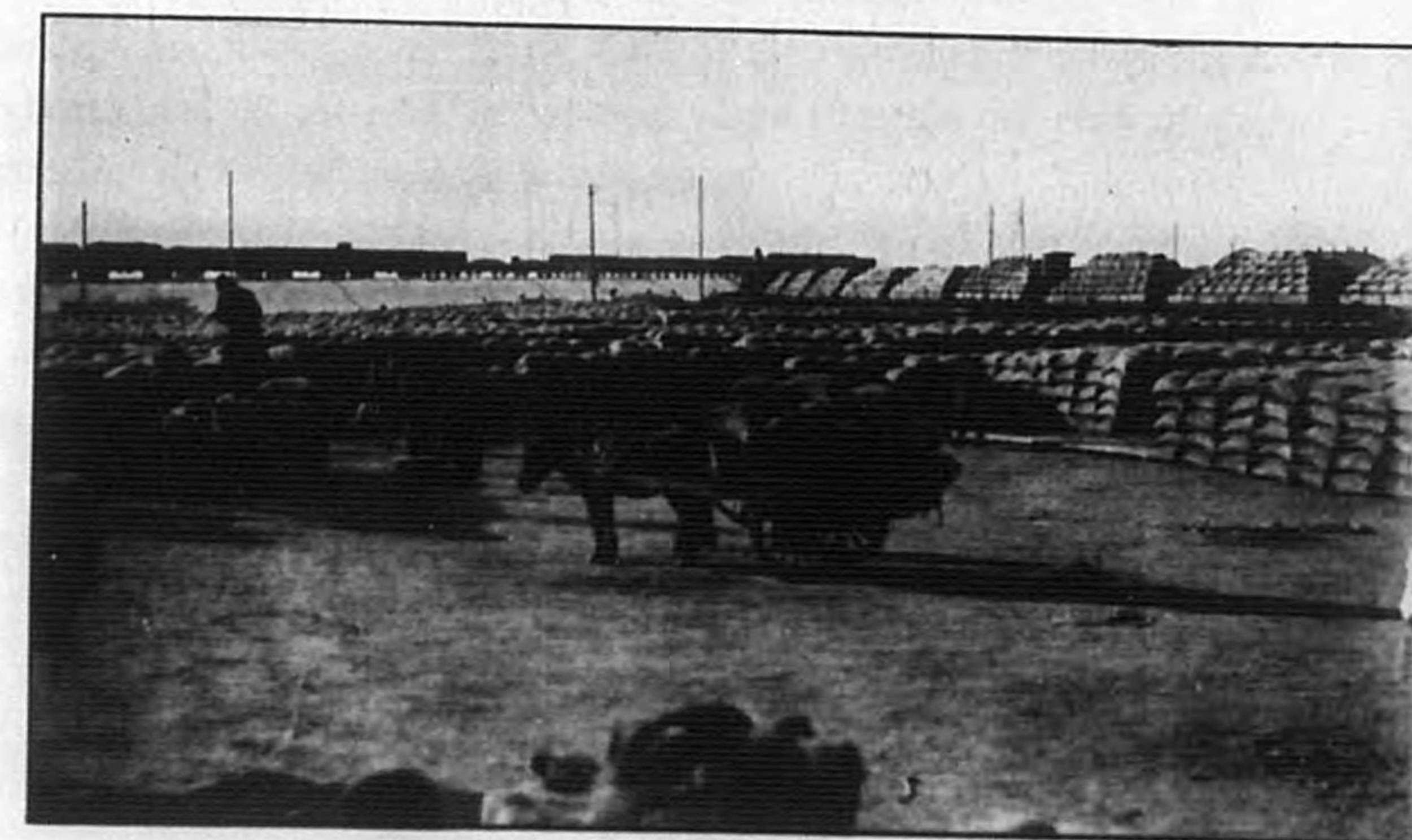
The principal agricultural produce of Manchuria is the world known soya bean and kaoliang, the staple food of the native. These two are followed by millet, maize (Indian corn), wheat, barley, and rice. Among other products are hemp, flax, ramie, tobacco, cotton, and wild silk cocoons. Of live-stock, cattle, horses, donkeys, mules, sheep, goats and hogs are important. The quantities of these varied products are difficult to ascertain, because of the lack of reliable statistics among the Chinese authorities. According to a statistical estimate made in 1915 regarding cereals, the total amount of annual production aggregated 404,493,000 bushels, of which kaoliang figured as high as 183,491,000 bushels, beans 86,849,090 bushels, millet 30,505,000 bushels, maize 34,429,000 bushels, barley 28,038,000 bushels, wheat 25,301,000 bushels, and rice 7,407,852 bushels. A statistical report on these products for 1929, prepared by the Research Office of the South Manchuria Railway Company, gives the aggregate figure of 786,789,338 bushels. During the last fourteen years, the annual return of cereal products in Manchuria has doubled. The following table gives details of production of Manchurian cereals as existing in 1929:



Bean Field in Manchuria



Bean-hackling by Pony



Soya Beans brought to Kaiyuan Station



Harvesting Kaoliang



Harvesting Millet



Harvesting Rice

	Mukden	Kirin	Amur	Total (Figures in parentheses in American tons)
	Bushels	Bushels	Bushels	Bushels
Soya beans.....	51,310,106 (1,237,770)	97,003,883 (2,340,050)	73,510,560 (1,773,310)	221,824,549 (5,351,130)
Other beans	7,123,852 (189,550)	5,869,400 (156,170)	2,632,492 (70,050)	15,625,744 (415,770)
Kaoliang	120,837,353 (2,861,540)	64,174,471 (1,519,710)	32,755,796 (775,690)	217,767,620 (5,156,940)
Millet	49,777,866 (1,074,240)	69,917,186 (1,508,810)	51,399,089 (1,109,230)	171,094,141 (3,692,280)
Maize	41,063,999 (996,320)	21,349,163 (517,990)	10,805,792 (262,180)	73,218,954 (1,776,490)
Wheat	4,868,375 (118,980)	23,789,693 (581,410)	30,055,584 (734,540)	58,713,652 (1,434,930)
Paddy-field rice.....	4,390,882 (78,010)	3,691,529 (65,590)	400,481 (7,120)	8,482,892 (150,720)
Upland rice	4,663,071 (75,430)	5,530,563 (89,460)	454,145 (7,350)	10,647,779 (172,240)
Other cereals.....	45,366,018 (923,260)	28,496,958 (579,950)	24,854,269 (505,820)	98,717,245 (2,009,030)
Total	329,401,522 (7,555,100)	319,922,846 (7,359,140)	226,868,208 (5,245,290)	876,092,576 (20,159,530)

93 Kaoliang

Kaoliang, or sorghum, being not only the staple food of the native population, but the principal grain food of numerous animals engaged in farm work, the major portion of the cultivated land of Manchuria has been devoted for centuries to the cultivation for this grain, and its production surpassed even the celebrated Manchurian bean. But the tremendous growth of demand in the world market caused bean cultivation gradually to encroach on the premier position held by kaoliang, and to-day about 33 per cent. of the cultivated area is devoted to beans, and 26 per cent. to kaoliang. Less than ten per cent. of the annual production of kaoliang is sold outside Manchuria. The export of this product in 1929 amounted to about 5,401,000 piculs, 60 per cent. of which went to China proper and 36 per cent. to Japan. This cereal is largely used in China for foodstuff, spirit distilling, and cattle-feed. In Japan, the import of this Manchurian cereal is gradually on the increase as raw material of foodstuff manufacture, especially for cornstarch, and live-stock feeding.

94 Soya Beans

The story of the Manchurian bean is a striking romance in economic history. The Japanese, though naturally regretting the loss of the Liaotung, the "legitimate fruit" of the Sino-Japanese war, found some compensation in the discovery of the Manchurian bean, which revolutionized the fertilizer industry and became a substitute in the Japanese rice-field for the dry-herring fertilizer then extensively used. Ever since, the Japanese has been the heaviest purchaser of the Manchurian bean. The first trial shipment of this legume was made in 1908 by the Mitsui Firm of Japan, being sent from Dairen to Liverpool, and this was the beginning of a new industry in England, Germany, Denmark and Holland. The major portion of the beans destined for Europe was for the mills at Liverpool and Hull, England; for those at Copenhagen, Denmark, and Rotterdam and Amsterdam, Holland. Germany's consumption subsequently became greater than all, and this, though interrupted during the European war, is recovering. At the time of the universal shortage of food during the great war, the Manchurian bean played a very important part in the world's food supply.

The demand for the Manchurian bean is ever-increasing. Beans and beancake imported by Japan, as foodstuff or fertilizer, are to-day helping in the solution of the national food problem.

The influence of the Manchurian bean on national economy is remarkable. Denmark was more than self-supporting in the production of cereals, specially wheat, until thirty years ago. But Danish products found themselves unable to compete with American large-scale production, even in the home market. Aided by the Manchurian bean, the Danes turned extensively to stock breeding. The bean is imported, the oil extracted and used for manufacturing margarine (vegetable butter), soap, etc., while the residue of cake is extensively used as feed for live-stock, which totaled as many as 18,524,000 head in 1926, besides many million run of poultry. The consequence was the development of an enormous export trade in animal products, butter, cheese, bacon, ham, eggs, and also live-stock. The value of this great trade is some 1,027 million kroner, or more than 70 per cent. of Denmark's total export. Holland, to some extent, is in a similar position.

Regarding the quality and quantity of the beans, the Manchurian product possibly surpasses that of any other country. Beans can be grown in the central and northern parts of the temperate zone, in which lie North America, the northern part of Japan, Korea, and North China. That the Manchurian beans have come to occupy such an

enviable position is due entirely to the suitability of Manchuria, South and North, for bean cultivation, in regard to both climate and soil. The average production per acre is 22 bushels in Manchuria, while it is 19 bushels in Japan, 16 in the United States, 12 in Korea, and 16 in China proper. Bean cultivation in the United States has been very rapidly increased, the total acreage prior to 1917 aggregating less than 500,000 acres was increased to 2,500,000 acres in 1924 and to 3,500,000 in 1928. But the greater part of bean cultivation in the United States is for ensilage, pasture, and hay.* The aggregate return of world production was in 1928-9 estimated at 353,842,000 bushels, of which the Manchurian product amounted to 221,824,000 bushels, or 63 per cent. of the total. While bean production in other parts of the world is rather at a standstill, production in Manchuria is increasing each year, and the annual return for 1929 was estimated 221,000,000 bushels. The following table shows estimated production in the world's bean zones in 1929:

Country	Under Cultivation, Acres	Annual Production, Bushels	Production per Acre	Percentage to World Production
Manchuria	9,864,060	221,824,549	22 bushels	63
China Proper	5,635,000	89,340,000	16 "	25
Japan	913,836	17,730,559	19 "	5
Korea	1,961,527	22,696,178	12 "	6
U. S. A.	1,372,000	2,251,368	16 "	1
Total	19,746,423	353,842,654		100

The reason why the Manchurian bean commands world-wide popularity is the actual value of this staple as foodstuff, feed for live-stock, fertilizer, and as raw material in various chemical industries. It contains a higher protein content, i. e., 40%, fat 17%, nitrogen free extract 22%, water 8.5%, ash 5.5%. Of course, the constituents vary more or less according to locality of plantation, kind, and year when grown. Manchurian beans are divided into four classes according to colour—yellow, white eye-brow, green, and black. The chemical composition of these beans, according to analyses made in 1927 by the Central Laboratory at Dairen is as follows:

	Moisture	Crude Fat	Crude Protein	Crude Fibre	Nitrogen Free Extract	Crude Ash
	%	%	%	%	%	%
Yellow	11.06	18.19	39.94	5.20	21.41	4.30
Black	11.96	14.74	41.00	5.34	23.01	4.20
Green	8.13	18.96	40.12	5.45	22.54	4.80

* "Soy Beans Culture and Varieties," U. S. Department of Agriculture, Farmers' Bulletin No. 1520, issued April, 1927.

95 Produce Exchanges

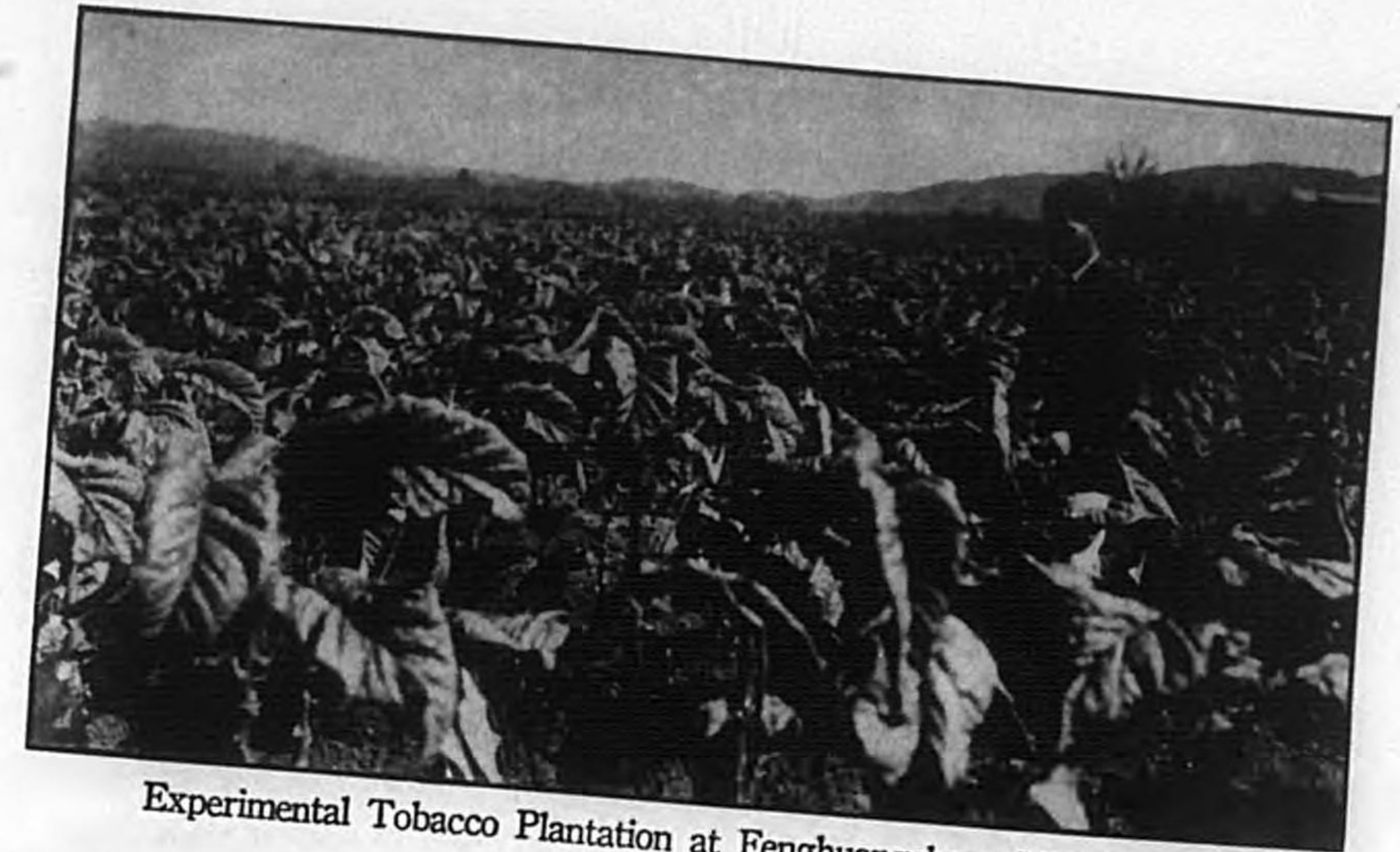
In order to facilitate commercial transactions in important products of Manchuria—beans, beancake, oil, kaoliang and other cereals—several produce exchanges were established during the years 1913-1920 under the control of the Kwantung Government at important centres along the South Manchuria Railway line, such as Dairen, Mukden, Tieling, Kaiyuan, Changchun, Ssuping kai, and Kungchuling. To each of these produce exchanges is attached a Trust and Guarantee Company organized by private shareholders as the medium guaranteeing the actual delivery of goods transacted for and also for settling accounts. A member of the exchange who deals in future delivery must pay 100 yen as licence fee per year, and he who deals in spot or cash delivery 20 yen. Members dealing in future delivery numbered in 1929 as many as 116, of whom 36 were Japanese and 78 Chinese, while those dealing in spot delivery numbered 80, of whom 26 were Japanese and 54 Chinese.

The following table shows the activities of these exchanges:

Year	Amount of Future Delivery in Silver Yen	Amount of Spot Delivery in Silver Yen	Total
1913	31,367,176	10,212,821	41,579,977
1918	914,171,680	69,248,908	983,420,588
1923	1,052,874,529	31,415,558	1,084,290,087
1928	16,968,655,289	274,367,413	17,243,022,702
1929	15,967,560,027	570,992,881	16,538,552,908

Among the Chinese Produce Exchanges, there is one at Harbin, called the Harbin Bond & Grain Exchange Co., Ltd. (濱江商券糧食交易所股份有限公司), which is said to carry on a fairly large business. At Antung, the Produce Market Commercial Association (商務會糧市) conducts future and spot transactions.

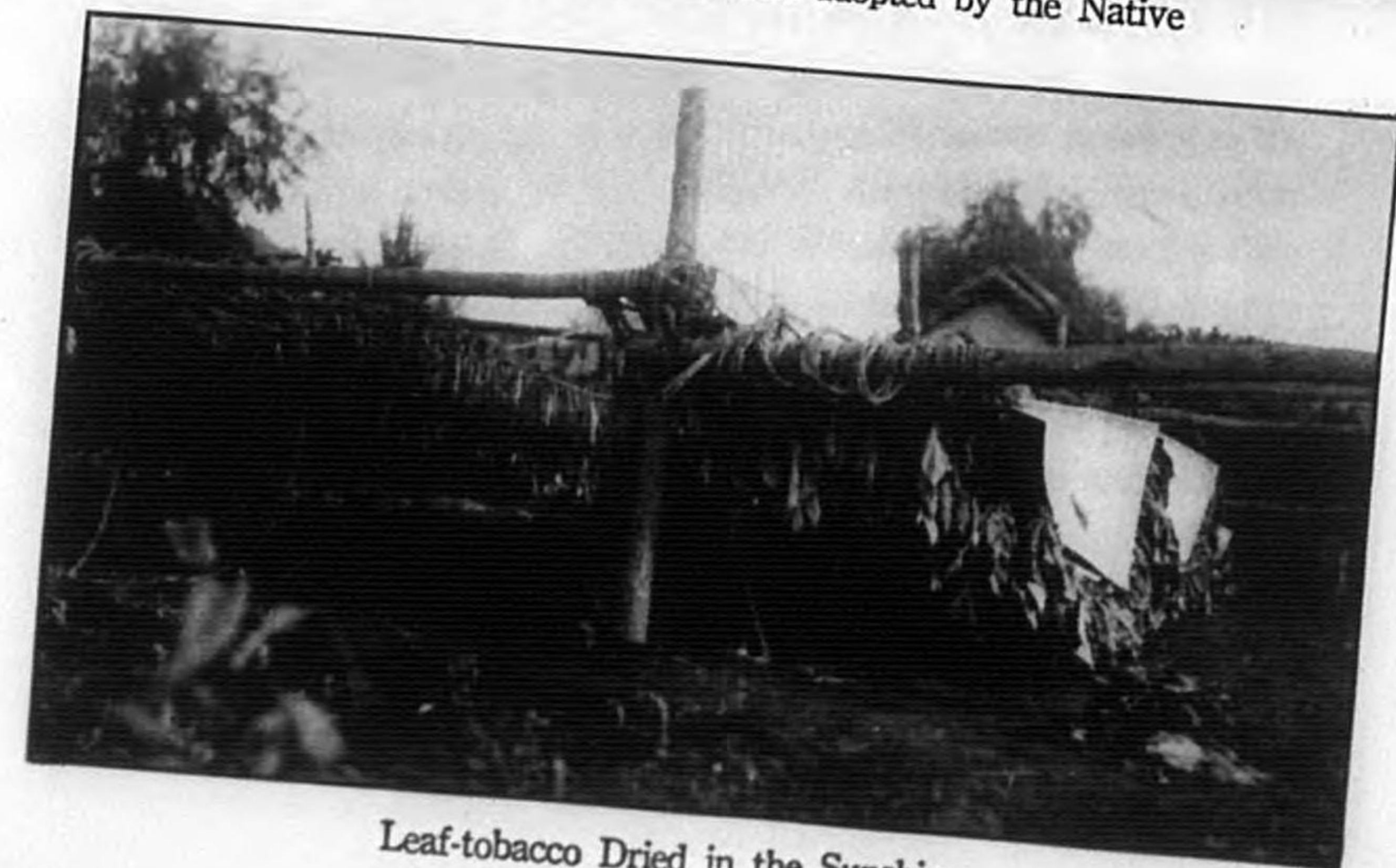
Beside transactions through Produce Exchanges, there are special Chinese commercial usages which classify produce under separate heads, as "river beans" (河俾), "railway beans" (火車俾), "cart beans" (馬車俾), "green-field beans" (寫青豆), and others. "River beans" are mostly brought by junk in summer to market where transactions take place, and they are distinguished from railway shipments. New crop beans are transported by horse cart to the nearest market, where producer or shipper conducts transactions during the winter. "Green-field beans" are dealt with as they stand in the field, a peculiar form of future delivery, especially in North Manchuria. Transactions are concluded generally on the basis of the estimated harvest as it stands



Experimental Tobacco Plantation at Fenghuangcheng Model Farm



Improved Tobacco Plantation adopted by the Native



Leaf-tobacco Dried in the Sunshine

in the field, and at a price considered fair about the time of delivery. Such transactions are concluded with farmers in July or August when the time of delivery is fixed: 50-80 per cent. of contract price is paid in advance, and the balance at the time of delivery. This method was often practised by Chinese produce dealers with foreign firms, such as the East Asiatic Company, of Denmark, and the Mitsui Firm, of Japan, when competition was keen.

96 Other Staple Products

Staple produce other than grains in Manchuria are flax, tobacco, wild cocoons, and raw cotton.

Cultivation of flax in Manchuria was primarily to obtain linseed oil, or Tamatzu oil, as it is called by the Chinese. The districts raising flax for the purpose of obtaining its seed are mostly in the level lands of the Liao and Sungari valleys. Flax is grown for the sake of its fibre in the hilly districts of the eastern parts of Mukden and Kirin provinces. From the fibres are made nets, ropes, and coarse cloth, the waste being utilized for making native paper.

Tobacco is cultivated to a fair extent in Manchuria. The aggregate production was recently estimated at 48,750,000 kin, or 65,000,000 pounds a year. The native tobacco is of inferior quality. In the year 1929, Manchuria exported tobacco to the value of 2,143,000 Hk. Tls., and imported tobacco valued at 12,653,000 Hk. Tls.

97 Wild Silk and Cotton

Wild cocoon culture for making Tussah or wild silk possibly dates back about one hundred years, when sericulture was first introduced by immigrants from Shantung Province. The southern part of Mukden Province, in particular, the so-called Liaotung Peninsula, is noted as the most flourishing centre of this industry, Antung and Kaiping being the principal distributing markets. No reliable statistics are available concerning wild cocoon production. The annual output in Mukden and Kirin Province is estimated at 8,000,000,000 to 10,000,000,000 cocoons, valued at about 25,000,000 yen. The wild raw silk alone exported in 1929 was valued at 9,096,600 Hk. Tls. If cocoons, waste and silk cloth be included, the total export amounted to 11,566,220 Hk. Tls. The table below shows the export of wild silk production for the past several years:

Year	Wild Silk Cocoon	Wild Silk Yarn	Wild Silk Waste	Pongee Silk	Total Value in Hk. Tls.
1925.....	1,198,977	11,380,227	1,029,020	357,966	13,966,190
1926.....	893,020	10,493,915	1,027,677	533,134	12,947,746
1927.....	707,952	10,256,250	1,191,559	422,760	12,578,521
1928.....	615,649	8,585,714	1,371,597	701,610	11,274,580
1929.....	868,121	9,096,600	1,085,319	1,016,180	11,566,220

The world cotton cultivation zone is generally understood to be below latitude 37 degrees. Manchuria lies above this zone, yet the southern part of Manchuria to-day produces about 32,000,000 pounds of cotton. The districts along the Peking-Mukden Railway and those along the South Manchuria Railway produce about fifty-fifty in proportion. Cotton cultivation in Manchuria was first introduced by Chinese at the time when the Tang Emperor concentrated his forces in Manchuria to invade Korea in 662 A.D. Cultivation was continued for centuries under primitive conditions and nothing was done to improve it until recent years. The agricultural experimental farms maintained by the Kwantung Government and the South Manchuria Railway Company took the initiative in improving cotton cultivation in the Leased Territory and Railway Zone by introducing upland cotton of American origin raised in Korea and by distributing improved seeds among native cultivators. Upland cotton cultivation in the Leased Territory covers 4,254 acres, the annual crop amounting to 1,348,173 pounds. The Mukden Government is also encouraging cotton cultivation in the districts along the Peking-Mukden Railway and the Liao River.

98 Live-Stock

The trade of Manchuria and Mongolia was originally based upon horse-breeding, the staple industry of a people who achieved almost world-wide empire under the great Kublai Khan. While the early Manchu people dominated the country, stock-farming was their chief occupation. With the entry of the Chinese, the rich pastoral lands were gradually put under the plough, particularly in South Manchuria. Yet, to-day, a shadow of the old pastoral age is visible in the western part of Amur Province and on the Mongolian frontier, where the inhabitants are still devoted to cattle breeding. Chinese farmers in Manchuria, however, generally keep large numbers of oxen, horses, mules, and donkeys, for breeding, farming and transport. Sheep and pigs are also extensively raised in Manchuria and Inner Mongolia. The following table is an estimate of the numbers of live-stock in Manchuria in 1929:



Open Sheep Pasture near Manchuli



Horse Pasture on the Plain near Taonan



Cattle on Plain in Mongolia

	Mukden	Kirin	Amur	Total
	head	head	head	head
Cattle	516,590	429,900	658,650	1,605,140
Horses	660,320	732,300	1,020,790	2,422,410
Sheep	479,560	182,130	1,939,930	2,601,620
Swine	3,288,840	2,273,210	1,789,400	7,351,450
Total	4,945,310	3,617,540	5,417,770	13,980,620

In addition, there are estimated to be 810,000 horses, 1,120,000 cattle, 2,000,000 sheep, and 1,000,000 swine in Eastern Inner Mongolia.

The following are rough estimates of domestic animals slaughtered annually in Manchuria and Mongolia:

	Manchuria	Eastern Inner Mongolia	Total
	head	head	head
Cattle	62,000	220,000	282,000
Sheep	93,000	50,000	143,000
Swine	2,645,000	140,000	2,785,000
Total	2,800,000	410,000	3,210,000

The export of cattle in 1929 amounted to 13,333 head, consigned chiefly to Japan.

The quantities of hides and skins marketed annually are estimated as under:

Cattle hides.....	245,800
Horse & mule hides	339,700
Donkey hides	34,600
Sheep skins.....	350,000
Goat skins	470,000
Total.....	1,440,100

Leather hides and skins exported in 1929 aggregated in value 5,223,000 Hk. Tls. and wool 1,572,000 Hk. Tls.

99 Model Farms and Other Improvement Enterprises

Farming methods in Manchuria changed little during many centuries. The native farmers are slow in selecting better seeds or seedlings, improving the method of manuring, breeding improved cattle, or reclaiming virgin lands.

Since the Japanese advent in Manchuria, the most energetic steps have been taken to improve agriculture by the establishment of model farms, live-stock breeding stations, and seedling nurseries in the Railway Zone and Leased Territory. This has stimulated the Chinese in some

degree, and agricultural experimental farms have been established in the suburbs of Mukden, Kirin and Tsitsihar, where provincial governments are located. Chinese schools of agriculture were also established in Mukden and Kirin, in addition to a botanical garden and seedling station in Mukden. The Russians also have established agricultural experimental farms in Harbin, Anda, and Jeh-hu, along the Chinese Eastern Railway.

Soon after the establishment of the Kwantung Government, organic regulations relating to the creation of the Kwantung Agricultural Experimental Farm were issued in November, 1906, with the object of improving agriculture, cattle breeding, the distribution of better seeds and seedlings, sericulture, etc. The first Experimental Farm was established in 1907 in what is now the Central Park of Dairen; it was moved to Shakako in 1918, and again shifted in 1924 to Chinchou, where the farm was much enlarged, and now covers 206.73 acres. The directors first paid attention to the improvement of fruit trees and vegetables, which had degenerated. Seeds and seedlings of peaches, apples, pears, grapes, cherries and other fruit trees of Japanese or American origin were experimented with, and apples especially were found well adapted to the Leased Territory. The work of the Experimental Farm gradually stimulated fruit cultivation among the Japanese and Chinese. The demand of the large population of Dairen, Port Arthur and other cities along the railway for fruits and vegetables further encouraged the cultivation of fruit trees. From 1910 to 1926, more than 590,000 apple, pear, peach, grape, and cherry seedlings were distributed among these cultivators. More than 10,549 acres of orchard were under cultivation in the Leased Territory and Railway Zone in 1928, and the annual product amounted to 9,287,212 pounds. By the establishment of a sericultural experimental station and sericultural training school, these industries have been encouraged. More than 4,500,000 improved mulberry trees, and more than 30,000 sheets of silkworm eggs were distributed during the past fifteen years. To-day more than 800 families engage in sericulture, and the output of cocoons amounts to 6,500 bushels.

The South Manchuria Railway Company also participated in the agricultural improvement of the Railway Zone. In 1913, an agricultural section was created in the Public Works Department, and ever since experimental stations and nursery farms have been established at several points along the railways. The experimental station established in 1913 at Kungchuling, 400 miles north of Dairen, in the heart of Manchuria, has appropriated 522.69 acres, and more than 600,000 yen has

been invested in buildings, equipment, implements, etc. Work is continually conducted to ascertain what possibilities lie in improving the breeds, and increasing the propagation of the principal agricultural products and live-stock.

Among many experiments, most serious attention has been paid to improving the Manchurian bean. After a series of experiments, this station succeeded in obtaining, by means of selection, four superior kinds of beans, up to 1921. Experiment further continued, and it has been finally advanced to two best kinds which have been adopted as the standard of the improved beans. By the adoption of the improved seed-beans, an increase by 10 per cent. or more, it has been ascertained, can be gained in production. From these beans, more than 8 per cent. of oil can be obtained. In 1922, nursery farms for the improved seed beans, about 174 acres in area, were laid out at Changchun and Kaiyuan, with a view to supplying the improved seed to a more extended area further from the Railway Zone, eventually to cover the whole of Manchuria.

The main station has conducted experiments in the selection of wheat since 1915. Through more than ten years' efforts, the improved breed did not increase more than four per cent. in production. Experimental work with this cereal still continues. The station has found there are greater prospects for improving wheat in North Manchuria than in the South.

Rice cultivation on paddy land in Manchuria is comparatively new, and there is very limited upland cultivation. Cultivation has become very popular since the Japanese arrived in Manchuria; specially as the Koreans are migrating in great numbers, and are now playing an important part in paddy cultivation. Seed transferred particularly from the northern part of Japan was tested at the station, and finally seven kinds of seed rice were selected as the standard of the improved rice. The improved rice yields 30 per cent. more than the native variety. In districts where paddy land is limited on account of the difficulty of irrigation, experimental work has also been conducted for the improvement of upland cultivation. With several kinds of seed from the northern part of Japan, experimental tests in this line have been conducted since 1915. Four improved kinds were finally selected, and they yield 40 per cent. more than the native variety.

With regard to stock farming, the station set about improving sheep and hog breeding, the native breeds of which were in a degenerated condition. By crossing a superior Merino breed imported from abroad with the native Mongolian, a fixed cross of the superior stock has been

obtained, yielding wool of better quality and larger quantity. Similarly with improving native hogs by crossing with the superior Berkshire breed. Improvement in the Mongolian pony and in cattle has also been effected at this main station.

The branch station was established in 1913 at Hsiungyaocheng, where the cultivation of rice, fruit, cotton, and vegetables is carried on. Sericulture is also tested at this station. Experimental tobacco cultivation of American (specially Yellow Orinoco), Japanese, and native leaf proceeds at the Experimental Farm in Fenghuangcheng, on the Antung-Mukden Railway. It was proved that the American variety especially can be acclimatized in these localities and yield greater production than the native plant.

Another experimental farm was established in 1916 at Paiyintala, the gateway to Inner Mongolia, a distributing centre for Mongolian products. The work consists of improving bean, kaoliang, millet, native flax and medical plants, and producing a better type of hog by crossing with foreign breeds. A few years after the establishment of these stations, they were able to distribute improved breeds and seedlings.

Distribution was commenced in 1924 by various experimental stations and farms of the S. M. R., with the following results up to 1929:

Improved soya bean seed	46,790 bushels
Improved paddy rice seed.....	8,400 "
Improved sheep	838 head
Improved hogs.....	449 "
Improved fruit-tree seedlings	315,264 saplings
Improved mulberry tree seedlings	1,386,000 "

In addition, over 36,462,000 saplings have been distributed free of charge for afforestation purposes.

To the Experimental Station at Kungchuling and its branch station at Hsiungyaocheng, agricultural schools for Chinese and Japanese students are attached. These students are educated and trained free of all charge for tuition and boarding.

VIII MINING, FORESTRY, FISHERIES

100 Natural Resources

Manchuria as a whole is rich in natural products. Mineral, timber, and marine products may be found more abundantly in this region than in other parts of China. While most of the mountain ranges and hills in China proper were denuded many centuries ago, even before the Christian era, Manchuria was "virgin land" until very recently. It was in the distant past the hunting field of aboriginal tribes, and its possession later became a continuous cause of conflict among the tribal kingdoms which fought for supremacy. After the Manchu Dynasty had unified China proper, their rulers treated this region as extramural and kept it as "forbidden land," the exploitation of which, not only to the outside world, but more particularly to the Chinese themselves, was denied.

The aggregate forest areas in Manchuria have been roughly estimated at as much as 36,235,268 cho or 88,798,872 acres — the standing timber at about 149,918,085,300 cubic feet. Among mineral products, coal is most important. The deposits of this important mineral in South Manchuria are estimated at 1,200,000,000 tons, in addition to several hundred million tons in North Manchuria. The coal deposits in Chihli, and specially in Shansi Province, are said to be far surpassed by those in Manchuria. Iron deposits in Manchuria are roughly estimated at 400,000,000 tons, mostly in South Manchuria.

Manchuria, though it constitutes a part of the Asiatic continent, has a comparatively long coast line, extending 976 miles, or 855 nautical miles, from the mouth of the Yalu in the east to Shanhaikwan, where the Great Wall of China joins the waters of the Gulf of Pechihli. Its southern part being a large peninsula exposed to the Gulf of Pechihli and the Yellow Sea, it should be favoured with marine life. Furthermore, several large rivers — specially the lower reaches of the Sungari and the Hurka in the north, and Liao and Yalu in the south, have fresh-water fish. Although fish products do not amount to significant figures as yet, the salt production to-day totals more than 900,000,000 pounds a year.

101 Forestry

It is said that until a few hundred years ago the regions dominated by the Khingan and Changpai mountain ranges and their spurs were thickly timbered, forming, as a Manchu Emperor expressed it, "Seas of Trees." The timber resources are richer in the Amur Province where are the Great and Little Khingan ranges, and in Kirin Province where is the northern part of the Changpai range, which is the watershed of the Sungari, the Hurka, and the Tumen Rivers. In Mukden Province there were once many rich forest areas, but these no longer exist, except on the mountain sides of the upper reaches of the Yalu River.

The Manchurian tribes in their pastoral stage, in order to protect their cattle and herds from the attacks of wild animals, destroyed the forests. The Chinese entered Manchuria mostly as farmers, who created arable lands by firing the forests. To-day most of the hills over the greater part of Mukden Province are bare, and farmers use the bush and stalks of kaoliang and Indian corn for heating purposes. With the railway penetration in Manchuria, the Russians became very active in lumber undertakings, especially for the supply of railway sleepers and fuel for the locomotives. Wanton spoliation of the forests thus continued in recent times to the serious denudation of the land.

When the Japanese arrived in South Manchuria, mountain and hill were practically bare, and they took the initiative in the work of afforestation in many areas in the Leased Territory and the Railway Zone. More than 143,000 acres were afforested in the Leased Territory up to 1929, the planted saplings aggregating over 80,000,000, while more than 36,462,000 saplings were distributed for afforestation purposes in the Railway Zone by the S. M. R.

But the sylvan wealth of Manchuria is still great, and the land possesses many valuable forests. They are mostly found in the mountainous north and east. These forest areas are estimated as follows:

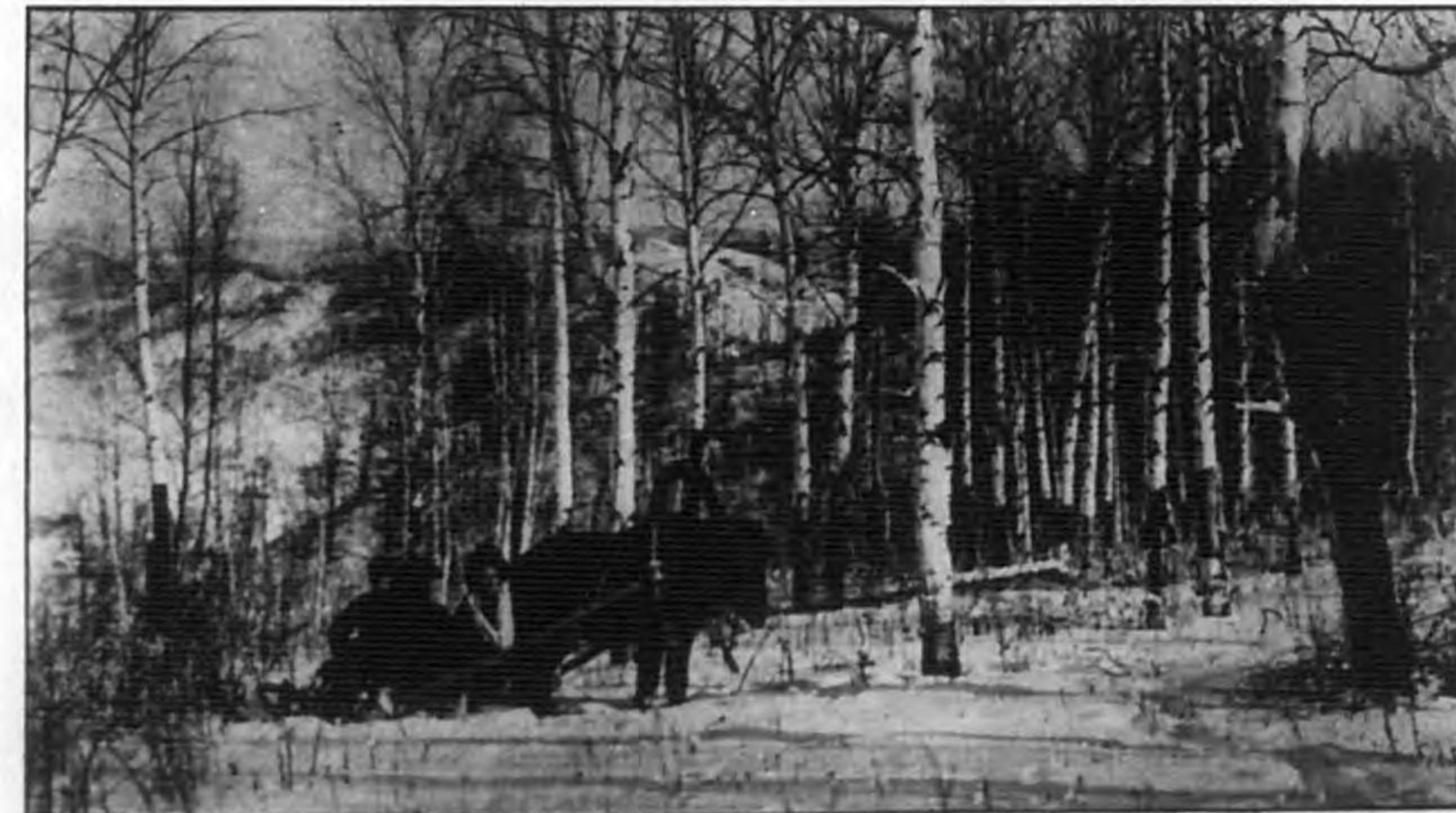
Forest District	Area in Acres	Present estimate of Timber in Cubic Feet
The right bank of the Yalu and along the Hun River	2,403,889.1	3,623,326,800
Upper parts of the Sungari Valley	3,521,146.4	8,740,360,000
Tumen Valley	2,040,295.5	4,204,008,000
Hurka Valley.....	1,556,060.3	4,209,509,000
Lalin Valley	1,553,141.6	3,004,898,000
Along the C. E. R. Eastern Section.....	5,967,754.7	8,982,965,500



The Forest on the Upper Reaches of the Yalu River



Forest in Kirin Province along the Kirin-Tunhua Railway



Birch Forest in Khingan Mountains

Sanhsing District	12,941,704.6	26,153,018,000
Great Khingan Range.....	34,308,680.0	56,000,000,000
Little Khingan Range	24,506,200.0	35,000,000,000
Total	88,798,872.2	149,918,085,300

102 Timber Species

From the standpoint of the dendrologist, certain forests of Manchuria belong to the northern part of the temperate zone. The principal, however, belong to the frigid zone, more or less similar to the Hokkaido forests, but with a few exceptions. Some three hundred species of trees are known in Manchuria. Of these, eight are needle-leaved trees, or conifers, and twenty-one broad-leaved varieties. Of the conifers, Korean pines are distributed most extensively through the east and northeast of Manchuria. They live longer than any other trees in the Manchurian forest; and often grow to several feet in diameter, reaching a height of more than a hundred feet. Next to the Korean pine, the species of larch, *Larix Dahurica*, grows straight and tall, challenging the supremacy of the Korean pine in many places. Fir and spruce are found in abundance. Among broad-leaf trees, there are several kinds of oak, the pointed oak, toothed oak, and bearing oak, the elm, birch, maple, walnut, lime, willow, acacia, and poplar. The foregoing are the principal denizens of the forest. Forests of birch are peculiar to North Manchuria, and they will be found intermingled with other forest growth. Birch forests are found along the Chinese Eastern Railway, and over the Khingan ranges. The principal timber in the Khingan ranges are the larch, birch, and red pine, besides the Siberian pine, and yellow and black alder.

103 Lumber Undertakings

Lumbering on a large scale in Manchuria was not undertaken until a little before the Russo-Japanese war, when a Russian corporation "for the purpose of exploiting the forests in the Yalu River basin" was organized in the spring of 1903 under the direction of M. Bezobrazov with the special sanction of the Czar. The activities of this concern on the Korean side of the river became one of the causes precipitating the outbreak of the Russo-Japanese war.

By the additional agreement attached to the Peking Treaty of December 22, 1905, the Chinese Government consented to the formation of a joint-stock forestry corporation financed by capital defrayed by the

Japanese and Chinese Governments, for the purpose of exploiting the Upper Yalu forests on the Chinese side. A sequel to this understanding was another agreement concluded on May 14, 1908, by which a company called the Tsaimu Kungssu was organized with a capital of 3,000,000 Mexican dollars. The term of the company's rights was to extend for twenty years, which period might be extended if agreeable to the Chinese Government. The company, maintaining its head office at Antung, came into existence in September of the same year, and engaged in felling, rafting, and trimming lumber.

Chinese officials exploited the forests about the eastern branch of the Upper Sungari, south of Kirin Prefecture and extending to the Changpai range. Japanese capitalists at first participated in this business. Quite a number of Japanese corporations, in the boom days following the great war, entered this field, occasionally in partnership with Chinese concerns at Kirin and Changchun. Most of them, however, met failure through politico-financial difficulties and occasional floods and other calamities.

Exploitation of the Khingang forests was first carried out in 1914 by a Russian concern, the Shefchenco Brothers. In 1921, it became a joint enterprise with Japanese, its capital being increased to \$4,000,000 Mex. This Russo-Japanese concern was again extended in 1922, with Chinese, Japanese and Russian capital, under the name of Chamientsaimu Kungssu, the capital stock amounting to \$6,000,000 Mex.

The following table in cubic feet shows the estimated lumber output in Manchuria, the export of Manchurian lumber, import of foreign lumber, and the amount of consumption in Manchuria, for the seven years ending 1929:

	Output and Import		Total	Export	Balance or Home Consumption
	Output	Import			
1923	47,713,140	9,354,640	57,067,780	29,315,100	27,752,680
1924	48,663,810	5,197,650	53,861,460	25,388,090	28,473,370
1925	49,984,410	7,359,440	57,343,850	20,618,620	36,725,220
1926	33,766,960	7,852,220	41,619,160	11,215,190	30,403,960
1927	37,855,160	4,713,780	42,568,940	11,639,190	30,929,750
1928	51,187,510	8,529,940	59,717,450	10,374,390	49,343,060
1929	38,684,400	8,316,320	47,000,720	7,701,750	39,298,970

104 Mining

Minerals in Manchuria, though limited in variety, are abundant. According to a survey of the Geological Institute of the South Manchuria Railway Company, "coal, iron, magnesite, fire clay, and talc

are most important in quantity of deposit; and second to these are gold, copper, lead, barytes, feldspar, and asbestos."

105 Coal

Coal is the most important mineral product in Manchuria. Deposits are roughly estimated at 1,700,000,000 tons. About 500,000,000 tons are in North Manchuria, and 1,200,000,000 tons in South Manchuria, the deposit at Fushun being estimated at 950,000,000 tons. The Fushun and Yentai mines are operated by the South Manchuria Railway Company, and the gross annual output of both areas is now 7,000,000 tons. Fushun coal, belonging to the tertiary period, is bituminous, containing much volatile matter, and is best fitted for the production of gas. Pehsihu coal mine is located on the Antung-Mukden line of the South Manchuria Railway Company, about forty-seven miles east of Mukden. This is operated side by side with iron mining by a Sino-Japanese undertaking with the capital of 7,000,000 Chinese dollars. Its annual output is in the neighbourhood of 400,000 tons, of a quality suitable for coke for the ironworks. Coal-fields at Pataokou and Pepiao, along the Takushan-Paiyintala Railway, are worked by the Mukden Government, each mine producing about 7-80,000 tons a year.

Regarding deposits in North Manchuria, there are several mines along the Chinese Eastern Railway. Dalainor, Muling, and Holikwang, are important. The Dalainor coal-field is to the northwest of Dalainor station between Manchuli and Hailar stations on the Chinese Eastern Railway. This has been operated by Russians since 1903 under contract with the Chinese Eastern Railway, which owns it. The mine formerly produced 468,000 tons a year, but to-day the output is 200,000 tons. About 80 per cent. is taken by the Railway for its own use, the balance being supplied to the markets along the line. Muling coal-field is located in the eastern section of the Chinese Eastern Railway. It was recently improved with railway connection, and to-day produces at the rate of about 200,000 tons a year. Both the Dalainor and Muling mines supply their product chiefly to the Chinese Eastern Railway. Holikwang coal field located 500 kilometres north of Harbin, produces 12,000 to 15,000 tons a year. This coal is possibly the best and the only coal which can be coked in North Manchuria, where most of the deposits are of inferior bituminous grade. Owing to the Sino-Soviet dispute of 1929, the operation of these mines along C. E. R. line was suspended for more than six months.

106 Iron Mines

Iron ore in Manchuria is mostly found in Mukden province, where the total deposit is estimated at over 400,000,000 tons. Iron in Manchuria commonly exists in ferruginous rock. The ores are generally hematite, and the proportion of iron they contain is 68-70 per cent. in the richer ore, while the poorer runs to 34-40 per cent. The iron mine is not new, and was worked by natives on a very small scale, wood being used as fuel. But two mines to-day stand out prominently, Penhsihu and Anshan. The former produces about 50,000 tons of pig-iron a year and the latter 200,000 tons. The modern industry at Anshan is treated in the chapter headed the South Manchuria Railway Company.

The iron mine at Penhsihu was worked by the Chinese in a primitive way as early as 1833, and the Russians planned operations just before the outbreak of the Russo-Japanese war. After the war the late Baron Okura took control, and the Okura firm is now working it in co-operation with Chinese interests. The mine is operated side by side with the coal mine.

107 Gold

Gold was possibly the only metal extensively mined before the entry of foreigners and foreign capital into the Manchurian mining field. As Manchurian gold is principally alluvial, it can be recovered with little effort and capital. This mineral was very abundant in North Manchuria, especially in Amur Province, which has been known among Chinese under the name of the "Gold-Producing Land" for centuries. Especially are rich deposits found in the far north, along the reaches of the Amur and the Sungari. In Kirin Province extensive alluvial gold deposits are still found along the tributaries of the Yalu River and the upper reaches of the Sungari. Gold deposits in the North Manchurian area are estimated by one authority, Mr. Arnold, to aggregate as much as 5,500,000 kin. In Mukden Province there are few beds which justify working on a large scale. On the whole, it may safely be said that gold no longer exists in any significant amount in South Manchuria. Most of the important gold mines were government enterprises, but concessions were often granted to Chinese private individuals. During the Russian *régime*, a number of concessions were given to Russians in Amur and Kirin Provinces. A gold mine concession in Amur Prefecture, Mukden Province, was given in 1911 to an American, British, and Chinese joint undertaking, but as the result of investigation made

by the experts of this syndicate, it was decided to abandon the concession. By the exchange of Notes of May 25, 1915, the Peking Government gave the Japanese a gold mining concession at Huatien, Kirin Province. For the development of gold mining and forestry in Amur and Kirin Provinces, a loan of 30,000,000 yen was furnished to the Chinese Government in August, 1918, by a Japanese banking syndicate on the security of mining and forestry property, but actual work was never started. It is a matter of regret that it is impossible to give figures of gold production in Manchuria owing to the entire absence of reliable statistics.

108 Fisheries

Although the coast line of Manchuria from the mouth of the Yalu on the east to Shanhaikwan extends 976 miles, and faces the Gulf of Pechihli and the Yellow Sea, a fishing industry had not developed until the Japanese came to South Manchuria. On the sea near Hsiungyaocheng, 110 miles from Dairen, several hundred Chinese fishing junks used to swarm after the "yellow-flower fish" in May, each year. Their catch for a season of 31 days was said to have amounted to more than 5,000,000 pounds, valued at 300,000 yen. During the Russo-Japanese war a number of Japanese fishermen worked the coast of Dairen and Port Arthur in order to supply the Army. Since the Japanese administration was started in Kwantung, the industry gradually developed, specially with the introduction of improved appliances. To-day, men engaged in the fisheries in the Leased Territory number 29,910 Chinese and 141 Japanese (figures for 1929), and the annual catch was valued at 4,682,000 yen, of which 2,923,000 yen was the Chinese share. Figures relating to the industry outside the Leased Territory can not be obtained. As shown in the Customs returns, Manchuria exports marine products, except salt, to a negligible amount, i. e. 765,000 Hk. Tls., but imports more than 3,750,000 Tls. in value chiefly from Japan and Korea. As to fresh-water fisheries, numbers of natives work all the large rivers, notably the Liao and Yalu in South Manchuria, and the lower reaches of Sungari and its tributary the Hurka in North Manchuria. The annual catch in North Manchuria is estimated at as much as 1,100,000 lbs.

109 Salt Manufacture

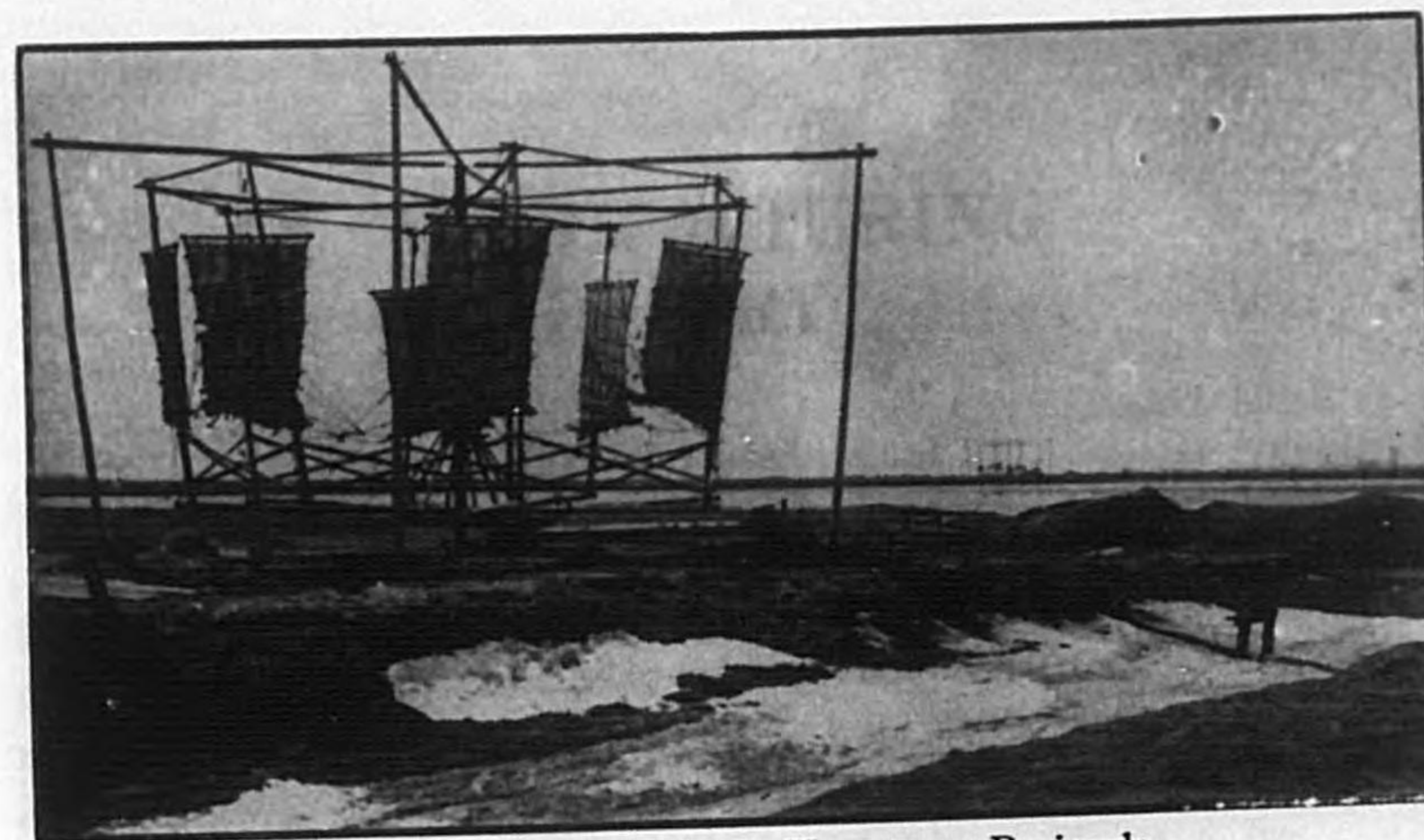
The manufacture of salt is one of the important industries in South Manchuria.

All along the coast of Mukden Province, districts around Newchwang, Kaiping, Fuh sien, and the Japanese Leased Territory of Kwantung are noted for the industry. The old method of salt manufacture was by boiling. It is said the method of solar evaporation was first introduced into China by a Roman Catholic priest in the early part of the 18th century. Along the coast of the peninsula of Mukden Province, commonly called Liaotung Peninsula, washed by the Gulf of Pechihli and the Yellow Sea, where the sea-water is much brinier, the rainfall is small and the dry wind from Mongolia makes evaporation speedy, the product here being particularly fit for manufacture by the evaporation method. Manufacture outside the Leased Territory has been conducted by the Chinese Government and individuals for many years. The total area used as brine pans was estimated at about 14,000 acres, and the annual production from 250,000,000 to 400,000,000 pounds. Salt being a sort of monopoly of the Chinese Government, it is forbidden to import into Manchuria and to export outside, except to Mongolia and Jehol Province.

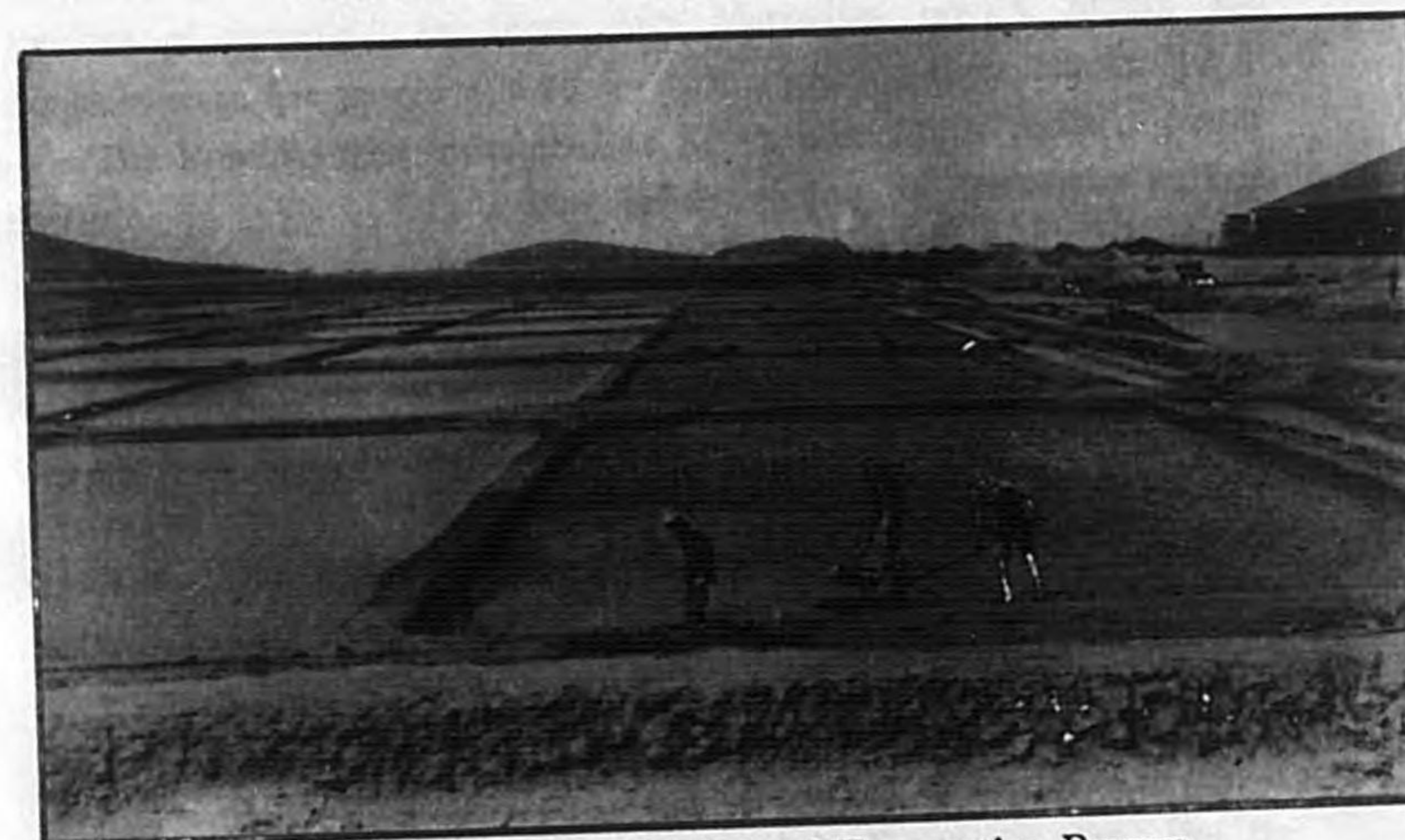
Salt manufacture in the Leased Territory was at one time very extensively conducted. But maladministration and warfare caused the industry to wane, and at the time of the Russo-Japanese war most of the salt fields were waste. Under the Japanese *régime* this industry has made remarkable development, as the annual production was increased to 414,840,600 kin, or 552,787,466 pounds, in the fiscal year ending March, 1929, from 45,971,400 kin in the fiscal year 1907, i. e. about ten times during twenty-three years. The following table shows the salt production in the Leased Territory:

Year	Manufactured by Japanese	Manufactured by Chinese	Total
	Kin	Kin	
1919	150,740,280	112,177,860	262,918,140
1920	171,614,400	137,015,460	308,629,860
1921	123,218,580	107,359,900	231,078,480
1922	181,279,740	142,609,620	323,889,360
1923	140,657,520	107,556,816	248,214,326
1924	250,100,880	172,499,700	422,600,580
1925	256,514,700	159,922,620	416,437,320
1926	317,040,860	181,520,860	498,561,720
1927	264,315,300	127,773,600	392,088,900
1928	275,065,794	139,417,800	414,483,594
1929	276,127,680	138,712,920	414,840,600

The greater percentage of this product is exported to Korea and Japan.



Windmill at Salt Field in Kwantung Peninsula



Salt Field provided for Natural Evaporation Process



Transporting Crude Salt Products for Refining

IX MANUFACTURING INDUSTRY

110 Industrial Development

Before the building of railways by Russians and Japanese, the Chinese in Manchuria were engaged almost entirely in agricultural pursuits, or primitive manufacturing industries of which agriculture was the basis. They pressed oil from the soya bean for food and light, distilled alcoholic drinks from kaoliang, ground flour, made coarse silk from the wild cocoon, and produced other necessities of life as a by-product of farming. In those days Mongolian horses, mules, and donkeys were the power utilized for manufacturing these staples.

The Russians first introduced to North Manchuria modern manufacturing methods in flour-milling, sugar-refining, the dressing of lumber, etc. Similarly, it was the Japanese who opened up South Manchuria industrially with their capital and skill. The Chinese, always alert to their own interest, were gradually stimulated by the rise of new industries in the foreign concessions, and their industry made a certain degree of improvement. The industrial development in Manchuria, specially in the Japanese Railway Zones and Leased Territory, being fostered by the South Manchuria Railway Company and the Kwantung Government through the Central Laboratory, the Geological Institute, Agriculture Experimental Stations, Model Farms, Research Offices, and similar institutions, the growth of manufacturing industries was significant, particularly during the latter part of the European war. But the general depression after the war seriously, though temporarily, affected all industries in Manchuria, particularly those established during the war. The depressed industries were gradually on the road to recovery, but the world-wide depression brought another setback, the radical fall of silver in 1930 being especially prejudicial to all trade.

The following table taken from the statistical returns of the Kwantung Government will give some idea of the industrial progress made during the twenty years ending 1929 within Japanese jurisdiction in Manchuria, including the Railway Zone and Consular Districts:

Year	No. of Factories	No. of Workers by Day	Capital Investment	Value of Products
1909	152	—	16,132,101	6,138,792
1914	244	—	24,536,830	20,799,196
1919	450	—	123,571,509	242,882,798

1923	633	8,550,045	200,827,607	136,261,877
1924	658	10,155,288	192,936,596	139,900,726
1925	673	10,805,857	283,546,878	158,765,427
1926	685	13,000,903	301,679,138	174,068,554
1927	750	12,937,316	292,002,302	140,378,528
1928	748	11,969,081	304,250,719	144,994,790
1929	789	13,571,319	302,080,061	126,915,076

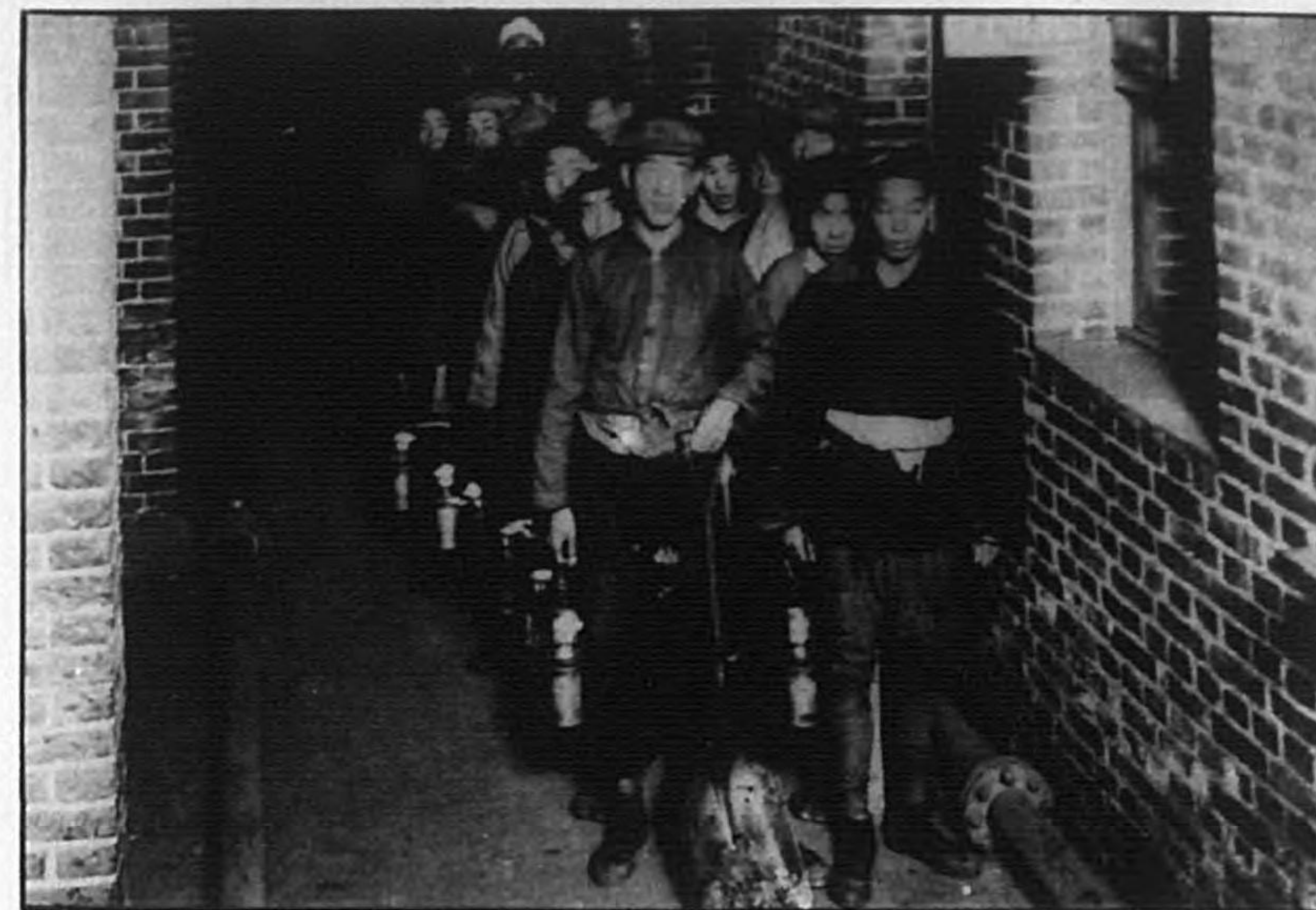
So far as the manufacturing industry in North Manchuria is concerned, regarding which accurate data are not available, it is reported that there are about six hundred factories and mills, of which 147 are bean-oil mills, 62 liquor distilleries, and 52 flour mills.

Dairen is the largest manufacturing centre in South Manchuria, while Harbin is the chief centre in North Manchuria. The former is particularly the centre of bean-oil mills and the latter of flour mills. While the industrial activity of Chinese replaced Russian activity in Harbin after the European war, the Chinese themselves in recent years have established a number of manufacturing plants and mills in Mukden, which is thus becoming an industrial city.

Manchuria as yet furnishes mostly raw materials or semi-manufactured products for further use in manufacture by more advanced countries. As a manufacturing country, however, it possesses certain advantages. It has natural resources in abundance in the form of agricultural and mineral products, besides live-stock and other staple products; fuel in the form of coal; and excellent labour in the sturdy coolie type. Furthermore, with its increasing population, and with China proper and Siberia in the South and North, it has markets easily accessible on all sides. Still it is far from being an industrial country in the modern sense, possessing organization, enterprising spirit, technical skill, and backed by ample capital.

111 Chinese Labour

Chinese labour is one of the important factors in the industrial life of Manchuria. Ordinary labourers, especially in agriculture, mining, and fishery, are almost all Chinese. Even in the Japanese Railway Zone, the Leased Territory and Consular Districts, where Japanese are in a more favourable condition, more than 93 per cent. of farming labour, more than 70 per cent. of fishermen, 96 per cent. of miners, and 88 per cent. of factory labourers were Chinese, as calculated at the end of 1929. The following table shows number of Chinese and Japanese workers employed by manufacturing plants or mills in the Japanese Leased Territory, Railway Zone and Consular Districts:



Chinese Labour at Fushun Colliery



Chinese Coolie Labour at Dairen Wharves



Chinese Factory Labour in the Weaving Mills at Antung

Manufacturing Plants and Mills	No. of Factories	No. of Japanese Day Labourers	No. of Chinese Day Labourers	Total
Spinning & Weaving	65	135,004	2,530,986	2,665,990
Metal Works.....	79	367,505	1,964,374	2,331,879
Machinery & Furniture	72	418,155	1,626,727	2,044,882
Bean Oil & Other Chemical Works.	206	201,880	2,868,745	3,070,625
Food & Drink	177	87,555	1,317,572	1,405,127
Miscellaneous.....	164	231,451	1,286,310	1,517,761
Special Industries	26	109,967	425,088	535,055
Total 1929	789	1,551,517	12,019,802	13,571,319
1928	748	1,455,751	10,513,330	11,969,081
1927	717	1,507,070	10,486,723	11,993,793
1926	655	1,779,349	9,550,201	11,329,550
1925	653	1,419,299	8,897,912	10,317,211
1924	634	1,376,697	8,302,850	9,679,547

Of the number of manual workers above-mentioned the Japanese show a tendency to remain stationary, if not decrease, in contrast to the steady increase of the Chinese. As a matter of fact, most of the Japanese workers are skilled craftsmen or foremen. Even the ordinary Japanese labourer, however, though his efficiency may be 30-40 per cent. higher than the Chinese, is not able to compete with the Chinese owing to difference in standard of living, which is much more expensive for the Japanese.

Regarding wages, in the skilled trades, such as carpenter, mason, bricklayer, or printer, wages are higher than those of factory labourers. The following table shows the wages of Japanese and Chinese tradesmen :

Trade	Nationality	December, 1929		
		Wages at Dairen	Wages at Mukden	Wages at Changchun
		¥	¥	¥
Carpenter.....	{ Japanese.....	4.00	3.35	3.75
	{ Chinese	1.40	1.20	1.05
Mason	{ Japanese.....	4.50	—	5.00
	{ Chinese	1.80	—	1.35
Joiner	{ Japanese.....	3.75	3.35	3.50
	{ Chinese	1.40	1.30	1.05
Painter	{ Japanese.....	3.30	3.00	3.50
	{ Chinese	1.30	1.00	1.25
Printer	{ Japanese.....	3.00	2.50	2.50
	{ Chinese	1.40	1.05	1.08
Iron Worker	{ Japanese.....	3.50	3.55	3.50
	{ Chinese	1.90	1.40	1.25
Shoemaker	{ Japanese.....	—	2.10	3.00
	{ Chinese	1.60	1.10	1.50
Tailor	{ Japanese.....	3.50	3.05	3.00
	{ Chinese	3.00	1.20	1.50

Sawyer	Chinese	1.40	1.10	1.50
Rikisha-puller	Chinese	1.00-1.50	1.30-1.70	1.00-1.80
Coolie	Chinese	0.55	0.50	0.55

Chinese labour, owing to the lower standard of living, lesser efficiency and ample supply, receives less in wages than Japanese. But Chinese workers in the Japanese factories in Manchuria are paid much better wages, as much as from one and a half to three times, than workers employed in Chinese factories or mills, as shown in the table below:

	Wages of Chinese in Japanese Factories			Wages of Chinese in Chinese Factories		
	Max.	Min.	Average	Max.	Min.	Average
Spinning Mills.....	1.85	0.34	0.57	0.58	0.25	0.46
Dyeing & Weaving.....	0.89	0.20	0.41	0.50	0.19	0.29
Metal Works	2.85	0.25	0.88	1.60	0.08	0.31
Pottery Kilns	1.84	0.28	0.66	0.24	0.17	0.19
Bean Oil Mills.....	1.50	0.45	0.74	2.02	0.07	0.31
Match Factories	0.82	0.26	0.39	0.50	1.12	0.30
Paper Mills	1.90	0.25	0.56	0.70	0.20	0.47
Rice Cleaning Mills ...	0.80	0.45	0.54	0.67	0.16	0.49
Breweries	0.82	0.46	0.57	0.47	0.22	0.31
Printing-shops	2.58	0.30	0.76	1.50	0.07	0.27
Railwaymen	1.96	0.33	0.63	1.15	0.29	0.41
Tramwaymen	1.04	0.32	0.57	0.97	0.14	0.47

Regarding working hours, Chinese employed in Japanese factories in Manchuria work the same number of hours as Japanese employees. But hours in Chinese factories or mills are much longer than in Japanese factories. The following table shows a comparison of the working hours of Chinese in Japanese factories and in Chinese mills:

Factories	July, 1928.	
	Chinese Daily Hours in Japanese Factories	Chinese Daily Hours in Chinese Factories
Weaving & Dyeing	10.53	13.40
Metal Works	9.35	10.45
Bean Oil & Other Chemical Works.....	10.27	10.48
Food and Drink Factories	9.48	11.40
Miscellaneous Factories	10.10	13.00
Special Factories	9.00	—
Average	9.58	11.28

It will be seen that the daily average of working hours in the Japanese factories is nine hours and fifty-five minutes, as against eleven hours and twenty-eight minutes in Chinese factories.

Chinese in Japanese factories enjoy not only better wages and shorter working hours, but benefit by welfare organizations such as accident and sick relief, compensation for dependents bereaved by accident, regular allowances beside wages, better sanitation, recreation, and other benefits.

112 Bean Oil Mills

Bean milling is one of oldest manufacturing industries in Manchuria, and still to-day ranks foremost. There were about 465 mills in 1929, and their aggregate product, bean-oil and cake, amounted to over 2,200,000 tons, including 200,000 tons of oil.

The oil mills, called "yufang" by the Chinese, originated several hundred years ago in South China, and were introduced to Manchuria in the middle of the nineteenth century, when hemp-seed oil mills at Tiehling and Changchun, then the centre of bean production, commenced bean-oil extraction by adopting the hemp-seed oiling process. The crude bean oil, made by primitive processes, was extensively used for cooking and lighting purposes, while the beancake, the residue of the bean after the oil has been squeezed out, was used as cattle-feed and very little as fertilizer. After the port of Newchwang was opened, Manchurian beancake was sent to South China, where it was extensively utilized as fertilizer for the sugar-cane plantations. As before stated, Manchurian beancake after the Sino-Japanese war, found a growing market in Japan. In those days, a number of small mills was established at Liaoyang, Mukden, Tiehling, and Newchwang, the last being the chief market for this product. An Englishman first introduced a steam plant into this industry, installing it at Newchwang in 1896.

After the Russo-Japanese war, bean-oil mills were established by Chinese at Dairen, and several large modern factories were set up by the Japanese. A more efficient scientific method was developed by the Central Laboratory of the South Manchuria Railway Company—the chemical extraction by benzine or benzol—but to date the Honen Bean Mill is the only factory operated on this system. By the improved method practically all the oil in the bean, or more than 14 per cent., can be extracted, while only 10-12 per cent. can be obtained by the expressing system. Old native mills still squeeze out the oil by the wedge process with animal or human power. The screw process, though originated by Chinese, has been improved and fitted for large scale production, steam or electric power being used. Still another process utilizes hydraulic pressure. The Nisshin Oil Mills (Japanese),

Dairen, and other Japanese mills, and the Kabalkin Mill (Russian), Harbin, have adopted the hydraulic pressure system.

Among the bean mills in Manchuria, Dairen and Harbin have plants equipped with a comparatively advanced type of machinery, the others being mostly old fashioned.

113 Alcoholic Liquor

The distilling of the native kaoliang spirit is reckoned one of the important manufactures. The industry is said to date back to the close of the 17th century, when the more civilized life of South China made its entrance into Manchuria.

Mukden and Liaoyang were the centres of the distilling industry. The more the population increased, the less profitable became the industry, since a limit was placed by the authorities on the quantity of kaoliang spirit, the object being to preserve the cereal as foodstuff. The industry was then driven to the North, where kaoliang could be obtained more cheaply, and it is now very active in Kirin Province.

The annual production in Manchuria is estimated in value at over 2,500,000 yen, of which spirit to the value of 1,000,000 yen is exported to China proper. While the Russians maintain several vodka distilleries and beer breweries in North Manchuria, specially in Harbin, several saké breweries have been established by Japanese in South Manchuria.

As to Japanese saké manufacture, the total output for 1928 was 3,326 koku (159,648 American gallons) valued at 227,850 yen. In the same year, saké imported from Japan and Korea was valued at 417,000 Hk. Tls.

114 Flour Mills

Wheat flour being the important food of the natives next to kaoliang, flour mills, called "mofung," or grinding houses, are found everywhere in Manchuria. These mills, employing coolie and donkey labour, work on a small scale, but none the less are only next in importance to the bean-oil and distilling industries. Modern flour mills are called "huomo" or fire-mills by the Chinese, as they are provided with machinery and use steam and electricity for motive power. Three modern mills were first established in Harbin by the Russians in 1902, chiefly to supply Russian settlers and soldiers in Manchuria and East Siberia. Modern mills in South Manchuria were first started by Japanese soon after the Russo-Japanese war, but the chief customers were the

Chinese. Stimulated by the Russian and Japanese activities in milling, the Chinese gradually entered the industry, especially in Harbin and Changchun. Russian mills formerly suffered from the competition of the mills in South Manchuria, but the world-wide shortage of foodstuffs during the European war more than enabled them to recover their former prosperity. This favourable condition, however, did not last long, and the industry was unable to resist the American and Canadian product, which found a market in Manchuria after the European war. In 1929, Manchuria imported flour amounting to about 4,500,000 piculs valued at 23,462,000 taels.

115 Beet Sugar

The climatic conditions and soil in Manchuria are suitable to the sugar-beet plantation. The Mukden Government, when General Chao Erh-sun was Governor, established in 1906 an experimental farm outside Mukden, in which a beet plantation was tested. Encouraged by the satisfactory results, the Governor conceived the idea of establishing a large Sino-Japanese concern for the manufacture of beet-sugar, to which project Mr. Chozo Koike, then Japanese Consul-General at Mukden, gave support, but the scheme was not consummated owing to the opposition of an anti-Japanese party. Meanwhile, a factory was established in 1909 by Poles at Ashiho, near Harbin, with a capital of 1,000,000 roubles. Two refining machines were installed, which at one time produced several million pounds of refined sugar annually. A Chinese factory was established in 1910 at Hulan, also near Harbin, with a capital of 3,000,000 Chinese dollars, largely through Government aid. During the world-wide shortage of sugar owing to the European war, a large factory organized by Japanese capitalists, including Baron (now Viscount) Shibusawa and Mr. Magoshi, with a capital of 10,000,000 yen, was established at Mukden in 1916. Beet was to be cultivated over an area of 6,000 acres, from which some 13,000,000 pounds of crude sugar was expected annually. This company enjoyed fair profits for the first few years, but owing to the world-wide depression after the late war, it incurred loss, and finally in 1927 suspended operations, as did other factories in Manchuria. Foreign-made sugar imported into Manchuria is on the increase. Imports were valued at over 9,994,000 taels in 1929, the quantity being 1,450,000 piculs.

116 Tobacco

As before stated, tobacco is one of the staple products of Manchuria. The annual production of leaf to-day is estimated at over 42,000,000 kin (56,000,000 lbs.), distributed as follows:—10,000,000 kin (13,000,000 lbs.) in Mukden Province, 24,000,000 kin (32,000,000 lbs.) in Kirin Province, and 8,000,000 kin (10,666,666 lbs.) in Amur Province. The better leaf is raised around the City of Kirin, but most Manchurian leaf is hardly suitable for cigarette making without first being blended with foreign leaf. Cigarette manufacture was introduced by Russians at Harbin, where two firms, Robert and Chiulin, had factories in the days before the Russo-Japanese war. Soon after the war, the British-American Tobacco Company, having factories in Shanghai and Tientsin, penetrated Manchuria with their products. In December, 1906, the To-a Tobacco Joint Stock Company, organized by Japanese with a capital of 1,000,000 yen (later increased to 10,000,000 yen) established a factory at Newchwang. The British-American Tobacco Company established a factory in Mukden in 1919 and two years later a factory at Harbin. Another Japanese tobacco company, called the Asia Tobacco Corporation, also established a factory at Mukden in 1921, which was later on amalgamated with the above-mentioned To-a Tobacco Company. In 1922, a Chinese tobacco factory was established at Mukden, with capital chiefly furnished by Chinese officials, bearing the name of the Three Eastern Provinces Tobacco Company, which, however, went out of existence in 1924. In the same year another Chinese factory, called the Huahuayen Kungssu, was established outside the city of Mukden. Thus Mukden has become a centre of tobacco manufacture. The aggregate sales of cigarettes per year in Manchuria are estimated at over 7,600,000,000 pieces, the greater percentage of which are said to be products of the British-American Tobacco Company.

It should be noted that Manchuria exported, in 1929, tobacco leaf and cigarettes to the value of 1,980,000 taels, and imported leaf, cigarettes and cigars, to the value of 17,000,000 taels.

117 Fabric Industry

Coarse spinning and weaving of wild silk, cotton, and hemp was an old cottage industry. The modern fabric industry was first introduced in 1919 by a Japanese at Antung, where a wild silk spinning and weaving factory was established. This became later a branch of the

Fuji Cotton Spinning Company, of Japan. About a hundred wild silk filatures are operated by Chinese on a small scale on the Antung-Mukden line and the main line south of Mukden; Antung, Hsiuyen, Huangfengcheng, Kaiping, Haicheng, and Liaoyang being centres of this industry. The total output per year is estimated at 92,760,000 kin (124,050,000 lbs.), valued at 46,540,000 yen, as shown in the following table:

Manufacturing Districts	Annual Output in Kin	Value in Yen
Antung	12,700,000	6,330,000
Hsiuyen	13,800,000	6,900,000
Kuanhsun	10,300,000	5,230,000
Huangfengcheng	7,310,000	3,755,000
Penhsihu	6,800,000	3,400,000
Kaiping	15,500,000	750,000
Haicheng	9,710,000	4,855,000
Liaoyang	8,750,000	4,375,000
Fuchou	7,480,000	3,740,000
Kwantung Leased Territory	410,000	205,000
Total	92,760,000	46,540,000

Regarding the hemp industry, there are two factories. One is the Manchuria Hemp Manufacturing Company at Dairen, the other the Mukden Hemp Manufacturing Company at Mukden. Their main products are bags for packing soya beans, kaoliang, etc., and the annual output is about 4,000,000 bags. This, however, is only one-fifth of the total consumption, the import of gunny bags numbering annually 20,000,000.

As to the cotton industry, a modern spinning mill was put up in 1921 by Chinese at Mukden, with 10,480 spindles, later increased to 25,000 spindles. Subsequently, three cotton mills were established in South Manchuria by Japanese—the Manchuria Cotton Spinning Company (31,360 spindles), at Liaoyang in 1923, a branch mill of the Naikai Cotton Company, of Osaka (24,000 spindles), at Chinchou in 1924, and a branch mill of the Fukushima Cotton Spinning Company, also of Osaka (17,664 spindles), in a suburb of Dairen in 1925. There are more than 170 cotton mills on small scale in Manchuria, chiefly run by the Chinese. The total output of cotton goods and yarn per year is valued at 8,000,000 taels, but this is less than one-tenth of the total imports.

In Manchuria and Mongolia, there are abundant supplies of wool and camel hair—practically all being exported through Tientsin. Export of wool from this port in 1924 amounted to 437,486 piculs, valued at 14,457,840 taels, and camel hair 37,821 piculs, valued at

1,801,944 taels. No woolen industry existed until the Manchuria-Mongolia Wool-Weaving Company was organized in December, 1918, at Mukden, with a capital of 10,000,000 yen—a Sino-Japanese joint undertaking.

This mill unfortunately was damaged by fire in June, 1924. Its capital was reduced to 3,000,000 yen, and its activities a great deal checked. During 1927, however, 134,993 yards of woolen cloth, 16,784 blankets, 114,090,500 lbs. weight of carpets, and 17,000 lbs. of woolen yarn were produced. In the following year production was much decreased. It is of interest to note that Manchuria imported foreign woolen goods and wool and cotton mixed goods to the value of 16,600,000 taels in 1929.

118 Ceramic Industry

Activities in civil engineering and building construction, with the development of railway construction and other undertakings in Manchuria after the Russo-Japanese war, stimulated an ever-increasing demand for cement, brick, glass, and other such commodities. The abundant presence of limestone and clay, material necessary for cement manufacture, induced the Onoda Cement Company, of Japan, to establish a branch factory in Choushuitzu, a suburb of Dairen, in July, 1911. The output was 149,000 casks in 1910, and this increased to over 1,500,000 casks in 1929. The Dairen Dolomite Cement Factory manufactures the better quality of cement, similar to the Portland brand. There are several factories manufacturing lime in Penhsihu, Dairen, and Chinchou, the annual production amounting to over 100,000 tons.

In brick-making the Chinese make gray brick of unchangeable design. The modern brick kiln was introduced by Japanese, and a number of kilns were established during the war-time boom at Dairen, Antung, Mukden, Fushun, Newchwang, etc. Although the activity in this trade was checked by the post-war depression, as in other industries, there are more than 46 factories, including small concerns, and the output is valued at over 1,000,000 yen.

Silicious stone and limestone suitable for the manufacture of glass are abundant in South Manchuria. The Central Laboratory of Dairen has conducted elaborate tests in ceramic manufacture, establishing a special plant for the purpose. Tests proving satisfactory, the plant was handed over in 1918 to the newly-established Dairen Ceramic Factory, which manufactures soda glass, crystal and plate glass. Another factory

manufacturing window glass was established in 1925 with a capital of 3,000,000 yen, as a joint undertaking of the Asahi Glass Company, of Japan, and the S. M. R., which uses the Lubbers cylinder process. The factory has a capacity of about 330,000 cases of sheet glass a year.

X CURRENCY AND CREDIT

119 Chinese Currency

There are many kinds of currency circulating in China proper, and Manchuria is not exempt from the evil created by the absence of a uniform system.

The central administration was never strong enough to establish a stable currency. The Central Government, the provincial governments, and private guilds or persons have each constituted themselves an issuing authority. All issues have circulated indiscriminately side by side, with no fixed rate of exchange. In addition, foreign currencies have prevailed at all the open ports. Moreover, some of the issues are on a copper basis, some on a silver basis, and others again on a gold basis. More recently, the indiscriminate issue of inconvertible banknotes under the authority of military leaders (*tuchun*) has but added to the currency confusion. In Mukden Province alone, the circulation of such paper as that popularly called the Mukden note, in the vernacular, *Fengpiao*, was estimated in December, 1929, to reach the enormous total of 3,000,000,000 Chinese dollars. Its rate, at that date was 6,000 against a hundred silver dollars. The rate fell to 11,800 in December, 1930, so that a ten-dollar Mukden bill valued at less than ten cents in silver is hardly appreciated as a tip by the "boy" on the Chinese railways.

That the Chinese currency "system" is the most complicated in existence needs no emphasis. Many attempts at reform have been made—the first in 1890, when an effort was made to place the coinage on a Western basis. But such schemes in the past simply resulted in additional issues of new currency, since no effective steps were taken to withdraw the old ones. Such a chronic state of monetary confusion is not only prejudicial to the economic welfare of the Chinese themselves but inimical to the interests of all peoples trading with China. Great Britain took the initiative by suggesting the creation of a proper coinage system in the Anglo-Chinese Agreement of 1902, and similar proposals were made by Japan, the United States, and other countries in their commercial treaties with China. Several plans for a gold standard were accepted by the Chinese Government to make these promises good, but so far without success. Among these, the adoption of the gold standard was proposed in 1903 by Sir Robert Hart, Inspector-General of the

Imperial Maritime Customs, and by Professor Jeremiah Jenks, of Cornell University, in 1905; by Dr. G. Vissering in 1911, and by Tsao Ju-lin, Minister of Finance in 1918, but none of these proposals was acted upon. Dr. Vissering's plan was to have been carried out if China could secure from American, British, French and German banking groups the so-called Currency Loan amounting to £10,000,000, 70 per cent. of which was to be used for currency reform, and the remaining 30 per cent. for development in Manchuria. This loan never materialized, nor was the plan for currency reform acted upon. Tsao Ju-lin's scheme was announced in August, 1918, when the Government issued what is known as the Gold Note Regulations.

Japan was to furnish a loan for currency regulation purposes to China. The proceeds of the loan were to be deposited in the Government banks in China and Japan, and gold-currency notes were to be issued against this reserve, to be used as official Government currency within China.

This scheme aroused the bitter opposition of certain Chinese, and was finally dropped.

An attempt to effect currency reform on a silver basis was made in 1910. But the first Revolution took place in the following year, and the reform measure could not be carried into effect, except for the issue of new coins, the unified "Dragon Dollar," which were soon drawn into the whirlpool of the older currencies and disappeared. Upon the establishment of the Republic, Yuan Shih-kai, the first President of the new *régime*, caused the creation of a monetary commission with a view to investigating the system which might be adopted to best advantage. The decision was made to adopt a measure of reform on a silver basis, and new National Currency Regulations were promulgated on February 7, 1914. The Regulations vested the Government with the "right of minting and issuance of national currency." The unit of the national coin called the yuan (元) was to contain 6 chien, 4 fen, 8 li (Kuping weight) or 24.17 grammes of pure silver. The circulation of the money was to be based on the decimal system, one-tenth of one yuan being called one chiao (角), and one-hundredth one fen (分). The regulations also provided for exchange of older coins, mintage allowance, etc. China expected to carry out this currency reform measure by securing funds through foreign loans, but she was cut off from these sources as the great European war broke out in August the same year. The currency regulations in consequence have ever since remained pigeon-holed, except that the new coin, bearing Yuan Shih-kai's effigy, often called the Yuan Shih-kai dollar, was minted and issued, but could not serve for exchange with older coins, as did its predecessor. The new Government at Nanking in 1927 issued an order to the provincial mints at Hangchow

and Nanking to cease coining the Yuan Shih-kai dollar and to mint instead a dollar coin bearing the effigy of Sun Yat-sen. It is reported that about 150,000,000 Sun Yat-sen dollars were coined during 1927 and 1928. In short, all reform measures in the past resulted rather in complicating the currency by adding new issues to the old.

120 Kemmerer Reform Commission

In 1929, there was another attempt at currency reform. The National Government at Nanking entered into an arrangement with a group of financial experts headed by an American citizen, Dr. E. W. Kemmerer. The commission worked at Nanking for about a year, and presented the result of its investigations on November 11, 1929, in a memorandum entitled "Project of Law for the Gradual Introduction of a Gold-Standard Currency System in China, together with a Report in support thereof." This draft measure consisted of forty articles, and proposed a new gold currency unit, for which the name "Sun" (孫) was suggested, to contain 60.1866 centigrammes of pure gold. It was to have a value equivalent to 40 cents United States currency, 1s.7.7265d. sterling, or 0.8025 in gold yen. The sun was divided into 100 fen (分), and the fen into 10 li (釐). The plan further provided for silver coins of one sun, 50 fun, and 10 fen; nickel coins of 10 fen and 5 fen; and copper coins of one fen, ½ fen, and ¼ fen. The smallest denomination was not to be minted unless the Minister of Finance deemed it necessary.

The plan did not provide for the coinage or circulation of gold; nor for a gold reserve, or fund for redemption. It provided a means, however, whereby the fiduciary issues could be redeemed by drafts payable in gold through process of exchange in foreign trade.

121 Currency in Manchuria

The situation in Manchuria presents no exception to the general disorder characteristic of the currency as existing in China proper.

Each province has currency peculiar to it, or attaches a different value to the same currency. No port or city in the same province has a currency exactly the same as its neighbour — Antung, Mukden, Newchwang, and Dairen, each has a different currency. Harbin, Kirin, and Changchun, in Kirin Province, have different currencies respectively. The money circulating to-day in Manchuria is shown in the following table:

Native Currency	Coins	{ Copper Cash (Chihchien 制錢), Copper coin (Tungyuan 銅元) Silver coin (Yangchien 洋錢), Sycee (Yinting 銀錠)
	Notes	{ Government copper cash notes (Kuantieh 官帖) Copper coin notes (Tungyuanpiao 銅元票) Silver coin notes (Yangchienpiao 洋錢票) Mukden notes (Fengtienpiao 奉天票)
	Book currency	{ Kuping tael Haikwan tael Transfer tael
Foreign Currency	Coins	{ Japanese silver yen, Mexican dollar Japanese subsidiary coins
	Notes	{ Bank of Japan gold notes Bank of Chosen gold notes Yokohama Specie Bank silver notes

Of the native currencies in Manchuria, the hard money, particularly subsidiary or smaller silver coin of less fineness than the standard silver was issued in immense quantities for nearly ten years up to 1916. Since the latter year, when the price of silver rose owing to the European war, the issue of the smaller silver coins was decreased, and the note issue, nominally based on the silver coins, came into prominence. Although measures for removing the financial disturbance in Manchuria caused by chaotic currencies were introduced in 1917 with the cooperation of the Japanese Chamber of Commerce at Mukden, nothing could be carried into effect. Meanwhile, one civil war after another took place between North and South, and the note issue was accelerated year by year. The following table gives an estimate of the varied currency circulating in Manchuria at the end of December, 1929:

Name of Currency	Estimated amount in Circulation	Exchange Rate against 100 Silver Dollars	Value in Silver Dollars	Circulation Area
Mukden Notes	3,000,000,000 Yuan (Mukden Dollar)	6,000 Yuan	50,000,000	Mukden Province
Silver Dollar Notes.....	45,000,000 Yuan	100 Yuan	45,000,000	"
Harbin Tayan Notes.....	37,300,000 Yuan	140 Yuan	28,071,000	Harbin and C. E. R. Zone
Government Notes of Kirin Province	10,000,000,000 Tiao	20,000 Tiao	50,000,000	Kirin Province
Kirin Yungheng Tayan Notes	10,000,000 Yuan	145 Yuan	6,897,000	"
Government Notes of Amur Province	12,000,000,000 Tiao	40,000 Tiao	30,000,000	Amur Province
Amur Kuanghsin Tayan Notes	10,000,000 Yuan	140 Yuan	7,143,000	"
Sycee kept in Antung...	2,000,000 Taels	82 Taels	2,488,000	Antung
Transfer Account in Newchwang	15,000,000 Taels	210 Taels	7,143,000	Newchwang
Silver Dollar.....	1,000,000 Yuan	100 Yuan	1,000,000	Manchuria and Inner Mongolia
Small Silver Coin.....	5,000,000 Yuan	114 Yuan	4,386,000	Manchuria
Total			232,128,000	

In addition to the above, Japanese currency, chiefly the notes issued by the Bank of Cho-sen and the Yokohama Specie Bank, which circulate principally in the Leased Territory and the Railway Zone, were estimated at over 47,500,000 yen.

122 Copper Cash

Among native coins, copper cash (Chihchien), round in form with a square hole in the centre, is the oldest coin of China, and is recorded as existing at the beginning of the Chou Dynasty (B. C. 1122-781). Manchu peoples of the Tribal Kingdoms in the twelfth century used copper cash minted by Chinese during the Sung Dynasty. Since the Manchu Dynasty came into existence, this cash bore the characters of the calendar name of each Emperor. Cash first bore two characters — one the Chinese and the other the Manchu. Since the period of Emperor Yung Cheng (1723-36) only two Manchu characters were imprinted on each cash. "Chihchien" itself signifies "Official money." Meanwhile Ssuchien, cash made by private guilds or persons, came into existence, besides those brought from China proper, and the old Korean and Japanese cash which were exchanged in the barter trade. In the middle of the nineteenth century, many varieties of cash circulated in Manchuria. The Peking Government issued an order in 1852 to each province to readjust its cash, but the Mukden and Kirin Governments, not easily finding access to copper ore, minted silver coins and printed silver notes. In 1901, the Kirin Government first started to coin cash on a large scale, establishing four mints to meet the ever-increasing demand. Since the Kirin and Mukden Governments established official mints and began to produce copper coins after the Western fashion, the circulation of cash has gradually diminished. The closing down of the mints in China proper and later in Manchuria, the exportation of the cash abroad in consequence of the high price of copper, and the inconvenience of cash as money, caused this currency practically to disappear from the towns along the railways except in out-of-the-way places. But the new copper coin and the Government note were originally issued on the basis of this cash, and are still calculated in terms of tiao (吊) and wen (文).

123 Copper Coinage

Copper coins, or Tungyuan, to use the native term, were soon turned out in large quantities by the Government mints of Mukden and Kirin.

Amur Province received its supplies of copper coin from the Mukden and Kirin mints. The value of this new coin is measured by the old cash, and has inscribed on it 5 cash, 10 cash, or 20 cash according to size. The coin, being more regularly minted than the old cash, soon became popular. At one time it circulated extensively and constituted an indispensable currency in Manchuria. But it was not long before the greed for mintage profit resulted in its value being debased. The Peking Government in February, 1908, ordered the closing of the provincial mints with a view to putting an end to the evil practice. Subsequently the Mukden and Kirin Governments stopped the further minting of the copper coin. But the Mukden Government resumed the minting in September, 1908, and held a monopoly of it, supplying the whole to Manchuria, particularly after the Republican *régime* was inaugurated. Up to 1917, the Mukden Government had issued 232,000,000 of these coins. But large quantities were taken home each year by coolies from Shantung in the form of savings, and further, the Tungyuan-piao (note) nominally based on this copper coin and issued by the Amur and Mukden Governments, resulted in reducing the supply of the coins in Manchuria to an extremely small amount. To-day they are used as small change.

124 Silver Coins

Among the native currency, the silver coin called "Yangchien," is the most important in Manchuria. This coin, which is made after the western model, closely resembling the Mexican or Japanese coin, was first minted in 1889 in Canton by the Viceroy Chang Chih-tung. In the following year the Peking Government issued an edict, by which the Provincial Governments were permitted to mint silver coins and in which the denomination, fineness, and weight were defined. There are coins of five denominations, e. i., 1 yuan (元) (one Chinese dollar), 5 chiao (角), 2 chiao, 1 chiao and 5 fen (分). The yuan, which should have the fineness of 900, was regarded as the standard coin, while the rest, of finenesses of 860-820, were regarded as subsidiary.

In Manchuria, the minting of new silver coins was commenced by the Kirin Government in 1901 and by the Mukden Government in 1905. As in the case of China proper, the provincial governments in Manchuria, with an eye to the greater profits accruing, were anxious to mint the subsidiary rather than the standard coin. The following table shows the number of coins minted up to the end of 1917 by the above-mentioned provincial governments:

Denomination	No. of Coins minted at Mukden	No. of Coins minted at Kirin	Total	Value in Yuan or Dollars
1 Yuan (一元).....	11,709,259	4,734,717	16,443,976	16,443,976
5 Chiao (五角).....	—	12,719,553	12,719,553	5,781,615
2 Chiao (二角).....	249,219,912	22,508,562	271,728,473	49,404,995
1 Chiao (一角).....	1,078,450	953,875	2,032,325	184,847
Total				71,815,433

From the above table it will be seen that 55,000,000 dollars of subsidiary coins have been minted against 16,000,000 dollars of the standard. Indeed, the relationship of standard and subsidiary coinage originally intended for the different grades of silver coins could hardly be maintained under such circumstances. Having its own quotation in the market, each gradually became an independent currency. Of these new silver coins, yangchien, one yuan silver, is called tayangchien (大洋錢) signifying large yangchien, and the rest of smaller denomination hsiaoyangchien (小洋錢) signifying small yangchien. The tayangchien has circulated but little in Manchuria owing to the smallness of its issue, having been driven out of circulation by the smaller coins. Those which circulate in Manchuria are mostly the hsiaoyangchien, especially of the 2 chiao denomination; these are used mostly in Antung and Kwantung Leased Territory.

But the financial embarrassment of the Mukden Government and the world-wide appreciation in the price of silver during and after the European war made it impossible further to issue even these small coins, and naturally prepared the way for the issue of more paper notes, nominally based on the hard coins, but actually without reserve. In recent years, these silver coins were immensely decreased, their circulation being estimated at only a few million dollars in 1929.

125 Sycee

The sycee is a silver ingot that passes as money by weight. It is often called "shoe" or "shoe silver" (音銀), since it is moulded in the shape of a shoe. This silver ingot is said to have come into existence in the later period of the Sung Dynasty (960-1280). Modelling bar silver or coined silver into sycee is entrusted to a few reputable private concerns, called Loofang. Every shoe bears the firm name of the melter, with the particulars of weight and fineness stamped upon it with a die. The weight and value of sycee vary according to province or locality. Shanghai shoes weigh very closely to 50 taels, while Newchwang shoes weigh on an average 53½ taels. Shoe silver,

though rudimentary and inconvenient as money, is a very important medium of currency, as it is often used in the settlement of interport trade balances in China. This sycee was once widely used in Manchuria. Transactions of large amount were conducted by means of this silver ingot especially in Newchwang, Antung, Mukden, and Kirin. But the introduction of the so-called "transfer" or "book transfer" in the settlement of mercantile transactions of Newchwang, the financial chaos following in the wake of the civil war after the Revolution of 1911, and the rise in the price of silver as a consequence of the war in Europe, were the chief factors bringing about the gradual diminution of circulation of sycee. To-day it has practically disappeared from all commercial centres in Manchuria except Antung, where transactions in Yalu river timber and other staples are still conducted in sycee, known as the Chippingyin (鑛平銀).

126 Paper Currency

As alluded to in the chapter on Trade, Manchuria is primarily an export country, so far as its external trade is concerned, and it might be expected consequently that various forms of hard currency would remain in Manchuria. But they were gradually diminished or done away with, one by one, as stated in the preceding section. Paper currencies were not only gradually taking the place of the metal moneys, but overwhelming all currencies without the backing of substantial reserves. They flooded the market beyond control.

127 Cash and Copper Notes

As in case of China proper, the provincial governments in Manchuria used often to issue the Government note, Kuantieh (官帖), while individual concerns issued paper currency in the form of a promissory note called Tiehtzu (帖子). These Government notes were first issued in 1898 in Kirin and Amur Provinces based on cash, with the object of replacing the obnoxious private notes then in circulation. In their earlier days, they were readily converted into cash, and naturally maintained credit. As time went on, however, the financial disorders of these governments made conversion difficult and their value gradually declined. Yet, in the absence of better money, they circulated widely in these two provinces, but at a large discount.

There is another Government note in the Amur Province issued on the modern copper coin, and called Tungyuan-piao (銅元票), or copper

note. As already stated, the Amur Government, possessing no mint, had this coin supplied by the Mukden and Kirin Governments. But not having a steady supply of the copper coins, the Amur Province started to issue copper notes, nominally based on the copper coins. The copper note was issued in enormous quantities, also, by the Mukden Government, and the value in circulation was estimated at about 90,000,000 Yuan in 1929.

128 Silver Notes

Silver notes are called Yangchien-piao (洋錢票). Notes issued on the Chinese silver dollar are called Tayang-piao (大洋票) and those to be issued on smaller silver coins Hsiaoyang-piao (小洋票).

The hsiaoyang-piao is not necessarily limited to the smaller denomination. For example, the 5 yuan (dollar) note, if the issue bank promises to pay bearer fifty ten-cent pieces, is called the hsiaoyang-piao, or smaller silver coin note. This note was issued by the Government Three Eastern Provinces Bank, Mukden Industrial Bank, and Mukden Commercial Bank, at Mukden; by the Kirin Yungheng (Government) Bank, at Kirin; and by the Amur Government in Tsitsihar, capital of Amur Province. It was also issued by the branches of the Bank of Communications, and the Territorial Bank, each having its main office in Peking. This note was current in the early years of the establishment of the Republic throughout Manchuria, except Kwantung Peninsula, where the Japanese currency dominated. But it circulated most extensively in Mukden Province, where it formed the principal currency, while in Kirin and Amur Provinces, the cash note or copper notes circulated more commonly, as already stated. This currency was originally a note convertible into small silver coins. But the wanton issue of the note by these banks in Mukden, especially by the (Government) Bank of the Three Eastern Provinces, Mukden, made their conversion into specie or coin impossible. The disorder resulted in financial disturbances in Manchuria, the interest of the Japanese communities being also seriously affected. To remedy this financial chaos, six great banks in Manchuria made an agreement which came into force in August, 1917. By this agreement, the tayang-chien, or Chinese silver dollar, was to be adopted as the standard; the issue of the hsiaoyang-chien (smaller silver note) was to be stopped, and those in circulation were to be exchanged for the new tayangchien, with the exception of the small notes under 10 chiao; and the exchange ratio of hsiaoyang to tayang was to be 10 to 12. The issue banks enjoyed such little

public credit that as soon as the new notes were on the market not only were the old hsiaoyang notes presented for exchange into tayang notes, but the new tayang note itself was presented for conversion into cash. The result was that the tayang note became as inconvertible as the hsiaoyang note.

The original aim of putting a stop to the indiscriminate note issue thus resulted in failure. On the contrary, other issues of inconvertible notes came in succession under other names, such as the Huitui-piao (匯兌票) or exchange note, which, together with the copper note issued by the Mukden Government, is popularly called the Mukden note.

129 Mukden Note

This exchange note was first issued in December, 1917, by the Bank of the Three Eastern Provinces by order of the Mukden Government. The privilege was extended to the Bank of China and the Bank of Communications in 1919, each to the extent of 5,000,000 dollars. By the compulsory use of this note, it circulates extensively side by side with the tayang and hsiaoyang notes. It has become a most common practice of the provincial governments to relieve their financial embarrassments simply by the issue of new bank-notes through these official banks, little trouble being taken about the reserves to cover the issues. In the year 1922, when civil war broke out between the Chihli and Mukden parties, the issue of these Mukden notes increased to 300,000,000 dollars. When Kuo Sung-ling revolted against Chang Tso-lin in December, 1925, the Mukden notes were further augmented to about 490,000,000 dollars. It is said that huitui-piao, or tayang notes in the form of exchange notes, which were printed in America to the amount of 50,000,000 yen, were brought to Newchwang in the same year. During the civil war between the North and South (1926-28) more of these Mukden notes were issued, and they were estimated from 800,000,000 dollars to 1,300,000,000 dollars at the end of 1928. During the warfare that resulted from the Sino-Soviet dispute in 1929, the total issue of Mukden notes was estimated at over 3,000,000,000 dollars in November of that year.

Mukden notes are bank notes not backed by specie reserve, but dependent upon the goodwill and credit of the Mukden Government. Any movement of the political situation at Mukden has most keenly affected these notes. Their value has steadily declined since 1918, and dropped to 167 dollars against 100 silver dollars at the time of the civil war, 1922. When Kuo Sung-ling's rebellion took place in December,

1925, it fell to 290 dollars. Although it recovered to 260 when the revolt was crushed in January, 1926, it dropped to 600 in July, 1926, when Chang Tso-lin marched to Tientsin. It further dropped to 614 in January, 1927, after Chang entered Peking, and while the big campaign against the South was going on, the Mukden note gradually went down to 1,390 in December. At the end of 1929, the year of the Sino-Soviet dispute, the Mukden note fell to 6,000 to the silver dollar. It fell still further to 11,800 in December, 1930.

130 Book Currency

In Manchuria, as in the rest of China, there is a system of book or accounting currency, the units of calculation being known as the Kuping tael, Haikwan tael and Transfer tael. None of these actually exists, either as coins, notes, or in the shape of ingots.

Of these imaginary currencies, the Kuping tael, or the Treasury tael, was originally adopted for the collection of taxes under the *régime* of the Manchu dynasty. This tael is supposed to be 1,000 fine and to weigh 575.8 grains.

The Haikwan or Customs tael is another fictitious arbitrary financial unit. This tael is the standard by which the Chinese Maritime Customs levies all duties on imports and exports. But all Customs dues are collected in local money at the rate of exchange fixed by the Customs authorities. This tael is supposed to be 1,000 fine and to weigh 583.15 grains troy.

Another book currency is the transfer tael peculiar to Newchwang. But this tael is somewhat different from the above-mentioned fictitious taels in that "it does not pretend to have a certain fineness or weight." At Newchwang, as in most Manchurian cities, the good sycee, in consequence of financial disturbances since the Boxer trouble and the rise in the price of silver, gradually disappeared from circulation, and became transformed into a mere transfer system of yangchien notes.

131 Foreign Currency

Mexican and Hongkong dollars circulated at Newchwang after its opening to foreign trade in 1860, as in Shanghai and Tientsin. When the construction work of the Chinese Eastern Railway was commenced in 1897, Russian gold roubles circulated along the railway zone in Manchuria. In the same year, the Russo-Asiatic Bank established a branch office at Newchwang, which financed the huge transactions in

railway materials. During the Russo-Japanese war (1904-5) both belligerents issued enormous amounts of military notes. The Japanese military notes alone at one time went up to 150,000,000 yen, and the Russian issue was probably greater. Although the military notes were in circulation all over Manchuria, they were gradually withdrawn. But the growing economic interests of Japan and Russia in Manchuria caused the two countries to circulate their own currencies.

132 Russian Currency

The Russian rouble note was formerly the most powerful foreign currency in Manchuria. It circulated all over the three provinces, as freely in Newchwang, Port Arthur, Dairen, and Mukden, as in Harbin and the northern areas. But after the Russo-Japanese war, the sphere of its circulation was limited to the North. Prior to the great war in Europe, the total amount of Russian currency circulating in Manchuria was estimated at over sixty million roubles.

After the outbreak of war in 1914, the ever-increasing issue of paper regardless of specie reserve caused the rouble note to become inconvertible, and the situation was aggravated by the outbreak of the revolution in 1917 in European Russia, which was followed by political chaos in the Chinese Eastern Railway Zone. At this time the area was flooded with notes of dubious quality—Romanoff and Kerensky notes, the Russian Treasury notes issued by the Russo-Asiatic Bank, Harbin Municipality notes, and paper issued by the Chinese Chambers of Commerce at Harbin, Manchuli, and other centres. Russian subsidiary coins were superseded by postal and savings stamps overprinted with kopek denominations.

Financial disorder of this character continued for several years, until the establishment in 1922 of the State Bank of Soviet Russia, and the issue of a new gold rouble note named the chervonetz. This gradually restored credit, and has been adopted as the unit of freight payments by the Chinese Eastern Railway. Subsequently, however, Russian influence being overshadowed by the vigorous policy of Chang Tso-lin, Chinese paper currency, and to a certain extent Japanese currency, penetrated the Railway Zone; the Russian chervonetz fell off, and to-day its circulation is limited to the Russian community in Harbin. In July, 1927, it was estimated the notes in circulation were no more than 700,000 roubles.

133 Japanese Currency

Japanese currency circulating to-day in Manchuria, particularly in the Railway Zone and the Leased Territory, consists of auxiliary coins and silver yen minted in Japan, and notes issued by the Bank of Japan, the Bank of Cho-sen, and the Yokohama Specie Bank.

The military notes issued by the Japanese Government during the Russo-Japanese war for the use of the armies in Manchuria amounted to 150,000,000 yen. It was a convertible note, payable in Japanese silver yen, and of six denominations, namely, 100 yen, 10 yen and 1 yen, and 50, 20 and 10 sen. Soon after the conclusion of the war, the redemption of the note was entrusted to the Yokohama Specie Bank. It was steadily redeemed, and the amount still outstanding is negligible.

134 Yokohama Specie Bank Silver Note

When the Manchurian trade of Japan, particularly the purchase of soya beans, was growing, the Yokohama Specie Bank opened a branch office at Newchwang in January, 1900, and commenced business in exchange. Following the practice of other foreign banks in the open ports of China, this office of the Yokohama Specie Bank, in 1903, began to issue silver notes payable at sight in the Japanese silver yen. One year after the conclusion of the Russo-Japanese war, the Japanese Government gave orders to the bank to redeem the military notes issued during the war, and, in consideration thereof, granted the bank the privilege of issuing notes in Manchuria.

This bank-note is of four denominations, of 1, 5, 10, and 100 yen, all payable in Japanese silver yen, and called by the Chinese yin-piao (silver note), or chao-piao (鈔票). The note must be issued only by the branch office of the Bank in Dairen, and is payable only at this branch. This practice still continues. The note-issue progressed favourably for the first several years, and amounted to over 7,000,000 yen at the end of the year 1911. But the fluctuation in the price of silver was so acute, that the Kwantung Government had to adopt in 1908 the unit of the gold yen in the valuation of its revenue and the South Manchuria Railway in payment of wages, especially for the Japanese employees. In the meantime, the Japanese population gradually increased in the Leased Territory of the Kwantung Peninsula and in the Railway Zone, where the Japanese gold notes issued by the Bank of Japan and the auxiliary currency naturally circulated. In 1913, the Yokohama Specie Bank was finally authorized by an Imperial Ordinance to issue notes on

gold coins or notes of the Bank of Japan. For this reason the circulation of the Yokohama Specie Bank silver notes steadily declined, until at the close of the year 1915 the amount of those in circulation was but 2,257,000 yen. The gold note issue of this bank was continued until 1917, when this privilege was transferred exclusively to the Bank of Cho-sen. By discontinuing the issue of gold notes, the note issue on silver by this Bank did not increase. On the contrary, the note based on silver became more and more difficult owing to the rise in price of silver. Moreover, the Japanese and other foreign dealers in Manchurian beans preferring the gold unit in their transactions, the Produce Exchange of Dairen adopted the gold unit account in 1921. This movement also affected the silver notes issued by the bank, which fell off to 1,037,000 at the end of 1922. Meanwhile the acute fluctuation in the price of silver stopped, and the Produce Exchange of Dairen readopted (in 1923) the silver unit for account settlements. Since this date, the note issue of the Yokohama Specie Bank has been on the increase.

The following table shows the movement in value of the Yokohama Specie Bank silver note issue for the last twenty-three years:

Year	Amount	Year	Amount
1907.....	4,905,000	1919.....	2,938,000
1908.....	3,999,000	1920.....	1,771,000
1909.....	2,856,000	1921.....	1,037,000
1910.....	3,604,000	1922.....	1,231,000
1911.....	7,198,000	1923.....	1,484,000
1912.....	3,439,000	1924.....	1,496,000
1913.....	4,049,000	1925.....	3,088,000
1914.....	2,984,000	1926.....	3,305,000
1915.....	2,257,000	1927.....	5,460,000
1916.....	4,121,000	1928.....	9,863,000
1917.....	3,074,000	1929.....	5,971,000
1918.....	2,366,000		

135 Bank of Cho-sen Gold Note

The bank-note issued by the Bank of Cho-sen is practically the same as the gold yen note issued by the Bank of Japan, since it is based on gold coins, bullion, or the Bank of Japan notes. It was originally legal tender in the Peninsula of Cho-sen (Korea) only, but the extension of trade in Antung and in the Manchurian frontier districts resulted in its extended use beyond the Korean border; and with the completion in 1911 of the Antung-Mukden Railway, which connects with the Korean Railway, trade between Korea and Manchuria steadily increased, and the gold notes of the Bank of Cho-sen were found cir-

culating all along the new railway in 1913. The establishment of branches by the bank at Mukden, Dairen, Changchun, Ssuping kai, Kaiyuan, Harbin and Newchwang—important railway centres—widened the sphere of circulation of the note. In June, 1916, the Bank began issuing fractional notes to serve as money subsidiary to its standard note. The Government of Japan felt the advisability of unifying the gold notes issued by the two banks in Manchuria—the Yokohama Specie Bank and the Bank of Cho-sen—and it was finally decided in December, 1917, by Imperial Ordinances Nos. 217 and 218, that the bank-note issued by the Bank of Cho-sen should be the sole legal tender in the Leased Territory of Kwantung Province and the South Manchuria Railway Zone. Simultaneously the Yokohama Specie Bank gold-notes amounting to 4,538,340 yen were transferred to the Bank of Cho-sen to be withdrawn as speedily as possible in favour of the notes of the latter. The amount of the note issue of the Bank of Cho-sen and the amount of the notes in circulation in Manchuria estimated at the end of each year up to 1929 are shown in the following table:

Year	Amount of Issue	Estimated Amount in Circulation in Manchuria
1917.....	67,364,000	—
1918.....	115,523,000	19,089,000
1919.....	163,600,000	37,066,000
1920.....	114,034,000	42,342,000
1921.....	134,360,000	46,775,000
1922.....	100,544,000	34,251,000
1923.....	110,233,000	39,174,000
1924.....	129,113,000	45,190,000
1925.....	120,540,000	42,190,000
1926.....	110,939,000	33,829,000
1927.....	124,527,000	43,584,000
1928.....	132,444,000	46,355,000
1929.....	118,701,000	41,545,000

There is no means of ascertaining exactly the proportion of notes issued by the Bank of Cho-sen in circulation in Manchuria, owing to the constant movement of money to and from Cho-sen, but the above estimate is the result of careful calculation.

136 Banking Institutions

Prior to the Sino-Japanese war (1894-5), there was no banking institution in the modern sense in Manchuria. There were native ex-

change shops: Piao-chuang (票莊), Chien-chuang (錢莊), Yinlu (銀號), and Chienpu (錢舖), as well as Tangpu (當舖) or pawnshops.

These exchange shops, though principally conducting local business by exchanging the different currencies, often received deposits and made loans. The yinlu originally participated in minting coins, and later limited their activities to a sort of ordinary banking exchange business, granting loans, and receiving deposits. Piao-chuang at one time extensively engaged in the exchange of bills and notes especially among the Shanhsi people, but to-day this is practically done away with because of the development of modern banking institutions in Manchuria. The tangpu is the pawnshop, which is an important monetary organ, especially for the coolie class. There is another shop called Liangchan (糧棧), conducting warehousing and brokerage business in grains; these shops also render financial service to farmers.

The Russo-Chinese Bank, established in 1895 prior to the construction of the Chinese Eastern Railway, was the first foreign banking institution in Manchuria. The Yokohama Specie Bank, of Japan, commenced an exchange business at Newchwang in 1900. The modern Chinese bank was not established until the period of the Russo-Japanese war (1904-5).

137 Chinese Banks

As provincial government institutions, there are four banks in Manchuria. The present Three Eastern Provinces Government Bank (東三省官銀號), the Government institution at Mukden, was established in 1909 by amalgamation with the original Mukden Government Bank which was created in 1905. This bank again annexed in 1924 the Mukden Industrial Bank and increased its capital to 20,000,000 Mukden dollars. The bank has branches in the principal towns along the South Manchuria Railway, the Chinese Eastern Railway, and Chinese Railways in Manchuria. The bank acts as a central bank for Mukden Province and is authorized to issue the famous Mukden note and Harbin note, the issue of which to-day has reached enormous amounts. Beside issuing notes and doing an ordinary banking business, including exchange, the bank conducts the purchase of Manchurian beans, and manufactures fibres, flour, bean-oil, etc. The Frontier Bank (邊業銀行) was originally established at Tientsin in 1924 by Chang Tso-lin, but was transferred to Mukden in 1928, when Chang retreated from Peking and Tientsin. Its authorized capital is 20,000,000 Mukden dollars, and its principal shareholder is Marshal Chang Hsueh-

liang. The bank not only acts as the treasury of the Mukden Government, but issues Mukden and Harbin notes together with the Three Eastern Provinces Bank. This bank also engages in the ordinary banking business and deals in Manchurian beans. Generally speaking, the bank acts as a Government bank side by side with the Three Eastern Provinces Government Bank.

The Kirin Yungheng Government Bank (吉林永衡官銀錢號) was established at Kirin in 1909 with the authorized capital of 10,000,000 Chinese dollars, it being an amalgamation of the Minting Bureau and Note Issue Bureau of Kirin Province. Acting as the central bank of Kirin Province, the bank acts as the public treasury and issues notes. In Amur Province, there were formerly two banks: Kuanghsin Kungssu, established in 1904 with a capital of 512,000 taels, and the Amur Government Bank, established in 1908 with the capital of 300,000 taels. These banks were amalgamated in 1919 under the name of the Amur Province Kuanghsin Kungssu (黑龍江省廣信公司) with an increased capital amounting to 1,000,000 taels. The notes issued by this bank reached 10,000,000 Chinese dollars at the end of 1929.

The Bank of China and the Bank of Communications established branches in Manchuria, and were authorized to issue notes in Manchuria to a limited extent in 1907. In addition to the above mentioned, more than twenty banks were established in Manchuria and Inner Mongolia during the period 1914-29, and still others are contemplated.

138 Japanese Banks

Besides the branches of the Bank of Cho-sen and the Yokohama Specie Bank in Manchuria, details of which have already been given, there are 15 other Japanese banks in the Leased Territory and in the principal towns along the South Manchuria Railway, and at Kirin and Harbin. The authorized capital of these banks aggregated 33,975,000 yen, of which 14,431,000 was paid up, at the end of 1929.

Most of the Japanese banks receive deposits and make loans both on gold and silver yen account. The following table shows the amount of deposits and loans of the Japanese banks (including the Bank of Cho-sen and the Yokohama Specie Bank) since 1918:

Year	Deposits		Loans	
	Gold Account	Silver Account	Gold Account	Silver Account
	Yen	Yen	Yen	Yen
1918	75,076,000	4,523,000	136,351,000	20,979,000
1919	125,479,000	11,463,000	237,380,000	21,785,000

1920	92,176,000	5,667,000	199,665,000	6,772,000
1921	106,977,000	10,135,000	267,535,000	17,399,000
1922	110,114,000	11,124,000	279,819,000	9,566,000
1923	97,481,000	13,237,000	273,588,000	11,886,000
1924	107,314,000	9,829,000	267,966,000	11,249,000
1925	132,041,000	28,479,000	282,252,000	14,416,000
1926	120,425,000	19,922,000	259,087,000	13,957,000
1927	144,262,000	16,557,000	238,814,000	11,569,000
1928	145,950,000	16,749,000	196,226,000	12,633,000
1929	142,311,000	20,748,000	206,241,000	15,319,000

139 Other Foreign Banks

The Russo-Chinese Bank, established in St. Petersburg in December, 1895, with an initial capital of 6,000,000 gold roubles derived from French sources, was possibly the first banking institution in Manchuria, especially financing the construction of the Chinese Eastern Railway and other Russian activities in Manchuria. To the capital of the Bank the Chinese Government was said nominally to have contributed 5,000,000 Kuping taels, in order to participate in the profits of the enterprise. The name of the bank was changed in 1910 to the "Russo-Asiatic Bank". At one time, it conducted an extensive business, especially in North Manchuria. As a result of the Bolshevik revolution, however, there was much negotiation between China, France and Russia regarding the nationality of the bank, and France finally took it over, in 1920, when it was reorganized in Paris. But after the Revolution its activities were much reduced, and the bank to-day exists only nominally.

The Dalbank was established in Harbin in 1923 by the Soviet Union, and acted as agent for the accounting administration of the Chinese Eastern Railway. On August 10, 1927, it was arranged that the receipts of the railway should be deposited in equal proportions in the Three Eastern Provinces Bank at Mukden and the Dalbank. When the Sino-Soviet dispute took place in 1929, the Dalbank closed its office, in September, and reopened business when the dispute was settled.

The Hongkong & Shanghai Banking Corporation, of British registry, gradually penetrated the financial field in Manchuria as the business of the Russo-Asiatic Bank declined. The British bank, with its established credit, is playing an important part in the foreign exchange business in Manchuria. It has branches at Dairen, Harbin and Mukden. The Chartered Bank of India, Australia & China, of London, opened branches in Dairen and Harbin in 1928.

The National City Bank of New York has opened branches at Dairen, Harbin and Mukden. In April, 1930, the bank opened an office in the branch of the Bank of China at Kaiyuan, where short-term loans on the security of real estate and personal property are granted. The bank is said to have a special arrangement with the Dalbank for conducting business in North Manchuria.

XI EDUCATION

140 Education in Manchuria

It is said that, prior to the Boxer outbreak of 1900, there was no real public school system in Manchuria, nor any institution providing modern education except the few maintained by foreign missionaries. For many years, the village literati gave lessons to boys in the writing and reading of Chinese characters and in domestic etiquette, this kind of school being known as Shuyuan (書院), or Shufang (書房). The higher education was limited to the few persons preparing for the most exacting civil service examination, called Kochu (科舉). A peculiarity of the old Manchu system was the privilege of the military caste to receive the form of instruction called the "Eight Banner Military Learning" (八旗義學). This was given to young men of the military caste of the Eight Banners.

In the latter part of the nineteenth century, stimulated by Western civilization, the Chinese began to improve the educational system. Soon after the Boxer trouble, a Government University was established in Peking. On November 26, 1903, regulations governing the new school system, chiefly modelled after the Japanese school system, were promulgated. Subsequently, the old-fashioned civil service examination which had existed for more than a thousand years, since the Tang Dynasty, was abolished. More comprehensive school regulations were promulgated in the first year of the Republican *régime*, 1911. In November of that year, the Mukden Government issued regulations under which the modern school system was to be gradually evolved.

It was the Russians who first brought some sort of modern education into the Railway Zone of Manchuria. After the Russo-Japanese war, the Japanese educational system was established in the Leased Territory and the Zone of the South Manchuria Railway.

To-day, in Manchuria, the Japanese are spending about 8,000,000 yen per year on the educational service in South Manchuria; the Chinese Eastern Railway under Chinese and Russian management defrays about 2,400,000 roubles for educational work; and the Mukden, Kirin, and Amur provincial governments are said to have spent about 6,100,000 Chinese dollars on educational work.

Besides the educational services maintained by the Chinese, Japanese, and Russians, it should be mentioned that Irish, Scotch, French,

and Danish missionaries for many years participated in educational and medical work in Manchuria.

141 Japanese Educational Service

The educational system maintained in Manchuria by the Japanese, though fundamentally similar to that of Japan proper, is modified so as to meet the conditions peculiar to Manchuria. Schools of the elementary and high school grades are provided separately for Chinese and Japanese, while co-education for Chinese and Japanese is maintained in the higher professional schools of university grade.

a Schools for Chinese

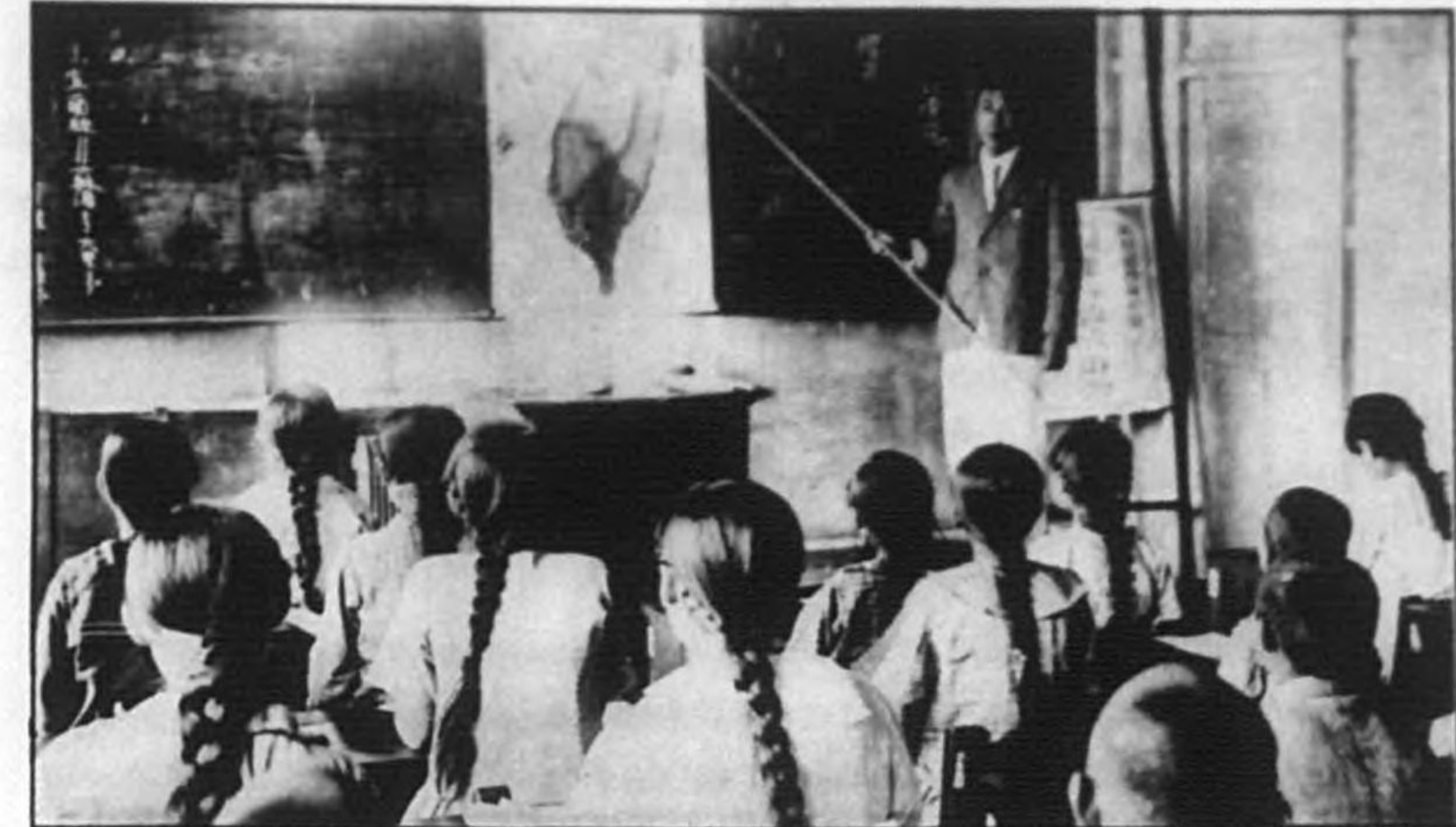
Public schools (公學堂) of elementary grade and middle schools (中學堂) of high school grade were established and are maintained by the Kwantung Government in the Leased Territory and by the South Manchuria Railway Company in the Railway Zone.

The first public school for Chinese in the Leased Territory was that established as early as 1904, in Chinchou, when the area was under military occupation. The first elementary school in the Railway Zone was established in Kaiping in 1909. They were gradually increased in this region, so that to-day they number twenty, and the pupils 11,707, as shown in the table below:

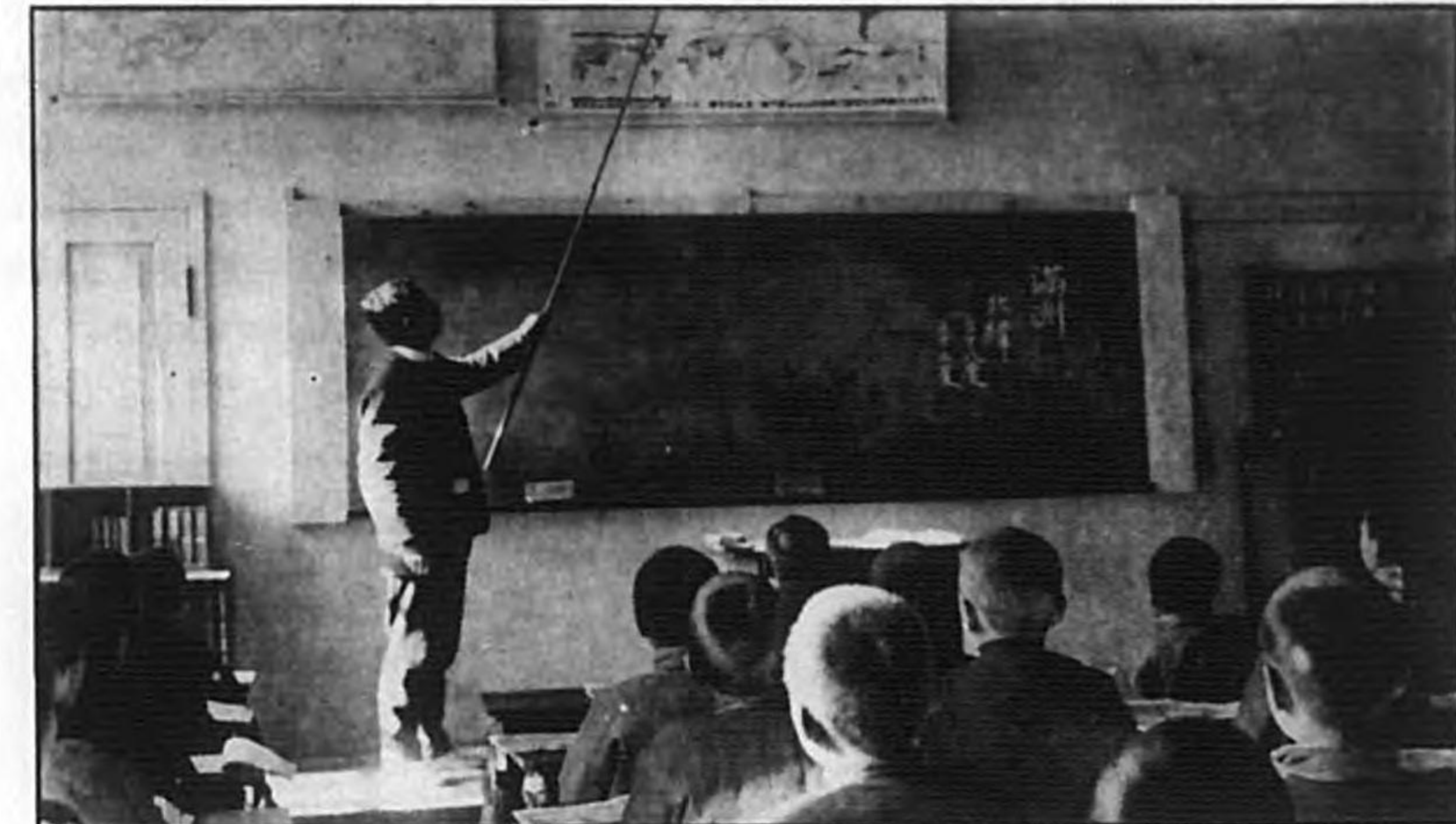
	March 31, 1930			
	No. of Schools	No. of Instructors	No. of Students	Running Expenses
Public Schools in Leased Territory	10	250	8,767	¥ 423,085
Public Schools in Railway Zone	10	90	2,940	151,694
Total	20	340	11,707	574,779

Instruction is given in the Japanese and Chinese languages, and includes moral teaching, arithmetic, simple physics, and manual training. Besides these schools, the schools of lower grade called common public schools (普通學堂) are maintained by the village communities in the Leased Territory. They were 110 in number, with 506 teachers and pupils aggregating 22,788 as existing on March 31, 1930. Their annual expenditure aggregated 338,665 yen.

With regard to middle school education for Chinese, a school was established at Mukden in 1917 by the South Manchuria Railway Company, and another at Port Arthur in 1924 by the Kwantung Government. At these institutions are taught the Japanese and Chinese languages, English, history, geography, mathematics, natural history, drawing,



Chinese at the Elementary School maintained by the S. M. R., Changchun



Chinese at the Elementary School maintained of the Kwantung Government, Dairen



School for Chinese maintained by the S. M. R., Ssuping kai

physics, chemistry, and manual training. The staffs of these schools, the number of students, and maintenance expenses are shown in the table below :

	March 31, 1930		
	Teachers	Students	Expenses
Port Arthur Middle School	17	195	73,053
South Manchuria Middle School	22	349	92,852
Total	39	544	165,905

The Kwantung Government and the South Manchuria Railway Company have paid as much attention to the encouragement of industrial education for Chinese boys as to elementary education. The industrial schools, giving necessary instruction to native boys wishing to engage in agriculture, commerce, or mining, according to the local requirements, may be classified as agricultural, commercial, and mining schools. Commercial schools were established in the commercial centres, such as Dairen, Liaoyang, and Yingkou (Newchwang); agricultural schools in the agricultural centres, Hsiungyaocheng and Kungchuling; and a mining school in the mining town of Fushun.

Further details of these schools are given in the following table:

	Maintained by	Teachers	Students	Expenses
Dairen Commercial School.....	Kwantung Government }	9	80	15,982
Chinchou Agricultural School.....			85	
Liaoyang Commercial School	S. M. R.	7	21	22,092
Yingkou Commercial School.....	"	9	75	52,339
Kungchuling Agricultural School...	"	9	32	33,382
Total		34	294	123,793

In order to provide a sound teaching force for native elementary schools, a normal school (師範學堂) was established at Port Arthur by the Kwantung Government.

For training Chinese teachers, a normal school course originally was attached to the middle school at Port Arthur. It became an independent normal school in 1918. Graduates of the higher grade of the public schools are eligible as students. There are 28 instructors and 167 students. The annual maintenance expense of this school amounts to 164,699 yen.

b Education for Japanese

As Japanese residents steadily increased after the Russo-Japanese war, the Kwantung Government first established two elementary schools

for Japanese children as early as 1906, one at Port Arthur and the other at Dairen. In the following year, the South Manchuria Railway Company established similar schools in Liaoyang and Fushun. As the Japanese population increased, the schools increased to 50 in number, with 27,869 pupils, as they existed at the end of March, 1930. The curricula of these schools, though similar to the schools in Japan proper, include the Chinese language, and a course of elementary industry in order to fit pupils to the local conditions existing in Manchuria. In addition, there are Japanese elementary schools in Chinchou, Hsinmintun, Chientao, Manchuli, Hunchun, and Tuerhkou.

Regarding high-school education, the necessity of establishing middle schools for the benefit of public school graduates was soon felt. A middle school was first established at Port Arthur in 1909 by the Kwantung Government. Several years later, two middle schools were established in Dairen. Since 1919, four middle schools have been established in the Railway Zone by the South Manchuria Railway Company, one each at Mukden, Anshan, Fushun, and Antung. Subsequently seven girls' high schools were established — at Port Arthur, Dairen, Mukden, Antung, Fushun, and Changchun. The standing of these Japanese middle schools and girls' high schools to-day is practically as advanced as those in Japan proper.

The following table shows the general features of public schools, middle schools, and girls' high schools in the Leased Territory and the Railway Zone:

March 31, 1930					
	Location	School	Teachers	Students	Expenses
Public Schools	Leased Territory ...	20	401	13,578	1,031,907
	Railway Zone.....	30	429	14,301	986,704
	Total	50	830	27,879	2,018,611
Middle Schools	Leased Territory ...	3	119	2,224	385,055
	Railway Zone.....	4	93	1,706	335,620
	Total	7	212	3,930	720,675
Girls' High Schools	Leased Territory ...	3	104	2,152	338,613
	Railway Zone.....	4	84	1,569	282,988
	Total	7	188	3,721	621,601

As to commercial training for Japanese, a commercial school was established at Dairen in 1910 by the Oriental Association, of Tokyo, while another was established at Changchun in 1920 by the South Manchuria Railway Company. In their curricula, which are practically the same as those of similar schools in Japan, the teaching of the Chinese and Russian languages is much emphasized. The following

table shows the number of instructors and students and running expenses of these schools:

March 31, 1930				
	Founder	Teachers	Students	Expenses
Dairen Commercial School	Oriental Association	41	1,036	156,434
Changchun Commercial School.	S. M. R.	23	402	93,670
Total.....		64	1,438	250,104

For advanced education in the professions, the higher professional school system of Japan has been introduced to South Manchuria. There are three colleges, the South Manchuria Technical College, the Manchuria Normal College, and the Russo-Japanese Association's College. The Technical College was established by the South Manchuria Railway Company at Dairen, and consists of two departments: Constructive and Mechanical Engineering. The former is divided into four sections: Architecture, Civil Engineering, Mining, and Agricultural Engineering, the latter being divided into four sub-sections: Electricity, Machine-Making, Railway Machinery and Mining Machinery.

In order to foster skilled labour, an elementary training course is attached to this college. The Normal College, established in 1924 at Mukden by the South Manchuria Railway Company, has two Departments: Literature and Science. The Russo-Japanese Association's College was established in 1920 at Harbin by the Russo-Japanese Association, of Tokyo. The staffs, etc. at these institutions are:

March 31, 1930				
		Instructors	Students	Expenses
South Manchuria Technical College	Dairen	52	234	216,859
Manchuria Normal College	Mukden	25	111	188,360
Russo-Japanese Association's College.....	Harbin	34	90	151,138

c University Education

Chinese and Japanese graduating from the middle schools, desiring advanced work in science and professional training, usually had to go to Japan or other countries. In order to give every possible advantage to these young men, the Kwantung Government first established in 1910 a technical college at Port Arthur, and the South Manchuria Railway Company founded a medical college at Mukden in 1911. In order to meet the trend of the times, especially after the great European war, these colleges were advanced to university grade, providing a three-year course, to which was added a three-year preparatory course. For Chinese students, a year's course in the Japanese language is

provided before their entrance to the preparatory course. The medical university at Mukden will be treated more fully in the section on Medical Education in the following chapter dealing with Sanitation. The Technical University maintains three departments, i. e., Mechanical Engineering, Electrical Engineering, and Mining and Metallurgy.

The table below shows the numbers of the faculties and students at these universities and running expenses as they existed at the end of March, 1929 :

	Professors	Studies	Students	Expenses
Technical University.....	100	{ University Course 168 Preparatory Course 202 }	368	Yen 636,808
Medical University	101	{ University Course 242 College Course 114 Preparatory Course 240 }	609	220

d Education for Koreans

Korean migration into Manchuria has a long history. Since the Sino-Japanese war, and especially after the Russo-Japanese war, immigration has been on the increase particularly in the Chientao districts, and in the suburbs of Harbin, Changchun, Kirin, Mukden, and Antung. The Korean population in Manchuria is estimated as between 750,000 and 1,000,000, and most of the settlers are engaged in rice and millet cultivation.

In the education of Korean children in the Railway Zone, the South Manchuria Railway Company is also participating. There are eight common schools for Korean children with 2,079 pupils, as they existed at the end of March, 1930. Some of these schools were built and are maintained by the Company, and others by its help. The Government-General of Korea also extends pecuniary assistance in the Chientao districts. In the fiscal year ending March 31, 1930, 54,439 yen were allocated in this way by the South Manchuria Railway Company and 21,196 yen by the Government-General of Cho-sen. In addition, there are about 770 Korean common schools maintained outside the Railway Zone by the Korean village communities or associations. The home Government at Seoul, the Government-General, affords pecuniary assistance if such be applied for.

The following table shows the distribution of Korean schools in Manchuria :

	Schools	Pupils
S. M. R. Zone	8	2,079
Harbin	17	479
Tsitsihar	4	166

Changchun	1	99
Kirin Districts	177	4,624
Teichiatun	4	162
Tiehling Districts	8	138
Mukden	21	809
Hsinmintun Districts	51	1,331
Liaoyang	2	28
Newchwang	1	46
Antung	77	1,545
Chientao Districts	406	25,006
Total	777	36,506

142 Chinese Educational Service

Concerning modern education in Manchuria, the Mukden, Kirin, and Amur provincial governments are endeavouring to improve their systems. The Mukden Government promulgated in December, 1922, summarized regulations of the educational system, in which the first article declares that the fundamental object of education should be moral teaching and industrial training. The second article provides the school system — public school, middle school, and university, besides the normal school and professional college. One or more public schools must be established in each prefecture, district, and village. There are a number of modern schools to-day. The middle school of primary grade must be maintained by the prefecture, and the higher grade of this school by the province.

Seven middle schools of higher grade have been established, and there are 7,800 students. Six normal schools have a total of students estimated at about 4,000. There are schools of higher education, i. e., the Chinese Literature College, the Technical College, and the North-Eastern University. Of these, the latter is the most important. It was established in April, 1923, at Mukden, at the cost of 2,800,000 dollars, when Mr. Wang Yung-chiang was the Governor of Mukden Province. The Governor himself was the first president of the institution. The University has six Departments — Literature, Pure Science, Civil and Mechanical Engineering, Law, Commerce, and Agriculture, and a Post Graduate course. The course of study is between three and four years, and graduates of the higher grade of middle school are eligible as students. There were 198 students in the several courses, and 377 students in the preparatory course, making the total 575, according to returns for 1926. The university was originally established by the co-operation of the Mukden and Amur Governments, but the running

expenses, amounting to about 400,000 Chinese dollars per year, are said to be defrayed chiefly by the Mukden Government. Kirin University was established in 1929, and 1,520,000 Chinese dollars was to be appropriated for the necessary expenses.

In recent years, the Chinese educational service in Manchuria is said to have adopted the educational programme formulated by the National Government at Nanking in order to be in accord with the doctrines embodied in the so-called Three Principles (三民主義) of the late Kuomintang leader, Sun Yat-sen.

The number of schools and students in the Mukden and Kirin Provinces are shown in the tables below as they existed in 1928.

Schools in Mukden Province	Number of Schools			Total	Number of Students	
	Maintained by Province	Maintained by Prefecture & Private				
Kindergarten	1	11	12		536	
Primary School	Lower Class	17	8,880	8,897	9,860	483,866
	Higher	17	487	504		
	Lower & Higher	—	445	445		
	Others	—	14	14		
Middle School	Lower Class	16	89	105	134	16,341
	Higher	12	15	27		
	Lower & Higher	—	2	2		
Normal School	7	89	96		8,796	
Industrial School	6	40	46		2,254	
Others	1	4	5		412	
Total	77	10,076	10,153		643,049	

Schools in Kirin Province	Number of Schools			Total	Number of Students	
	Maintained by Province	Maintained by Prefecture & Private				
Kindergarten	1	—	1		54	
Primary School	Lower Class	19	1,395	1,414	1,654	84,668
	Higher	—	74	74		
	Lower & Higher	8	155	163		
	Others	—	3	3		
Middle School	Lower Class	8	20	28	29	3,955
	Higher	—	—	—		
	Lower & Higher	1	—	1		
Normal School	6	10	16		1,299	
Industrial School	1	4	5		241	
Others	—	—	—		—	
Total	44	1,661	1,705		125,899	

In Amur Province, where education facilities are yet inadequate, statistical data are not obtainable.

143 Chinese Text-Books

Text-books recently compiled in South China, especially for use in elementary schools, contain paragraphs or stories of a strong anti-foreign nature against Great Britain, France, Germany, Japan and Russia. In many instances, the compilers resort to the practice of telling half-truths regarding the acts of foreign governments in China, but there is a gross omission of the whole truth, or explanations of the causes that necessitated foreign action. An example of this practice is furnished by the text-book "Reading of History" (歷史課本), intended for the higher grade elementary school, in which the South Manchuria Railway is described as the "military staff invading Manchuria". A story of "Two Fishermen of Liaotung Peninsula" in the National Language Text-Book of New Doctrine, for higher grade elementary schools; a "Letter from South Manchuria" in the text-book called "One Thousand Character Lessons of the Three Principles", and other stories in other text-books are directed against alleged Japanese actions in Manchuria. These school books were sent to Manchuria and indiscriminately used in Chinese private schools maintained even in the Japanese Railway Zone. The compilers have possibly aimed to inspire patriotism among the younger generation by utilizing such stories of anti-foreign nature, but resort to such means of instilling violent anti-foreign sentiment and creating a rooted prejudice in the susceptible minds of the younger generation can hardly lead to international understanding or peace, or advance China's real welfare; and might result in complications, national and international, in the years to come.

144 Russian Educational Service

Since the building of the Chinese Eastern Railway, a number of primary schools, high schools, commercial schools, language schools, besides technical and medical schools, have been established in the Russian Railway Zone. Some of them were maintained or supported by the Railway, while others were maintained or supported by the municipalities and private associations. Since the Soviet Revolution, however, educational activities in the North have been a great deal checked.

Subsequently, after the Railway had been brought under the joint management of Russia and China, the administrative power in the Railway Zone being restored to China, the Chinese authority claimed to control all schools in the Zone. A compromise agreement was made in December, 1927. By this agreement, the Chinese Eastern Railway

Company is to defray annually 2,400,000 roubles as school expenses of both the Chinese and Russian sides. According to the Annual Report of the Chinese Eastern Railway of 1926, there were 16 Chinese primary or common schools with 1,477 pupils in 1925. Russian common schools numbered 47 with 8,065 pupils in the same year, besides one having a nine-year course at Harbin. In addition, there were 19 common schools supported by the Railway, and seven Russian middle schools partly supported by the Railway.

For professional education, there are a law school, commercial college, normal school, Sino-Russian technical university, and a medical university, all at Harbin. Of these, Harbin Law School maintains several courses of law, economics, commerce, railways, and Oriental economics. This school provides a preparatory course in the Russian language for Chinese students. Its faculty numbered 33 and students 662 in January, 1927. The Sino-Russian Technical University was originally a technical college, established in 1920, but was advanced to university grade in 1923. It has three departments, i. e., civil engineering, electricity and mechanics. The main course of study requires five years, including a preparatory course of three years for Chinese studying the Russian language.

145 Missionaries in Educational Work

Europeans of the Roman Catholic faith, coming from North China missions, are reported to have established themselves in Manchuria in the beginning of the 19th century. After Newchwang was opened to trade, the Scottish Mission and the Presbyterian Church of Ireland started missionary work at this port, and gradually expanded to Mukden, Kirin and Liaoyang. The Danish Missionary Society (Danske Missionselskab) commenced work soon after the Sino-Japanese war, at Port Arthur, and later penetrated to Fenghuangcheng, Antung, and North Korea. With the Boxer trouble, and up to the end of the Russo-Japanese war, the work of foreign missionaries was checked, but they resumed activities after the war.

Foreign missions are also participating in educational and medical work. It was reported in 1917 that there were several kindergartens, 200 primary schools, 36 primary schools of higher grade, and 20 middle schools in existence. Of schools of college grade, the Theological College, Manchurian Christian College (College of Literature), and Mukden Medical College were maintained by the missionaries.

Those schools maintained by foreign missions in 1929 in Manchuria

numbered 173 and the students aggregated 4,428 as shown in the table below :

Provinces	Primary School				Middle School				Medical College	Theological College	Kindergarten	Blind School	Deaf-mutes' School	Total
	Lower		Higher		Lower		Higher							
	Girls	Boys	Girls	Boys	Girls	Boys	Girls	Boys						
Mukden .	29	52	13	17	2	6	1	1	1	1	7	1	1	132
Kirin.....	8	9	5	9	—	1	—	—	—	—	2	—	—	34
Amur ...	2	3	1	1	—	—	—	—	—	—	—	—	—	7
Total of Schools.	103		46		9		2		1	1	9	1	1	173
Total of Students	2,255		530		1,078		110		90	35	270	40	20	4,428

XII SANITATION

146 Sanitary Condition in Manchuria

Contrary to conditions in a tropical country, Manchuria, lying in the temperate zone like the northern part of Europe, in which climate, humidity and rainfall are very similar, should be a healthy land in which to live. Various plagues and infectious diseases, however, have often threatened both human beings and cattle. Until very recently, even important towns and crowded quarters everywhere were normally in filthy condition and hygienic administration completely neglected.

With the Russian advent, modern systems of hospitals and water-works were introduced in the Railway Zone. During the Russo-Japanese war, the Japanese Army at once set up with characteristic thoroughness the most complete hygienic measures in South Manchuria, then under military occupation. With the restoration of peace, Baron Goto (later Count), the first President of the South Manchuria Railway Company, then acting as Adviser to the Kwantung Government, being himself a physician, took the initiative in adopting thorough sanitary measures in the Leased Territory and the Railway Zone. In these regions, public sanitation has made great progress in a quarter of a century. It is a happy omen that the Chinese authorities in Manchuria, stimulated by the example set by the Japanese and Russians, have begun to adopt sanitary measures at least in the principal cities, such as Mukden and Harbin. They have also shown a conciliatory spirit when co-operative measures in preventing pest plagues and cholera were required by the Japanese and other nationals. Foreign missionaries in Manchuria also are participating in the medical service.

147 Japanese Hygienic Services

a Administration

Hygienic administration in the Leased Territory and Railway Zone is controlled by the Police Bureau of the Kwantung Government, but administrative measures in the Railway Zone are entrusted to the Local Affairs Department of the South Manchuria Railway. Quarantine and other hygienic matters in the harbours of Dairen and Port Arthur come under the jurisdiction of the Marine Bureau of the Kwantung

Peninsula. Bacteriological laboratories were established by the S. M. R. respectively in Mukden, Newchwang, Antung, Changchun and Fushun. To each laboratory medical experts and officers are attached to enforce epidemic prevention measures.

b Hygienic Institute

With regard to hygienic investigation, or laboratory work, i. e., the examination of human and animal epidemics, bacteriological tests, tests of medical and chemical substances, food and drink, these were originally conducted by the Central Laboratory of the Kwantung Government. This laboratory was transferred to the South Manchuria Railway Company in May, 1910, on condition that all hygienic or chemical tests should be made free of charge to the general public. Ever since, the Central Laboratory of the South Manchuria Railway Company has conducted all hygienic investigations and tests side by side with experimental works and the inspection of agricultural and industrial products. But all matters relating to hygienic examination and tests in medical and chemical substances, food and drink, or in bacteriological tests with special reference to epidemic or endemic prevention, were transferred on April 1, 1927, to the newly-established Hygienic Institute of the South Manchuria Railway Company. This institution also manufactures vaccines and serums, disinfectants, etc. for the use of about a million persons annually. These products are distributed at the original cost or free of charge, not only in Manchuria, but in Tientsin and Shantung districts when required. The quantities of vaccines and serums manufactured and distributed in 1928 and 1929 by the Institute are shown as follow:

Year	Vaccines and Serums manufactured (Amounts in c. c.)	Products, sold or distributed (Amounts in c. c.)
1928	21,856,857	21,128,423
1929	25,574,962	25,513,389

c Tuberculosis Sanatorium

Sufferers from consumption in Manchuria form a much higher percentage than is the case in Japan or Korea. In the Japanese Leased Territory and Railway Zone, where the population is over 1,225,000, such cases are estimated at about 60,000, or 4.7 per cent. In commemoration of the fifteenth anniversary of the South Manchuria Railway, the Company contemplated the establishment of a tuberculosis sanatorium. The project was again brought forward on the twentieth anniversary, but it was not carried into effect till 1928, when the Company decided

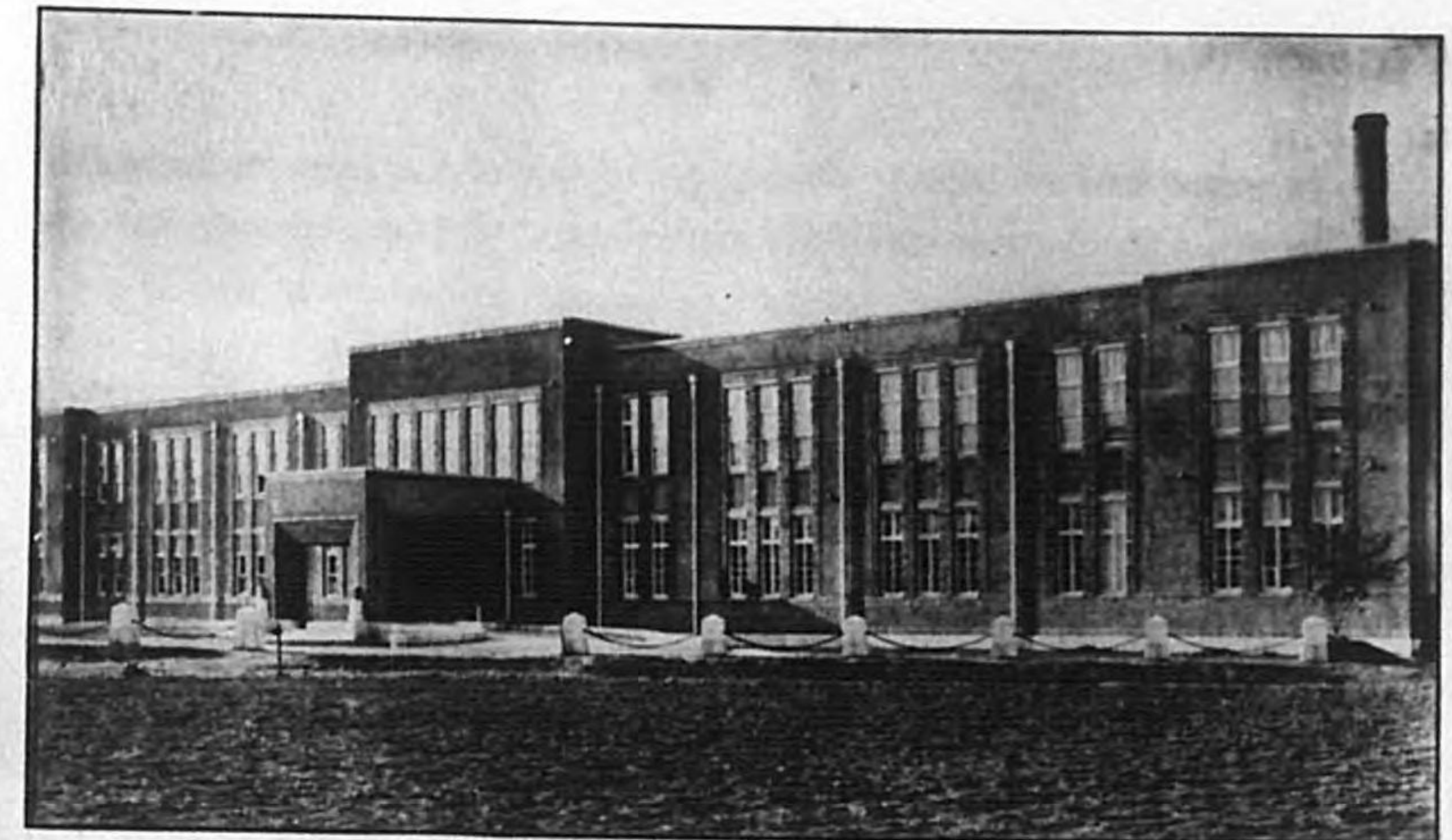
to establish the institution in commemoration of the Imperial Enthronement. As the seat of this sanatorium, the best location, that at Hsiaopingtao (Shoheito), between Dairen and Port Arthur, was chosen. Situated on the hill-side facing the open sea to the south, the position is ideal for such an institution. Land for the use of the sanatorium covers about thirty acres (35,000 tsubo). It was partly purchased from private individuals, but most of it is leased from the Government of Kwantung Province.

The main building is of three storeys, brick construction, and the floor space aggregates 6,950 square metres. The cost of the main building, with nurses' dormitory, was over 628,000 yen, and equipments and facilities over 106,000 yen. Construction was commenced in the latter part of 1930 and is to be completed in the present year. Dr. Shigekiyo Endo, a specialist in consumption, was appointed Superintendent of the Sanatorium.

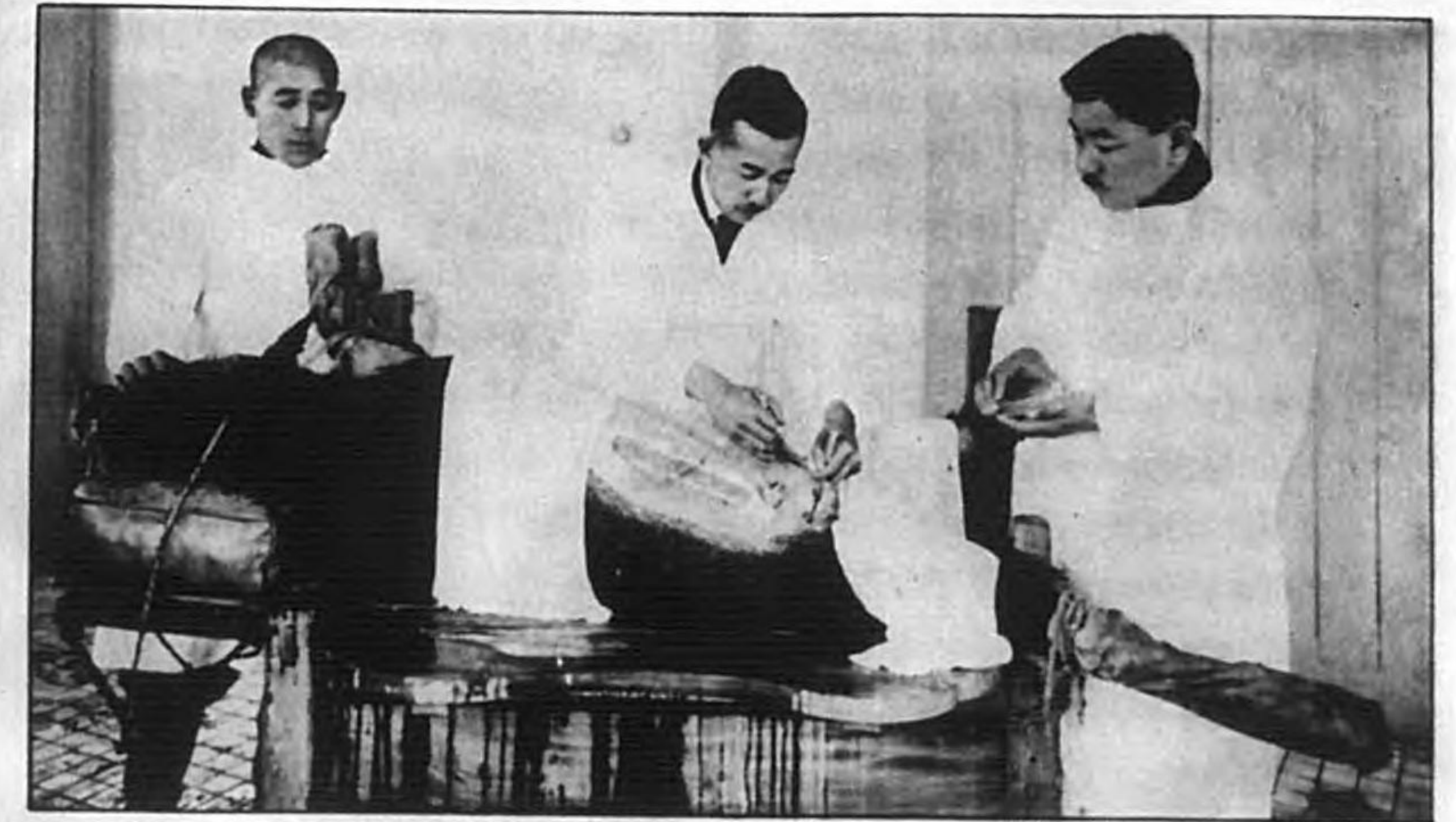
d Medical Treatment

This service is conducted by the Kwantung Government, the South Manchuria Railway Company, and the Red Cross Society of Japan.

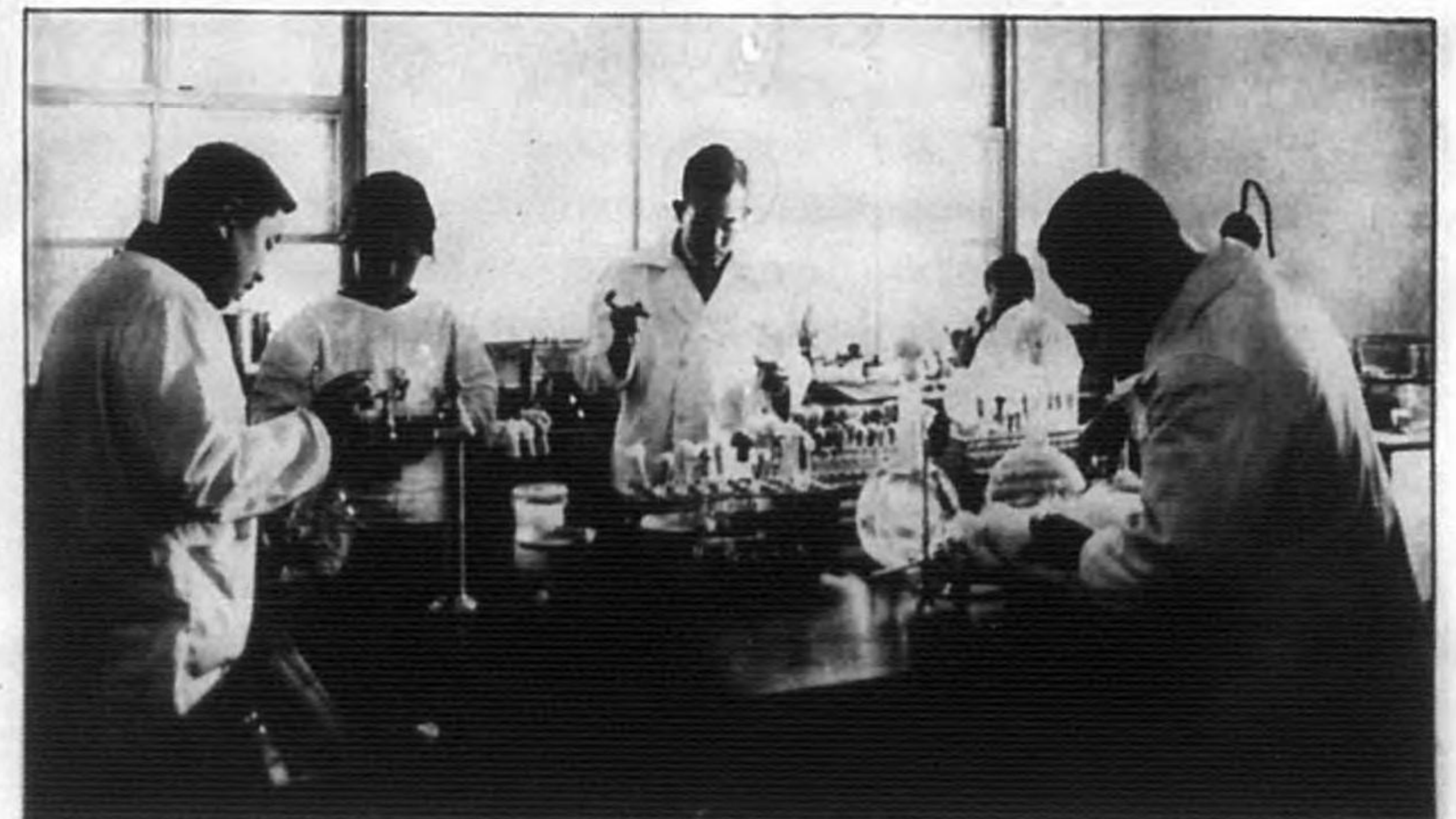
The Kwantung Government Hospital was established in November, 1907, at Port Arthur. The building of a Red Cross Hospital under the Russian *régime* was purchased from Russia and utilized for the use of the new hospital. Considerable architectural alterations and extensions were made in past years, so as to facilitate different branches of treatment, and providing accommodation for 118 in-patients. The Government also maintains isolation hospitals at Dairen and Port Arthur for the treatment of victims afflicted with any of the legally specified infectious diseases. Each is located on a high, dry hill and equipped with up-to-date appointments. The Hospital at Port Arthur can take care of 100 inmates, and that at Dairen 250. In addition, there are two women's hospitals, one at Port Arthur and the other at Dairen, principally taking care of prostitutes. In order to extend medical treatment to the people in districts remote from Dairen and Port Arthur in the Leased Territory, the Government maintains officially appointed district physicians in thirteen towns. The chief function of these physicians is to participate in sanitary administration, especially in vaccination, and in their spare time they give medical aid to the people. In the case of poor Chinese patients, medicine is furnished without charge. To these official physicians, the Government makes a monthly allowance, provides official residences, and furnishes medicine and medical apparatus. The



Hygienic Institute maintained by the S. M. R., Dairen



Incubating Small-pox Vaccine on Bull



Testing Vaccine Products

following table shows the number of patients treated in past years by the Government Hospitals and district physicians:

	No. of Day Patients				
	1911	1916	1921	1926	1929
Kwantung Government Hospital ...	117,299	145,823	136,018	153,830	150,756
Isolation Hospital at Port Arthur...	—	—	2,783	10,004	5,185
Isolation Hospital at Dairen	—	—	20,207	34,750	17,221
Women's Hospital at Port Arthur...	—	—	8,961	7,180	8,002
Women's Hospital at Dairen	—	—	50,086	31,210	25,738
District Physicians	31,334	60,656	193,252	136,988	95,945
Total.....	148,633	206,479	411,307	373,962	302,847

The South Manchuria Railway Company maintains a most extensive system of medical institutions in Manchuria. There are hospitals in Dairen, Shakako, Mukden, Antung, Newchwang, Tashihchiao, Wafang-tien, Liaoyang, Anshan, Fushun, Tiehling, Kaiyuan, Ssuping kai, Kung-chuling, Kirin, Penhsihu, and Changchun, along the Railways, and a hospital at Harbin. Branch hospitals are maintained in the Chinese towns of Dairen, Mukden, Newchwang, and Changchun, principally for the purpose of extending the benefit of modern medical treatment to the Chinese. Branch hospitals are also maintained at Chinchou and Shakako. That is to say, fifteen hospitals and six branch hospitals are maintained by the South Manchuria Railway Company. For the building and equipment of these institutions over 14,000,000 yen has been spent in past years, and about 2,500 in-patients can be accommodated. The hospitals, of course, vary in size. Dairen Hospital is the largest, consisting of ten divisions — surgery, gynaecology, ophthalmology, children's clinic, rhino-laryngo-otology, physical treatment, dentistry, and laboratory. The last mentioned division is subdivided into bacteriological, pathological, and chemical sections. Next come the hospitals at Mukden and Fushun, each of which has large modern accommodation. Mukden Hospital, attached to the South Manchuria Medical College, has also several divisions each provided with the latest medical appliances, so that the newest inventions or devices are in practical use besides being utilized for class-work at the college. Other hospitals have also separate divisions according to local requirements.

The medical force engaged at these hospitals numbered 114 superintendents and physicians, 31 pharmacutists, 68 clerks, 524 nurses and midwives, 28 engineers, and 606 other employees, making a total 1,482, at the end of March, 1930.

The following table shows the progress of medical treatment during the last twenty-three years:

Year	Number of Patients (Day treatment)			Account		
	In- patients	Out- patients	Total	Income	Expenses	Deficit met by Company
1907-8	31,704	230,868	262,272	41,352	185,473	144,131
1908-9	87,346	368,617	455,963	145,518	250,749	105,231
1909-10.....	118,306	467,016	585,322	184,267	328,226	143,959
1910-1	165,989	647,942	813,831	247,760	504,072	256,312
1911-2	196,601	466,682	663,283	299,065	517,790	218,725
1912-3	214,917	489,803	704,720	418,834	643,146	224,312
1913-4	272,675	597,641	870,316	524,881	719,667	194,786
1914-5	326,032	693,827	1,019,920	655,948	843,709	187,761
1915-6	343,039	724,893	1,067,932	709,742	832,452	122,710
1916-7	386,713	827,036	1,213,749	830,160	949,497	119,337
1917-8	438,313	949,013	1,387,326	973,215	1,152,272	179,057
1918-9	505,591	1,081,796	1,587,387	1,285,739	1,705,473	419,734
1919-20.....	544,999	1,155,313	1,700,312	2,014,230	2,930,917	916,687
1920-1	529,991	1,146,280	1,667,271	2,469,576	3,326,434	856,858
1921-2	476,080	1,192,541	1,668,621	2,360,141	3,020,276	660,135
1922-3	462,633	1,226,709	1,689,342	2,309,796	2,979,901	670,105
1923-4	483,838	1,313,430	1,797,258	2,485,180	3,259,186	774,006
1924-5	528,314	1,432,418	1,960,732	2,739,528	3,616,338	876,810
1925-6	536,580	1,313,407	1,849,987	2,753,842	4,419,879	1,666,027
1926-7	635,042	1,396,842	2,031,884	3,156,674	4,617,541	1,460,867
1927-8	695,432	1,706,295	2,401,727	3,702,898	4,462,218	759,320
1928-9	719,029	1,664,789	2,383,818	3,892,974	4,269,074	376,100
1929-30.....	742,280	1,632,127	2,374,407	4,042,410	4,240,603	198,193

In addition to the above record, the work of the district physicians appointed by the South Manchuria Railway Company must not be overlooked. These medical officers are stationed in towns and districts in Manchuria and Eastern Inner Mongolia, supervising sanitary work, conducting vaccination, and giving general medical aid to the needy. Medicine is furnished free or at lowest cost. In ten places in the Railway Zone, far from hospitals, visiting nurses give their service as midwives and in first aid.

The Red Cross Society of Japan also is active in Manchuria. During the Russo-Japanese war, the Society engaged in relief work and medical treatment of the Chinese refugees. After the war the Chinese, the Russians, and the Japanese in Manchuria, interested in the work of the Society, welcomed the establishment of branches. There are now fifteen of these, and thirteen sub-branches in different districts. A Red Cross Hospital was duly established in Mukden. The members of the Society in Manchuria gradually increased to 83,112, of which 42,180 are Japanese and 40,932 Chinese, Russians and other foreigners, as the figures existed at the end of the year 1928. The Society also engages

in preventive measures and propaganda on tuberculosis, and has often sent its physicians to the interior where medical treatment is given free of charge to the poor. At times of political disturbance, such as the commotion at Fenghuangcheng in 1912, the Chengchiatun incident in 1916, the first and second Mukden-Chihli collisions respectively in 1922 and 1924, and Kuo Sung-ling's rebellion in 1925, the Society gave the most liberal medical treatment and aid to the calamity-stricken troops and refugees.

Those who had received medical treatment and other aid from the Society in Manchuria up to the end of December, 1928, numbered more than 1,164,131 persons.

e Medical Education

It was vitally important to diffuse sanitary and medical knowledge and skill in Manchuria and Mongolia in order to promote the general welfare. The dreaded pneumonic plague, which broke out in the winter of 1910-11, and swept over Mongolia and Manchuria claiming 50,000 victims, attracted the eyes of the whole medical world to these regions, and resulted in the assembly of the International Plague Conference at Mukden at the end of the visitation. A medical college was contemplated by the South Manchuria Railway Company, chiefly in order to train Chinese physicians, and this finally came into existence in June, 1911, at Mukden, being named the South Manchuria Medical College. Its principal course is of four years, with one year of post-graduate work. The Military Inspector-General of the Three Eastern Provinces and the Military Commander of Mukden Province were made honorary presidents, and the Governor of the Province and Director of the Board of Education were made honorary advisers. One of the secretaries was elected from among the Chinese. While the annual tuition fee for Japanese students was 45 yen, Chinese students were admitted free of charge. In May, 1922, this medical college was promoted to university standing, and named Manchuria Medical University, a preparatory course being added, extending for three years. The tuition fee in the university course for the Japanese student is 80 yen, and 45 yen in the preparatory course. The Chinese student is now charged one-half of these rates.

The South Manchuria Railway Company had invested over 2,500,000 yen in the buildings, apparatus, and library of this medical school up to the end of March, 1928, and is annually spending about 800,000 yen for maintenance.

Regular courses of instruction in nursing and pharmacy are given in all hospitals maintained by the South Manchuria Railway Company.

f Water Works and Sewage

Well-water used in the towns of Manchuria was the prime cause of epidemic disease, owing to infiltration from open drains and other unclean sources. The construction of water works in Manchuria where the general knowledge regarding sanitary matters was still backward was considered important. Pressed specially by the necessity of supplying clean water in the open ports and in places thickly populated, the Kwantung Government and the South Manchuria Railway Company in 1907 started to provide modern water works in the Leased Territory and in the Railway Zone.

During the Russian *régime*, water works on a small scale were provided at Port Arthur, Dairen, and a few other places, but chiefly for the use of the Russian troops and railways.

Water works at Dairen, Port Arthur, and Chinchou were constructed and maintained by the Kwantung Government. Dairen being one of the largest ports in the Orient, as population and shipping are increasing year by year, its water works were planned on a large scale and have been further enlarged. The daily capacity is 24,600 tons. Up to 1928, 7,194,000 yen had been spent on the Dairen Water-works as construction expenses, 569,000 yen on Port Arthur Water-works, and 296,000 yen on the Chinchou Water-works, making a total of 8,059,000 yen.

Up to 1929, the South Manchuria Railway Company had provided water works in twenty-four urban districts along the Railway, including one at Shakako, a suburb of Dairen. In this year, 9,530,000 cubic metres of water were supplied. The aggregate cost of construction of these works amounted to about 9,110,000 yen. Up to 1920, the income from the water rate did not cover costs, but to-day it meets expenses. A population of 300,000 now enjoy the benefit of properly filtered water in the Railway Zone.

Experts of the Hygienic Institute and Hospitals examine the drinking-water of the Zone every month, and inspect all the wells in the Zone twice a year.

Regarding sewage, a modern system is established at Dairen, the cost aggregating 2,871,000 yen up to March 31, 1926, and at Port Arthur, the cost being 250,000 yen. In all important cities and towns along the Zone the South Manchuria Railway Company has installed modern sewage.

148 Chinese Hygienic Service

It would seem that the Chinese did not take medical service in Manchuria into serious consideration until the International Plague Conference, which met at Mukden immediately after the extermination of the dreadful bubonic plague outbreak in the winter of 1911-2, when it was proposed that China should establish Plague Prevention Hospitals at five places. Following this proposition, China established four hospitals, respectively in Harbin, Heiho, Sanhsing and Tungchiang up to 1914. This was the first attempt to establish medical institutions by the Chinese in Manchuria. These hospitals were primarily intended to maintain preventive measures against plague, but normally engage in the usual work of a hospital in treating the general public.

The North-Eastern Hospital was established in 1921 in Mukden, when the first civil war between Chihli and Mukden provinces took place, and was originally a military hospital. It has three departments, i. e., medical and surgical, and wards for infectious diseases.

149 Russian Hygienic Service

During the Russian *régime*, the Harbin Municipality contemplated establishing a municipal hospital in 1909. Owing to the lack of funds, however, the scheme was not realized until 1914. This hospital maintains three physicians, and six assistants, and has 160 beds.

The important hospitals are those maintained by the Chinese Eastern Railway. They are eight in number, and are at Harbin, Pogranitchnaya, Hengtaohotzu, Fuhailaerhchi, Puhatu, Hailar, and Manchuli.

The table below gives details of Chinese Eastern Railway hospitals:

Year	No. of Medical Staff			No. of Beds	No. of Patients	
	Physicians	As-sistants	Other Employees		No. of Patients	No. of Days' Treatment
1924	21	68	188	493	10,313	201,731
1925	22	71	195	565	10,356	206,367
1926	23	81	208	623	11,201	227,439

Of these railway institutions, the Central Hospital and Hospital for the Insane are maintained at Harbin.

It should be remembered that these hospitals underwent a change in management when the Chinese Eastern Railway was brought under the joint control of the Mukden Government and Soviet Russia in 1924. Two-thirds of the staffs are Russian and the remainder Chinese.

Besides these hospitals, the Chinese Eastern Railway maintains

thirteen physicians and four dentists, who visit the schools twice a year and give medical aid and dental treatment to the school children. Those receiving such treatment during 1925 and 1926 numbered over 12,000.

150 Foreign Missionaries' Medical Service

Of the medical service rendered by foreign Missions in Manchuria, the Mukden Hospital was established as early as 1882 by Dr. Dugald Christie, of the Scottish Missionary Society. The hospital maintains two departments, i. e., Men's Hospital and Women's Hospital. According to the report of the hospital for 1929, the Men's Hospital received 51,052 day out-patient visitors and treated 1,782 day in-patients, while the Women's Hospital treated 21,002 day out-patients and 1,666 day in-patients.

151 Plague Prevention Co-operative Measures

During the last two decades, Manchuria was visited several times by the most fatal infectious diseases — the pneumonic plague in 1910-11, cholera epidemic in 1919, the pneumonic plague in 1920-21, and the same in 1927. The plague in 1910-11 was most dreadful, and spread from its source in Trans-Baikal to the southernmost point in Shantung, through Manchuria, a distance of about 3,000 miles, with the result that 50,000 victims were reported, mostly in Manchuria. In 1910-11, co-operative preventive measures were taken by the Chinese, Japanese and Russian authorities concerned, but their application was rather late and failed to prevent heavy mortality. Profiting by past experience, when plague again broke out in 1920-21, co-operative measures were more promptly applied and the disease kept within the affected districts, in North Manchuria along the Chinese Eastern Railway, the number of deaths being 7,600. In 1927-30, when the plagues broke out in Paiyintala prefecture, Eastern Inner Mongolia, they were kept within narrow limits, and although Paiyintala is today connected by railway with the South Manchuria and Chinese Eastern lines, not a single case appeared in North or South Manchuria.

152 Anti-Plague Campaign in 1910-11

It is of interest to give in more detail an account of the anti-plague campaign undertaken by the Chinese, Japanese and Russians in Manchuria. It is believed that the tarbagan, a Siberian rodent, was the

medium of infection. Pneumonic plague in 1910-11 started with some bubonic cases which broke out in the Trans-Baikal as early as August, 1910, among Russian hunters of the tarbagan. "It gradually spread and later assumed pneumonic features with coughing and bloody sputum." Chinese attendants on these Russian sufferers were attacked, became frightened and escaped to Manchuli, where several cases occurred. The disease spread with alarming rapidity in the towns along the Chinese Eastern Railway in September. When Dr. Yasunobu, superintendent of the Dairen Hospital, was sent at the end of October to Harbin to investigate the plague condition in North Manchuria, the plague already had penetrated Harbin, where several cases broke out. There was an alarming tendency for the disease to move south, at a time when most of the Shantung coolie immigrants were returning to the home province for the New Year festival. The South Manchuria Railway immediately instituted precautionary measures along the Railway Zone, in co-operation with the Kwantung Government. Changchun reported the first case in November, and Mukden soon afterwards. Railway quarantine inspection was inaugurated at the Changchun, Mukden, and Wafangtien stations in November; and two quarantine physicians boarded each train south bound from Changchun. On the last day of December, a case of the plague appeared in a train, and several victims among other Chinese coolie passengers were found. The plague finally penetrated Dairen, where the first case was reported on January 5, 1911.

In North Manchuria, specially in Harbin, the epidemic was becoming more violent, and "between 140 and 180 were dying every day out of the small population of 25,000 in Fuchiatien, the Chinese quarter of Harbin." Hundreds of corpses were piled or scattered on the streets and in open fields until Dr. Woo Lien-teh, a Chinese physician of outstanding ability, who was sent by the Peking Government to Harbin in December, 1910, obtained Imperial sanction for the cremation of the dead on the last day of January, 1911, as the result of an urgent appeal. Most of the Chinese in Harbin were fleeing in all directions, on foot and by cart and train. Confronted with such a serious menace of the plague from the North, the Kwantung Government and the S. M. R. took more positive steps in the anti-plague campaign. Passengers, especially Chinese coolies coming from the plague zone of the North, were segregated at Changchun Station and isolated for certain days, not to be released until they had been proved free from contagion. An Extraordinary Epidemic Prevention Headquarters was established at Dairen on the 15th January, with a view to effecting more uniform and effective measures by maintaining communication

and co-operation with the Japanese Consular authorities and army in Manchuria.

In order to prevent the spread of the plague to Japan and other countries, through shipping, a thorough system of health inspection was adopted at the ports of Dairen and Port Arthur, when passengers or cargoes going abroad were subjected to rigorous quarantine inspection.

On the other hand, the Government-General of Korea provided thorough precautionary measures against the possible spread of the dread disease from Manchuria to Korea. Soon after the pest broke out on January 16, at Chikuanshan on the Antung-Mukden line, 50 miles from the Korean boundary, a sentry cordon running over 100 miles along the Yalu River, manned by a force of over 2,000 policemen, gendarmes and others, was established. The river, being frozen, afforded easy access to Korea by the Chinese masses. By the stringent measures taken, however, unrestricted entrance to Korea was prevented, and passage being provided for at certain specified points, travellers were allowed to cross the river only after several days' detention.

The Japanese Home Government under the Premier Prince Katsura, regarded the plague raging in Manchuria as the most serious menace to humanity, a danger to the world at large, if it should spread outside Manchuria. The Government appropriated one million yen to reinforce the anti-plague campaign funds in Manchuria. Simultaneously, Dr. Kitazato, the famous bacteriologist, accompanied by Director Yegi, of the Colonial Bureau, was sent to Manchuria to ascertain the actual conditions.

It was found that, no matter what preventive measures might be taken in the area of Japanese jurisdiction, the Railway Zone and Leased Territory, the efficiency of the anti-plague campaign could not be maintained without the full co-operation of the Chinese authorities in the areas contiguous to the Japanese jurisdiction. The South Manchuria Railway offered 150,000 yen to the Government-General of the Three Eastern Provinces at Mukden, and suggested prompt action in the formation of Sino-Japanese co-operative measures. On February 11, the Governor-General of the Kwantung Peninsula, General Oshima, called on Governor-General Hsi Liang, of the Three Eastern Provinces, and the Sino-Japanese Co-operative Plague Prevention Conference came into existence on Feb. 28. Subsequently the Extraordinary Epidemic Prevention Headquarters maintained by the Japanese at Dairen were transferred to Mukden, and the anti-plague campaign was carried on in co-operation with the Chinese authorities.

In North Manchuria, when Dr. Woo Lien-teh obtained Imperial

sanction from Peking for the cremation of the plague victims, unburied coffins and corpses in Harbin were piled together, kerosene oil poured over them, and they were fired. Thus the Chinese quarter in Harbin was purified while other preventive measures were rigorously enforced.

The plague in Manchuria rapidly declined, and was practically exterminated by the middle of March. In the Japanese Leased Territory and Railway Zone the last case was disposed of at Kungchuling on March 18, 1911.

According to the statement made by the Chinese authorities, the total victims of the plague of 1910-1 aggregated 60,000, including 7,000 in Harbin, 6,000 in Changchun, and 5,000 in Mukden. Within the Japanese jurisdiction of the Leased Territory and Railway Zone, the total cases reported numbered 228.

In the anti-plague campaign in 1910-11, the sum of 2,559,685 yen was spent by the Japanese authorities, apportioned as follows:

Home Government.....	1,000,000
Kwantung Government	684,075
South Manchuria Railway Company.....	860,863
Japanese Hygienic Associations in Manchuria	14,747
Total	2,559,685

In addition, the sum of 142,000 yen was spent by the Government-General of Korea. The peninsula completely escaped invasion of the plague from Manchuria, not a single case being reported.

153 Anti-Plague Campaigns in 1917-21

In December, 1917, the pest again broke out, this time in the Paotouchen district of Mongolia, and spread to Shansi Province. When it reached Peking, Dr. Tsurumi, of the S. M. R. was despatched to Peking to watch the movement. The plague travelled further south, in the direction of Nanking via Tsinan. It is said the plague invaded nine provinces of China proper and claimed 16,000 victims. At this time Manchuria fortunately escaped from the invasion.

Two years later, Manchuria was invaded by cholera, but from South China. The cholera first broke out in India, in the spring of 1919, and travelled to South China by the sea route. The Japanese Consular authorities in Hsientou, Fuchou, and Shanghai frequently reported, in June, that cholera cases were occurring in their respective districts.

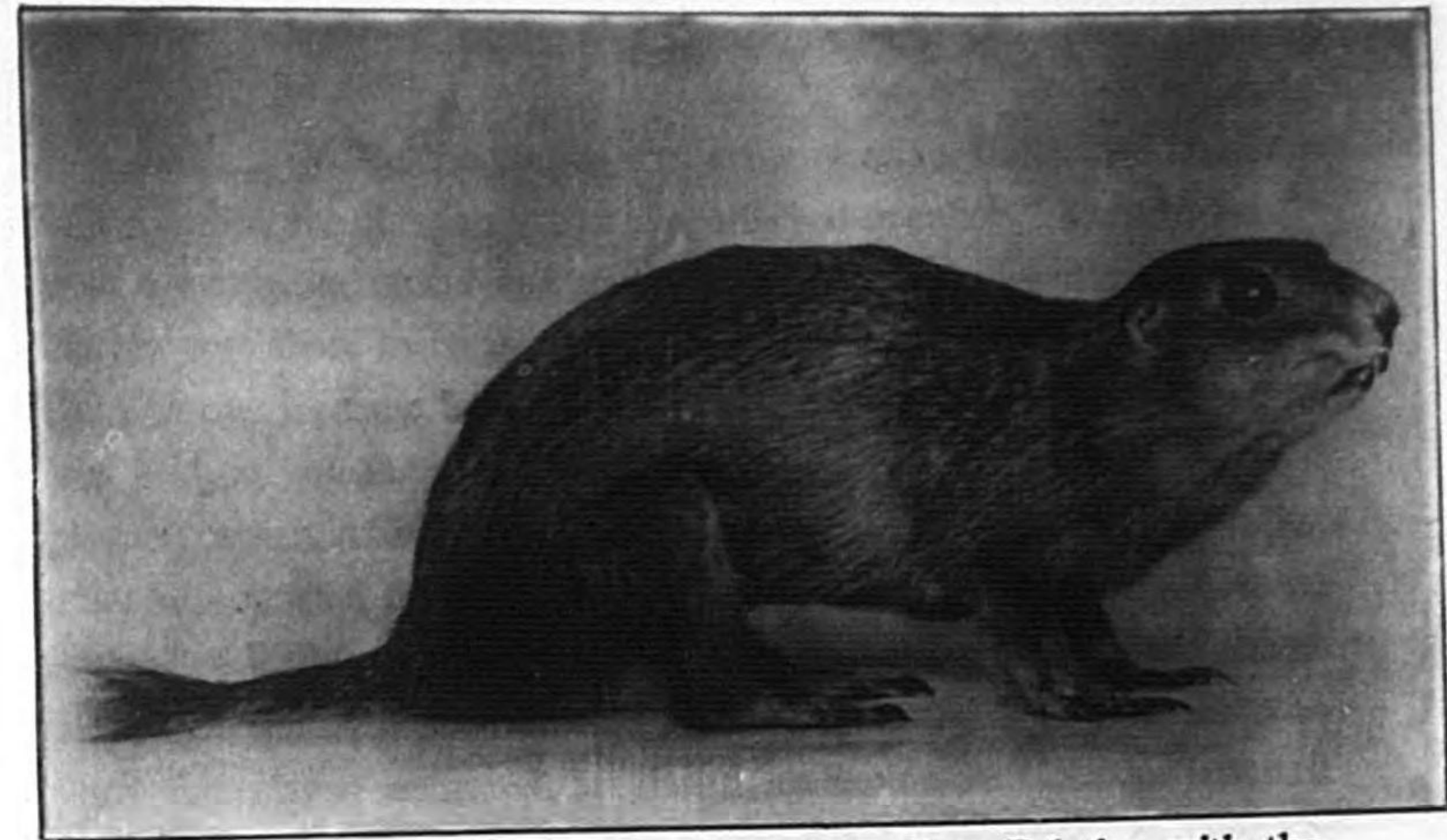
While the Kwantung Government, in co-operation with the South

Manchuria Railway Company at Dairen, and later in co-operation with Chinese Customs authorities at Newchwang, prepared special quarantine inspection for ships from the Shanghai district, the first case broke out at Dairen on July 9, and several at Newchwang on the 8th. The outbreak at Newchwang gradually penetrated along the Railway to Mukden, from which it travelled in a northern direction to Changchun, Kirin, Harbin, Tsitsihar, and in an eastern direction to Antung; the plague case landed at Dairen gradually spread the disease in the Japanese Leased Territory and the southern part of the Railway Zone. Detention stations, together with isolation houses, were erected at Dairen, Port Arthur, Mukden, Newchwang, and other important towns along the railway. Moreover, disinfecting arrangements were provided on fifteen passenger trains. As the epidemic assumed a more serious aspect, the Kwantung Government, in conjunction with the S. M. R., organized an Extraordinary Epidemic Headquarters at Mukden, where, because of its central location, the anti-plague campaign might be better directed and controlled. In this campaign, at the outset, more than 200 police and 100 quarantine officers were employed besides several hundred officers and employees of the S. M. R. This was soon found insufficient, and 158 police officers and 71 preventive experts were engaged from Japan. Dr. Miyajima, of the Kitazato Bacteriological Institute, Tokyo, also visited Manchuria as an adviser in the campaign.

The epidemic was suppressed in October, 1919. The total number of cases treated in the Leased Territory and the Japanese Railway Zone was 2,935, of which 2,555 were Chinese, 433 Japanese, and 47 Koreans. According to a report made by the Chinese authority, the total number of persons affected by the plague outside Japanese jurisdiction was 45,251, and deaths 27,288. In this campaign, about a million yen was spent as extraordinary expenses by the Japanese, apportioned as follows:

First Outlay by the Kwantung Government	80,000
Second " " " "	238,000
Contribution by S. M. R.	360,000
S. M. R.'s own Outlay	330,504
Total	1,008,504

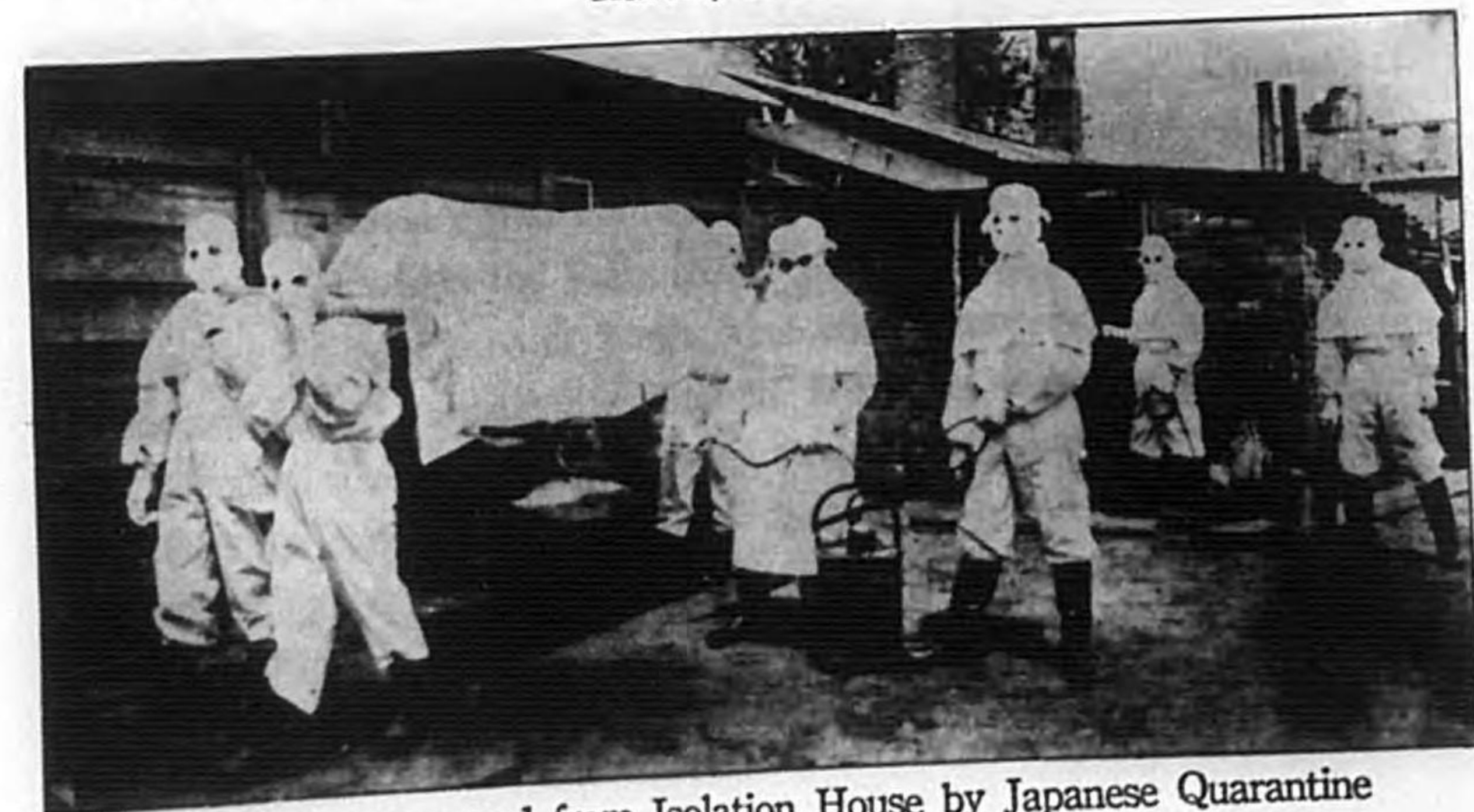
In the pneumonic plague outbreak of 1920-1, the first case, in bubonic form, broke out at Abakait, near Manchuli, and was reported in August, 1920. In September it appeared at Hailar, and turned to the pneumonic form in December. It gradually spread eastward, finally to Vladivostok, along the Chinese Eastern Railway, in January, 1921,



Citellus, or Mus Wagneri Manchu, having Close Relation with the Origin of the Plague in Inner Mongolia



Corpses of Plague Victims at Fuchiatien, the Chinese quarter at Harbin, 1911



Plague Victims removed from Isolation House by Japanese Quarantine Officers at Changchun, 1911

from Harbin. When the plague was contaminating Hailar and Dalainor in December, the Russian authorities attached so-called "hygienic cars" with a quarantine officer and nurses, to each passenger train. When Harbin was about to be menaced, the Chinese Eastern Railway invited the Chinese, Japanese and Russian authorities to a conference, which was held on January 6 to discuss and arrange co-operative measures of plague prevention, while the Harbin Extraordinary Plague Prevention office was created by the Chinese authorities at Fuchiatien, the Chinese quarter at Harbin. As on the Japanese side, information on the plague movement was received from the Japanese Consular and other sources, since the plague appeared in Hailar in September, 1920. When it penetrated Harbin in January, the Kwantung Government, in conjunction with the S. M. R., organized a quarantine office at Changchun, the junction station of the S. M. R. and Chinese Eastern Railways, with the object of preventing the southward march of the plague. At Changchun, Mukden, Kaiyuan and Tashihchiao, railway sidings were laid, and freight cars were kept at these sidings for the accommodation of victims. Several detaining stations were put up at Changchun, capable of accommodating over 2,000 patients. Third-class passengers, chiefly Chinese coolies, who intended to change cars after travelling on the Chinese Eastern or the Kirin-Changchun line, were detained for five days, and none other than those provided with certificates of good health was permitted to continue the southward journey. In order to make the frontier prevention work more effective, such as preventing many south-bound coolies travelling on foot, closer co-operation of the Sino-Japanese authorities was maintained by frequent conferences. In the anti-plague campaign of 1920-1, the harmonious co-operation between the Chinese, Japanese and Russian authorities enabled them to check effectively the spread of the plague, so that it was eliminated in North Manchuria, the total victims numbering 7,710, of whom 6,957 were in the Chinese Eastern Railway Zone, 640 in Vladivostok, 29 within the city wall of Changchun, 35 outside the Railway Zone between Changchun and Mukden, and 30 within the Railway Zone in this area. That is to say, cases in the Railway Zone of South Manchuria numbered only thirty. In this anti-plague campaign, about half a million yen was spent on the Japanese side by the Kwantung Government and the S. M. R. Doubtless, the expenditure incurred by the Chinese and Russians was still greater.

154 Plagues in Inner Mongolia 1927-30

Pneumonic plague in recent years broke out in Inner Mongolia. When such cases occurred in September, 1927, at Dangli, 125 Chinese miles north from Paiyintala, Eastern Inner Mongolia, which were reported by the Japanese Consul at Paiyintala, Dr. Otsuki, of the Kwantung Government, and Drs. Kanai and Hado, of the S. M. R., were sent to Paiyintala. A conference with Chinese authorities was held at the Japanese Consulate to discuss preventive measures, and those in the Paiyintala district were left to Chinese execution. On the other hand, the South Manchuria Railway provided all possible plague preventive measures at Ssuping kai, the junction of the Paiyintala-Taonan-Ssuping kai Railway, and at Mukden Station, while the Chinese Eastern Railway provided similar measures at Changchun, specially for north-bound passengers. Fortunately, the plague in Paiyintala Prefecture was finally exterminated at the end of November, with 500 victims, and no single case was reported in either North or South Manchuria.

In July, 1928, the plague broke out again in Paiyintala Prefecture. The South Manchuria Railway with the co-operation of the Kwantung Government immediately executed preventive measures against the penetration of the plague into the Railway Zone and Leased Territory, establishing quarantine offices at Ssuping kai, Changchun and Newchwang. On the Chinese side, a quarantine contingent, headed by Dr. Woo Lien-teh, was established at Chienchiatien, a centre of the plague district. The plague was finally eradicated in the latter part of November. Of the total number of suspected cases reported, as many as 1,300 proved to be plague victims, and the deaths numbered 378. Plague repeatedly broke out in the summer of 1929 and 1930 in Inner Mongolia. On each occasion the South Manchuria Railway promptly instituted preventive measures at Ssupinghai station.

The tarbagan, or similar wild rodent in Trans-Baikalia and Outer Mongolia, on the Siberian border of Manchuria, was regarded as the actual medium of the pest. But there is no evidence of the existence of the tarbagan in Inner Mongolia. In order to discover the actual source of the plague in Inner Mongolia, medical experts of the South Manchuria Railway and the Railway's Hygienic Institute examined all species of rodents in this region. From October 2 to November 5, 1928, 57,216 rats in Teichiatus and Chienchiatien, the centre of the plague in Inner Mongolia, were acquired and tested. Among several species of wild rats, that called "Citellus" (*Mus wagneri manchu*) was proved to have a close relation with the origin of the plague in Inner Mongolia.

155 International Plague Conferences in Manchuria

Soon after the dreadful visitation of 1910-11, an International Plague Conference was held at Mukden in April, 1911, at the invitation of the Chinese Government. The participants in this conference were Austria, China, France, Germany, Great Britain, Holland, Italy, Japan, Mexico, Russia, and the United States. These Powers sent experts of high reputation as their representatives, and Japan was represented by Dr. Kitazato, the Superintendent of the Kitazato Bacteriological Institute of Tokyo. The question was discussed whether the tarbagan, or any other wild rodent on the Siberian border of Manchuria or Mongolia, was the actual medium of the pest; and research work concerning the relation of the plague with rodents was entrusted to China and Russia, as having closer relations with the origin of the plague. All matters relating to the disposal of plague victims, cremation, disinfection, etc., were discussed and important resolutions thereupon made. It was resolved that the railway companies in North Manchuria, as well as in South Manchuria should maintain co-operative plague preventive measures. The conference also proposed that the Chinese Government should establish plague prevention hospitals in Manchuria. Acting upon this proposal, the Chinese Government established four hospitals in Manchuria, as stated in Section 125. Later, it was arranged that tarbagan hunters should be registered and receive official permits from the Chinese authorities; further, that two fur-skin disinfecting stations be established at Manchuli and Hailar respectively under medical direction.

With the object of exchanging views on hygienic matters in South Manchuria, the Kwantung Government and the South Manchuria Railway under the auspices of the League of Nations invited in November, 1925, hygienic experts of different countries to a conference. These included Australia, Dutch East India, Federated Malay States, Hongkong, India, Indo-China, New Zealand, the Philippines, Siam, Straits Settlements, and Japan proper. Several authorities of the Health Section of the League of Nations, including Dr. Woo Lien-teh, Director and Chief Medical Officer of North Manchuria Plague Prevention Service, were present at this international conference, held at Dairen. After the opening address of the Chairman Mr. Fujita, of the Kwantung Government, brief speeches on hygienic administration in the Leased Territory and the S. M. R. area, and on cattle epidemics in Manchuria, were made by the respective authorities, and criticisms and suggestions from foreign delegates on hygiene in South Manchuria were invited, for reference or future use in the further improvement of hygienic practice in Manchuria. Most

of the foreign delegates expressed their unreserved admiration of the Japanese hygienic administration, and the modern equipment extended not to any one group, or particular races, but to all nationals. Among them, Dr. C. Manalang, from the Philippines, said "the Chinese people should congratulate themselves on having with them here some of the ablest Japanese scientists as well as administrators whose primary aim in their activities is for the development of the country and the welfare of its people." Dr. Woo Lien-teh gave an interesting historical sketch of the anti-plague campaign in North Manchuria, particularly referring to the close co-operation between Chinese, Japanese and Russian authorities in matters relating to pneumonic plague.

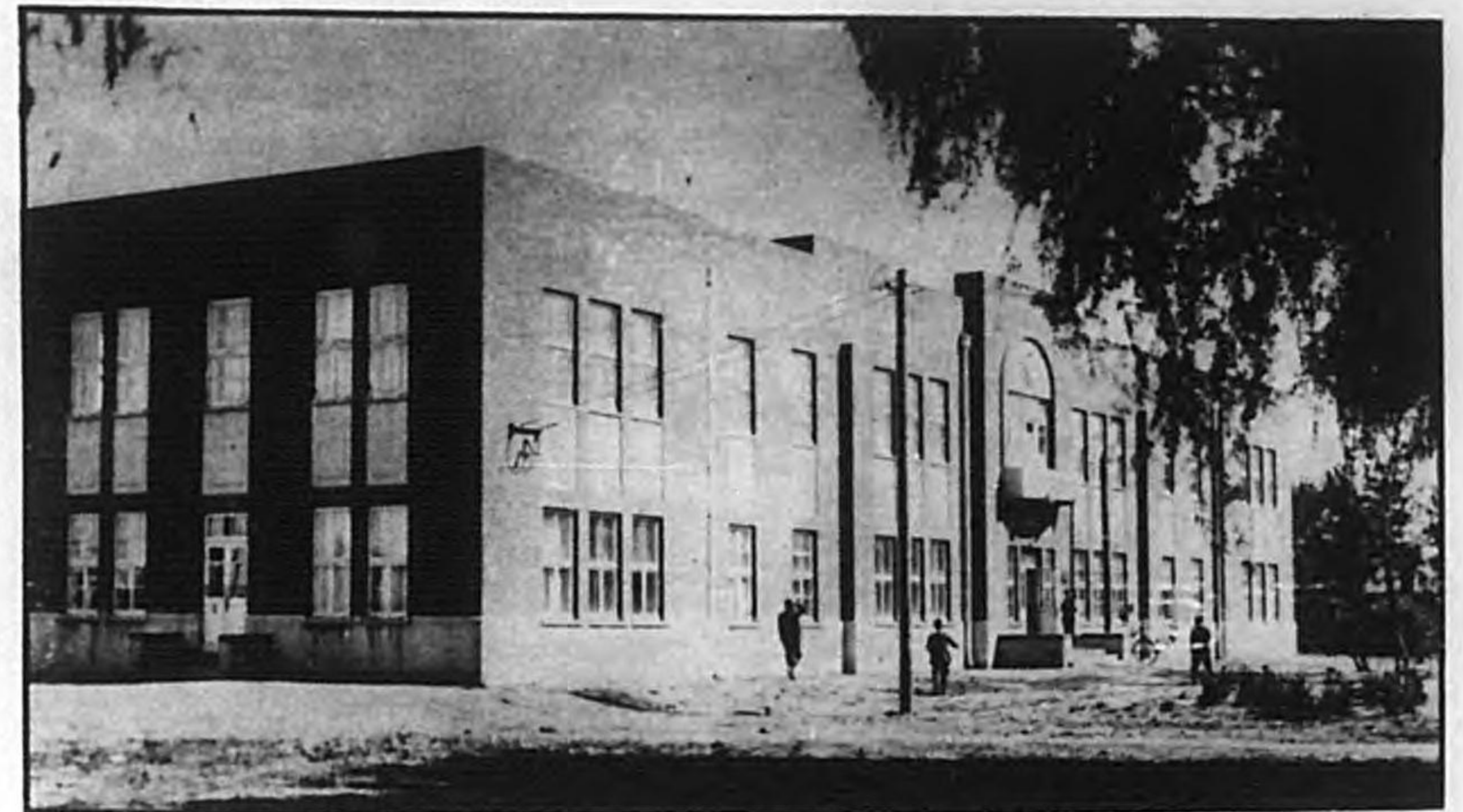
Finally, Dr. Rajchman, chairman of the Health Section, League of Nations, said in part that holding the sum of 1,000,000 yen in reserve for epidemic prevention by the S. M. R. to be drawn upon whenever emergency required "is without a parallel and is an excellent thing."

156 Cattle Epidemics

Although there were numerous herds of horses and cattle in Manchuria, modern cattle plague prevention measures were not undertaken until the Kwantung Government promulgated the Cattle Epidemic Regulations in 1906, which were subsequently enforced also in the Railway Zone. These Regulations were revised in 1919, and operated in common both in the Leased Territory and Railway Zone.

Most of the cattle epidemics in Manchuria are in the form of rinderpest, anthrax, foot-and-mouth disease, "schweine rothlauf," hog-cholera, rabies, and sheep-pox. The aggregate number of such epidemic cases reported during the ten years from 1916 was 4,052, of which 3,169 occurred in the Leased Territory and 883 in the Railway Zone.

An Animal-Disease Research Institute was established at Mukden in 1925 by the South Manchuria Railway Company at a cost of 250,000 yen, its annual up-keep amounting to 80,000 yen. The Institute manufactures almost every kind of cattle plague vaccine and serum, including hydrophobia vaccine, tuberculine, and mallein. Previously the Leased Territory and Railway Zone received supplies of these anti-cattle plague vaccines and serums from the Agriculture and Forestry Department of the Imperial Government, Tokyo, and the Government-General of Korea. But the Institute today is able to supply not only requirements in South Manchuria, but those of North Manchuria also, if required.



Cattle Epidemic Institute established by the S. M. R., Mukden



Extracting Blood from Cattle



Testing the Blood for Serum Production

The following table shows the amount of cattle plague vaccine and serum, tuberculine, mallein and other remedies manufactured and distributed or sold during recent years :

Year	Amount transferred from previous year in c. c.	Amount manufactured in c. c.	Amount Sold in c. c.	Outstanding at year end in c. c.
1926	—	427,975	195,680	242,295
1927	242,295	372,275	181,930	432,640
1928	432,640	374,605	495,450	311,795
1929	311,795	788,725	828,545	271,975

APPENDICES

Texts of Treaties, Protocols, Agreements, Notes, and Statutes of the Powers concerning Manchuria.

No. 1

Provision relating to Cession of Liaotung Peninsula to Japan in Treaty of Shimonoseki—April 17, 1895

"ARTICLE II.—Cession of part of Fengtien Province.—China cedes to Japan in perpetuity and full sovereignty the following territories, together with all fortifications, arsenals, and public property thereon:

"(a) The southern portion of the province of Fengtien, within the following boundaries:—

"The line of demarcation begins at the mouth of the River Yalu and ascends that stream to the mouth of the River An-ping; from thence the line runs to Feng-huang; from thence to Haicheng; from thence to Yingkou, forming a line which describes the southern portion of the territory. The places above named are included in the ceded territory. When the line reaches the River Liao at Yingkou, it follows the course of that stream to its mouth where it terminates. The mid-channel of the River Liao shall be taken as the line of demarcation.

"This cession also includes all islands appertaining or belonging to the province of Fengtien, situated in the eastern portion of the Bay of Liaotung and in the northern part of the Yellow Sea.

"(b) The island of Formosa, together with all islands appertaining or belonging to said island of Formosa.

"(c) The Pescadores Group, that is to say, all islands lying between the 119th and 120th degrees of longitude east of Greenwich and the 23rd and 24th degrees of north latitude."

No. 2

Notes of Russia, France and Germany recommending Retrocession of Liaotung Peninsula—April 23, 1895

(a) Recommendation du Ministre de Russie à Tokyo.

Le Gouvernement de Sa Majesté l'Empereur, mon Auguste Maître, en examinant les conditions de paix que le Japon impose à la Chine, trouve que la possession de la presqu'île de Liaotung réclamée par le Japon, serait une menace constante contre la capitale de la Chine, en même temps qu'elle rendrait illusoire l'indépendance de la Corée, que dès lors elle serait un perpétuel obstacle à une pacification durable de l'Extrême-Orient.

En conséquence le Gouvernement de Sa Majesté l'Empereur, mon Auguste Maître, croit donner une nouvelle preuve de son amitié sincère au Gouvernement de Sa Majesté l'Empereur du Japon en Lui conseillant de renoncer à la possession définitive de la presqu'île de Liaotung.

(b) Recommendation du Ministre de France à Tokyo.

Le Gouvernement de la République Française estime que la possession de la presqu'île de Liaotung est une menace pour la capitale de la Chine qu'elle rendrait illusoire l'indépendance de la Corée, et serait un obstacle perpétuel à la pacification de l'Extrême-Orient. Désireux de donner au

Gouvernement Impérial une nouvelle preuve des sentiments amicaux qui l'animent à l'égard du Japon, le Gouvernement de la République Française croit donc devoir donner au Gouvernement Impérial le Conseil amical de renoncer à la possession définitive de cette presqu'île.

Fait à Tokyo, le 23 avril 1895.

L'envoyé extraordinaire et Ministre Plénipotentiaire de la République Française au Japon. Signé: J. Harmand.

(c) Empfehlungs-Note des Deutschen Gesandten in Tokio.

„Meine hohe Regierung hat mich angewiesen zu erklären:

„Die Prüfung der japanischen Friedensbedingungen drängt der deutschen Regierung die Überzeugung auf, dass die von Japan verlangte Besitznahme von Liaotung eine constante Bedrohung der Hauptstadt von China sein und gleichzeitig die Unabhängigkeit Korea's illusorisch machen würde, dass sie sich folglich als dauerndes Hinderniss für den Frieden Ostasiens darstellt. Deutschland rät daher, auf definitive Besitznahme der Halbinsel zu verzichten.“

„Ich bin beauftragt an vorstehende Erklärung folgende Bemerkungen zu knüpfen:

„Japan hat im Verlaufe des gegenwärtigen Krieges mehr als einen Beweis der freundschaftlichen Disposition Deutschlands erhalten. Die von England bereits unter dem 7 ten Oktober v. J. vorgeschlagene Einmischung der Grossmächte in den Japanisch-Chinesischen Streit hat Deutschland damals aus Freundschaft für Japan abgelehnt. Ferner hat die Regierung Seiner Majestät des Kaisers unter dem 8. März d. J. der japanischen Regierung Beschleunigung des Friedens und Mässigung in den Bedingungen empfohlen. Im Hinblick auf eine wahrscheinliche, durch China erbetene Intervention der Mächte hat Deutschland damals den unvermittelten Friedensschluss unter billigen Bedingungen als für Japan verhältnissmässig am vortheilhaftesten bezeichnet und dabei hervorgehoben, dass die Forderung einer Gebietsabtretung auf dem Festlande *besonders* geeignet seint würde, eine Intervention zu provozieren. Japan hat diese uneigenützigen Ratschläge nicht beherzigt.

Die jetzigen japanischen Friedensbedingungen sind übertrieben; sie verletzen Europäische, auch Deutsche Interessen, wenn schon letztere in gelingender Masse.

Die Regierung Seiner Majestät des Kaisers ist daher jetzt heranlasst mit zu protestieren und wird falls erforderlich, ihren Protest auch den nötigen Hochdruck zu geben wissen.

Japan kann daher nachgeben, der Kampf gegen drei Grossmächte aussichtslos.“

No. 3

Treaty of Alliance between China and Russia — May, 1896*

ARTICLE I.—The High Contracting Parties engage to support each other reciprocally by all the land and sea forces in any aggression directed by Japan against Russian territory in Eastern Asia, China or Korea.

* This Treaty was kept secret until a telegraphic summary of its text was submitted to the Washington Conference of 1920-21 by the Chinese Delegation.

ARTICLE II.—No treaty of peace with an adverse party can be concluded by either of them without the consent of the other.

ARTICLE III.—During military operations all Chinese ports shall be open to Russian vessels.

ARTICLE IV.—The Chinese Government consents to the construction of a railway across the Provinces of Amur and Kirin in the direction of Vladivostok. The construction and exploitation of this railway shall be accorded to the Russo-Chinese Bank. The contract shall be concluded between the Chinese Minister at St. Petersburg and the Russo-Chinese Bank.

ARTICLE V.—In time of war Russia shall have free use of the railway for the transport and provisioning of her troops. In time of peace Russia shall have the same right for the transit of her troops and provisions.

ARTICLE VI.—The present treaty shall come into force from the day on which the contract stipulated in Article IV shall have been confirmed. It shall have force for fifteen years.

No. 4

(CHINA AND RUSSIA)

Contract for the Construction and Operation of the Chinese Eastern Railway — September 8, 1896

Between the undersigned, His Excellency Shu King-chen, Minister Plenipotentiary of His Majesty the Emperor of China, at St. Petersburg, acting by virtue of an Imperial Edict, dated Kuang Hsü, 22nd year, 7th month, 20th day (August 16/28, 1896), of the one part, and the Russo-Chinese Bank, of the other part, it has been agreed as follows:

The Chinese Government will pay the sum of five million Kuping taels (Kuping Tls. 5,000,000) to the Russo-Chinese Bank, and will participate in proportion to this payment in the profits and losses of the bank, on conditions set forth in a special contract.

The Chinese Government having decided upon the construction of a railway line, establishing direct communication between the city of Chita and the Russian South Ussuri Railway, entrusts the construction and operation of this railway to the Russo-Chinese Bank upon the following conditions:

1.—The Russo-Chinese Bank will establish for the construction and operation of this railway a company under the name of the Chinese Eastern Railway Company.

The seal which this Company will employ will be given to it by the Chinese Government. The statutes of this Company will be in conformity with the Russian usages in regard to railways. The shares of the Company can be acquired only by Chinese or Russian subjects. The president of this Company will be named by the Chinese Government, but paid by the Company. He may have his residence in Peking.

It will be the duty of the president to see particularly to the scrupulous fulfilment of the obligations of the Bank and of the Railway Company towards the Chinese Government; he will furthermore be responsible for the relations of the Bank and of the Railway Company with the Chinese Government and the central and local authorities.

The president of the Chinese Eastern Railway Company will likewise

be responsible for examining all accounts of the Chinese Government with the Russo-Chinese Bank.

To facilitate local negotiations, the Russo-Chinese Bank will maintain an agent at Peking.

2.—The route of the line will be determined by the deputies of the president (named by the Chinese Government) of the Company, in mutual agreement with the engineers of the Company and the local authorities. In laying out this line, cemeteries and tombs, as also towns and villages, should so far as possible be avoided and passed by.

3.—The Company must commence the work within a period of twelve months from the day on which this contract shall be sanctioned by imperial decree, and must so carry it on that the whole line will be finished within a period of six years from the day on which the route of the line is definitely established and the lands necessary therefor are placed at the disposal of the Company. The gauge of the line should be the same as that of the Russian railways (5 Russian feet—about four feet, two and one-half inches, Chinese).

4.—The Chinese Government will give orders to the local authorities to assist the Company to the extent of their ability in obtaining, at current prices, the materials necessary for the construction of the railway, as also labourers, means of transport by water and by land, the provisions necessary for the feeding of men and animals, etc.

The Chinese Government should, as needed, take measures to facilitate such transportation.

5.—The Chinese Government will take measures to assure the safety of the railway and of the persons in its service against any attack.

The Company will have the right to employ at will, as many foreigners or natives as it may find necessary for the purpose of administration, etc.

Criminal cases, lawsuits, etc., upon the territory of the railway, must be settled by the local authorities in accordance with the stipulations of the treaties.

6.—The lands actually necessary for the construction, operation, and protection of the line, as also the lands in the vicinity of the line necessary for procuring sand, stone, lime, etc., will be turned over to the Company freely, if these lands are the property of the State; if they belong to individuals, they will be turned over to the Company either upon a single payment or upon an annual rental to the proprietors, at current prices. The lands belonging to the Company will be exempt from all land taxes (*impôt foncier*).

The Company will have the absolute and exclusive right of administration of this land. (*La Société aura le droit absolu et exclusif de l'administration de ses terrains.*)

The Company will have the right to construct on these lands buildings of all sorts, and likewise to construct and operate the telegraph necessary for the needs of the line.

The income of the Company, all its receipts and the charges for the transportation of passengers and merchandise, telegraphs, etc., will likewise be exempt from any tax or duty. Exception is made, however, as to mines, for which there will be a special arrangement.

7.—All goods and materials for the construction, operation, and repair of the line, will be exempt from any tax or customs duty and from any internal tax or duty.

8.—The Company is responsible that the Russian troops and war material, despatched in transit over the line, will be carried through directly from one Russian station to another, without for any pretext stopping on the way longer than is strictly necessary.

9.—Passengers who are not Chinese subjects, if they wish to leave the territory of the railway, should be supplied with Chinese passports. The Company is responsible that passengers, who are not Chinese subjects, should not leave the territory of the railway if they do not have Chinese passports.

10.—Passengers' baggage, as well as merchandise despatched in transit from one Russian station to another, will not be subject to customs duties; they will likewise be exempt from any internal tax or duty. The Company is bound to despatch such merchandise, except passengers' baggage, in special cars, which, on arrival at the Chinese frontier, will be sealed by the office of the Chinese Customs, and cannot leave Chinese territory until after the office of the Customs shall have satisfied itself that the seals are intact; should it be established that these cars have been opened on the way without authorization, the merchandise would be confiscated.

Merchandise imported from Russia into China by the railway, and likewise merchandise exported from China into Russia by the same route, will respectively pay the import and export duty of the Chinese Maritime Customs, less one-third.

If merchandise is transported into the interior it will pay in addition the transit duty—equivalent to a half of the import duty collected—which frees it from any further charges.

Merchandise not paying the transit tax will be subject to all the barrier and *likin* duties imposed in the interior.

The Chinese Government must install customs offices at the two frontier points on the line.

11.—The charges for the transportation of passengers and of merchandise, as well as for the loading and unloading of merchandise, are to be fixed by the Company, but it is obliged to transport free of charge the Chinese official letter post, and, at half price, Chinese land or sea forces and also Chinese war materials.

12.—The Chinese Government transfers to the Company the complete and exclusive right to operate the line on its own account and risk, so that the Chinese Government will in no case be responsible for any deficit whatsoever of the Company, during the time allotted for the work and thereafter for a further eighty years from the day on which the line is finished and traffic is in operation. This period having elapsed, the line, with all its appurtenances, will pass free of charge to the Chinese Government.

At the expiration of thirty-six years from the day on which the entire line is finished and traffic is in operation, the Chinese Government will have the right to buy back this line upon repaying in full all the capital involved, as well as all the debts contracted for this line, plus accrued interest.

If—in case the profit realized exceeds the dividends allowed to the shareholders—a part of such capital is repaid, that part will be deducted

from the price of repurchase. In no case may the Chinese Government enter into possession of this line before the appropriate sum is deposited in the Russian State Bank.

The day when the line is finished and traffic is in operation, the Company will make to the Chinese Government a payment of five million Kuping taels (Kuping Tls. 5,000,000).

Kuang Hsü, 22nd year,
8th month, 2nd day.

(Signed) Shu.

Berlin, August 27/September 8, 1896.

RUSSO-CHINESE BANK.

(Signed) Rothstein.

(Signed) Prince Oukhtomsky.

No. 5

Statutes of Chinese Eastern Railway Company— December 16, 1896

Formation of the Company.—§ 1. On the strength of the Agreement concluded on the 27th August/8th September, 1896, by the Imperial Chinese Government with the Russo-Chinese Bank, a Company is formed under the name of the "Chinese Eastern Railway Company" for the construction and working of a railway within the confines of China from one of the points on the western borders of the Province of Heilungkiang, to one of the points on the eastern borders of the Province of Kirin and for the connection of the railway with those branches which the Imperial Russian Government will construct to the Chinese frontier from Trans-Baikalia and the southern Ussuri lines. [Observation. The Company is empowered, subject to the sanction of the Chinese Government, to exploit, in connection with the railway or independently of it, coal mines, as also to exploit in China other enterprises—mining, industrial, and commercial. For the working of these enterprises which may be independent of the railway, the Company shall keep accounts separate from those of the railway.]

The formation of the Company shall be undertaken by the Russo-Chinese Bank.

With the formation of the Company all rights and obligations are transferred to it in regard to the construction and working of the line ceded in virtue of the above-named Agreement of the 27th August/8th September, 1896.

The Company shall be recognized as formed on the presentation to the Minister of Finances of a warrant of the State Bank certifying the payment of the first instalment on the shares. In any case such payment must be made not later than two months from the day of confirmation of the present Statutes.

The succeeding instalments on the shares shall be paid in such orders of gradation that the shares shall be fully paid up at their nominal value not later than one year from the day of formation of the Company.

Owners of shares of the Company may only be Russian and Chinese subjects.

Term of Concession.—§ 2. In virtue of the Agreement with the Chinese Government, the Company shall retain possession of Chinese Eastern Railway during the course of eighty years from the day of the opening of traffic along the whole line.

Obligation towards the Russian Government.—§ 3. In recognition that the enterprise of the Chinese Eastern Railway will be realized only owing to the guarantee given by the Russian Government in regard to the revenue of the line for covering working expenses as well as for effecting the obligatory payments on the bonds (§§ 11, 16), the Company, on its part, binds itself to the Russian Government during the whole term of the Concession under the following obligations:—

(a) The Chinese Eastern Railway with all its appurtenances and rolling-stock must be always maintained in full order for satisfying all the requirements of the service of the line, in regard to the safety, comfort, and uninterrupted conveyance of passengers and goods;

(b) The traffic on the Chinese Eastern line must be maintained conformably with the degree of traffic on the Russian railway lines adjoining the Chinese line;

(c) The trains of all descriptions running between the Russian Trans-Baikal and Ussuri lines shall be received by the Chinese Eastern Railway and dispatched to their destination in full complement without delay;

(d) All through trains, both passenger and goods, shall be dispatched by the Chinese Eastern Railway at rates of speed not lower than those which shall be adopted on the Siberian Railway;

(e) The Chinese Eastern Railway is bound to establish and maintain a telegraph along the whole extent of the line and to connect it with the telegraph-wire of the Russian adjoining railways, and to reserve and dispatch without delay through telegrams sent from one frontier station of the line to another, as also telegrams sent from Russia to China, and conversely;

(f) Should, with the development of traffic on the Chinese Eastern Railway, its technical organization prove insufficient for satisfying the requirements of a regular and uninterrupted passenger and goods traffic, the Chinese Eastern Railway shall immediately, on receipt of a notification on the part of the Russian railways to augment its capacity to a corresponding degree, adopt the necessary measures for further developing its technical organization and the traffic on it. In the event of a difference of opinion arising between the above-mentioned railways, the Chinese Eastern Railway shall submit to the decision of the Russian Minister of Finances. If the means at the command of the Chinese Eastern Railway prove insufficient for carrying out the necessary work of its development, the Board of Management of the railway may at all time apply to the Russian Minister of Finances for pecuniary assistance on the part of the Russian Government;

(g) For all transit conveyance of passengers and goods, as also for the transmission of telegrams there will be established by agreement of the Company with the Russian Government for the whole term of duration of the Concession (§ 2), maximum tariffs, which cannot be raised without the consent of the Russian Government during the whole term above referred to. Within these limits the tariffs of direct communication both for railway carriage and telegrams will be fixed by the Board of Management of the Company on the strength of a mutual agreement with the Russian Minister of Finances;

(h) The Russian letter and parcels-post, as also the officials accompanying the same, shall be carried by the Chinese Eastern Railway free of charge.

For this purpose the company shall set apart in each ordinary passenger train a carriage compartment of 3 fathoms in length. The Russian postal authorities may, moreover, if they deem it necessary, place on the line postal carriages, constructed by them at their own cost; and the repair, maintenance (interior fittings excepted) as well as the running of such carriages with the trains shall be free of charge and at the cost of the railway.

The above-mentioned engagements, by which, as already stated, the grant of a guarantee by the Russian Government is conditioned and the consequent realization of the enterprise of the Chinese Eastern Railway, shall be binding on the railway until the same, after the expiration of the eighty years' term of the Concession, shall without payment become the property of the Chinese Government (§ 29). The redemption of the line from the Company before the above-mentioned term in accordance with § 30 of the present Statutes shall not in any way diminish the effect of the above specified engagements, and these latter, together with the railway, shall be transferred to its new proprietor.

In the same manner during the course of the whole eighty years' term of the Concession (§ 2) the following privileges granted to the railway by the Imperial Chinese Government shall remain in force:—

(a) Passengers' luggage, as also goods, carried in transit from one Russian station shall not be liable to any Chinese customs duties, and shall be exempt from all internal Chinese dues and taxes;

(b) The rates for the carriage of passengers and goods, for telegrams, &c., shall be free from all Chinese taxes and dues;

(c) Goods imported from Russia into China by rail and exported from China to Russia in the same manner shall pay respectively an import or export Chinese duty to the extent of one-third less as compared with the duty imposed at Chinese seaport customs-houses;

(d) If goods imported by the railway are destined for conveyance inland they shall in such case be subject to payment of transit duty to the extent of one-half of the import duty levied on them, and they shall then be exempted from any additional imposts. Goods which shall not have paid transit duty shall be liable to payment of all established internal barrier and likin dues.

Immunities of the Company in regard to Russian Customs Dues.—§ 4. In regard to the place of acquisition of materials for the requirements of the railway, the Company shall not be liable to any limitations.

If materials be obtained beyond the confines of Russia, they shall, on importation through Russian territory, be freed from payment of Russian customs duties.

Technical Conditions; Periods of Time for the Commencement and Termination of the Works.—§ 5. The breadth of the railway track must be the same as that of the Russian lines (5 feet).

The Company must commence the work not later than the 16th August, 1897, and conduct it in such a manner that the whole line shall be completed not later than six years from the time when the direction of the line shall be finally determined and the necessary land assigned to the Company.

When tracing the line of the railway, cemeteries and graves, as also towns and villages, must as far as possible, be left aside of the railway.

When effecting the connection, in accordance with § 1 of these Statutes, of the Chinese Eastern Railway with the Russian Trans-Baikal and South Ussuri lines the Company shall have the right, with a view to reduction of expenditure, of abstaining from building its own frontier stations and of utilizing the frontier stations of the above-named Russian lines. The conditions on which they shall be utilized shall be determined by agreement of the Board of the Company with the Boards of the respective railways.

Tariffs.—§ 6. The tariffs for the carriage of passengers and goods, as also for supplementary carriage rates, shall be determined by the Company itself, within the limits indicated in § 3.

Order of Examination of Legal Suits, and the Establishment of Rules for Railway Conveyance.—§ 7. Offences, litigation, &c., on the territory of the Chinese Eastern Railway shall be dealt with by local authorities, Chinese and Russian, on the basis of existing Treaties.

In regard to the carriage of passengers and goods, the responsibility for such conveyance, the lapse of time for claims, the order of recovering money from the railway when adjudged, and the relations of the railway to the public shall be defined in rules drawn up by the Company and established before the opening of the railway traffic; these rules shall be framed in accordance with those existing on Russian railways.

Maintenance of Security and Order on the Railway.—§ 8. The Chinese Government has undertaken to adopt measures for securing the safety of the railway and of all employed on it against any extraneous attacks.

The preservation of law and order on the lands assigned to the railway and its appurtenances shall be confided to police agents appointed by the Company.

The Company shall for this purpose draw up and establish police regulations.

Foundation Capital of the Company.—§ 9. The whole amount of the capital of the Company shall be determined according to the cost of construction calculated on the basis of estimates framed when the survey of the line was carried out. The foundation capital shall be charged with:—

(a) The payment of interest and amortization of the foundation capital during the construction of the railway:

(b) The purchase from the Russian Government of the results of the surveys of the direction of the railway to Manchuria, which were made by Russian engineers, the sum payable for these surveys being determined by agreement of the Russian Minister of Finances with the Company.

The capital of the Company shall be formed by the issue of shares and bonds.

Share Capital.—§ 10. The share capital of the Company shall be fixed at 5,000,000 nominal credit roubles, and divided into 1,000 shares at 5,000 nominal credit roubles.

The shares are to be issued at their nominal value. The guarantee of the Russian Government does not extend to them.

Bond Capital; Guarantee of Russian Government on Bonds.—§ 11. The remaining portion of the capital of the Company will be formed by the issue of bonds. The bonds will be issued as required, and each time with the special sanction of the Minister of Finances. The nominal amount of

each separate issue of bonds, the time and condition of the issue, as also the form of these bonds, shall be subject to the sanction of the Minister of Finances.

The Russian Government will guarantee the interest on and amortization of the bonds.

For the realization of these bonds the Company must have recourse to the Russo-Chinese Bank, but the Russian Government reserves to itself the right of appropriating the bond loan at a price which shall be determined between the Company and the Bank, and to pay the Company the agreed amount in ready money.

Guarantee of Realized Bond Capital.—§ 12. As payments are received for bonds guaranteed by the Russian Government, the Company shall be bound to keep such sums, or interest-bearing securities purchased with the same by permission of the Russian Minister of Finances, under the special supervision of the Russian Ministry of Finances.

Out of the above receipts the Company shall have the right to make the following payments:—

(a) According to actual fulfilment of the work in progress, and execution of orders and at the time when various expenditures shall become necessary, such payments to be made on the scale and on the conditions specified in the working estimates;

(b) During the construction of the line, of interest, as it becomes due, on the bonds issued by the Company, subject to the conditions of their issue, and the Company shall pay the sums necessary for the above purpose within the limits of the amount realized by it in the issue of its bonds.

Shares.—§ 13. On the payment of the first allotment on the shares, the founders shall receive temporary certificates on which subsequently, when the Board of Management of the Company shall have been formed, the receipt of the further instalments on the shares will be inscribed.

When the shares shall be fully paid up the temporary certificates issued to the founders shall be replaced by shares.

The shares of the Company are issued to bearer, under the signature of not fewer than three members of the Board of Management. To the shares will be attached a coupon sheet for the receipt once yearly under them of any dividend that may be payable.

On the coupon sheets becoming exhausted new sheets will be issued.

A dividend on the shares out of the net profits of any year, supposing such accrue, shall be payable on the adoption by the general meeting of shareholders of the Annual Report for that year, and the dividend shall be payable at the offices of the Company, or at such places which it may indicate.

The Company shall notify for general information in the "Official Gazette" and in the "Finance Messenger," as also in one of the Chinese newspapers, the amount and place of payment of the dividend.

Reserve Capital.—§ 14. The reserve capital is destined —

(a) For the capital repair of the railway, its buildings and appurtenances;

(b) For defraying extraordinary expenditure of the Company in repairing the railway and its appurtenances.

The reserve capital of the Company is formed out of annual sums put

aside from the net profits of the working of the railway (§ 17).

The reserve capital must be kept in Russian State interest-bearing securities, or in railway bonds guaranteed by the Russian Government.

At the expiration of the term of possession of the railway by the Company, the reserve capital shall be first of all employed in the payment of the debts of the Company, including among them sums due to the Russian Government, if such exist; after the debts of the Company shall have been paid, the remainder of the reserve capital shall be divided among the shareholders. In the event of the redemption of the railway by the Chinese Government this reserve capital becomes the property of the shareholders.

Net Revenue.—§ 15. The net revenue of the Company shall be the remainder of the gross receipts, after deduction of working expenses.

Under these expenses are classed:—

(a) General outlays, including assignments toward pension and relief funds, if such be established on the line;

(b) Maintenance of the Staff of the Board of Management, and of all the services; as also the maintenance of employees and labourers not on the permanent list;

(c) Outlays for materials and articles used for the railways as also expenditure in the shape of remuneration for the use of buildings, rolling-stock, and other various requisites, for the purposes of the railway;

(d) Outlays for the maintenance, repair and renewal of the permanent way, works of construction, buildings, rolling-stock, and other appurtenances of the railway;

(e) Expenditure connected with the adoption of the measures and instructions of the Board of Management for insuring the safety and regularity of the railway service;

(f) Expenditure for the improvement and development of the railway, as also for creating and developing its resources.

Additional Payments by the Russian Government Under the Guarantee, and the Order of Settlement of Accounts between the Company and the Russian Government in Respect of these Additional Payments.—§ 16. Should the gross receipts of the railway prove insufficient for defraying the working expenses and for meeting the yearly payments due on the bonds, the Company will receive the deficient sum from the Russian Government through the Russian Minister of Finances. The payments referred to will be made to the Company as advances, at a rate of interest of 6 per cent. per annum. Sums paid in excess to the Company in consequence of its demands and on account of the guarantee will be deducted from succeeding money payments.

On the presentation to the general meeting of shareholders of the annual report of the working of the railway for a given year, the Company shall at the same time submit to the general meeting, for confirmation, a detailed statement of the sums owing by the Company to the Russian Government, with the interest that has accrued thereon. On the confirmation of the statement by the general meeting, the Board of Management shall deliver to the Russian Government an acknowledgment of the Company's debt, to the full determined amount of the same, and this acknowledgment, until its substitution by another, shall bear annual interest at the rate of 6 per cent.

The acknowledgment above mentioned given by the Board of Management to the Russian Government shall not be subject to bill or deed stamp tax.

* * * * *

[Subjects of minor importance are dealt with in the following sections:—

§ 17. Distribution of net profits of the railway.

§ 18. Functions of Board of Management, the seals of which will be at Peking and St. Petersburg.

§ 19. Constitution of the Board, which is to consist of nine members elected by the shareholders. The Chairman is to be appointed by the Chinese Government; the Vice-Chairman is to be chosen by the members of the Board from among themselves.

§ 20. Order of transaction of the business of the Board.

§ 21. General meetings of shareholders and the subjects that shall come under their notice.

§ 22. Order of convening general meetings.

§ 23. Conditions under which general meetings shall be recognized as legally held.

§ 24. Participation of shareholders in proceedings of general meetings.

§ 25. Local management of works of construction.

§ 26. Local management of railway when in working order.

§ 27. Questions to be submitted for confirmation by Russian Minister of Finances.

§ 28. Committee of audit.]

Gratuitous Entrance into Possession of Railway by Chinese Government.—§ 29. In accordance with the Agreement concluded with the Chinese Government, the latter, after the expiration of eighty years of possession of the railway by the Company, enters into possession of it and its appurtenances.

The reserve and other funds belonging to the Company shall be employed in paying the money due to the Russian Government under the guarantee (§ 16) and in satisfaction of other debts of the Company, and the remainder shall be distributed among the shareholders.

Any money that may remain owing by the Company to the Russian Government at the expiration of eighty years in respect of the guarantee shall be written off.

The Russo-Chinese Bank will incur no responsibility in respect of the same.

Right of the Chinese Government to Acquire the Railway on the Expiration of Thirty-six years.—§ 30. In accordance with the agreement concluded with the Chinese Government, on the expiration of thirty-six years from the time of completion of the whole line and its opening for traffic, the Chinese Government has the right of acquiring the line, on refunding to the Company in full all the outlays made on it, and on payment for everything done for the requirements of the railway, such payments to be made with accrued interest.

It follows as a matter of course that the portion of the share capital which has been amortized by drawing and the part of the debt owing to the Russian Government under the guarantee and repaid out of the net profits (§ 17) will not constitute part of the purchase money.

In no case can the Chinese Government enter into possession of the

railway before it has lodged in the Russian State Bank the necessary purchase money.

The purchase money lodged by the Chinese Government shall be employed in paying the debt of the Company under its bonds and all sums, with interest, owing to the Russian Government, the remainder of the money being then at the disposal of the shareholders.

No. 6

(CHINA AND RUSSIA)

Convention for the Lease of the Liaotung Peninsula— March 27, 1898

His Majesty the Emperor and Autocrat of all the Russias, and His Majesty the Emperor of China, being desirous of still further strengthening the friendly relations existing between the two Empires and mutually wishing to insure the means whereby to show reciprocal support, have appointed as their Plenipotentiaries, for the purpose of arriving at an agreement on this matter:

His Majesty the Emperor of Russia — M. Alexander Pavlow, Gentleman of the Court, and His Majesty's Charge d'Affaires accredited to the Government of H. M. the Emperor of China;

His Majesty the Emperor of China — Count Li, Chancellor, Member of the Ministry of Foreign Affairs, and Senior Preceptor of the Heir to the Throne, and Chang, Assistant Minister of Finance, and Member of the Ministry of Foreign Affairs, with Ministerial rank.

The above-named Plenipotentiaries, furnished with due powers, have decided upon the following stipulations:

ARTICLE I.—For the purpose of ensuring that the Russian naval forces shall possess an entirely secure base on the littoral of northern China, H. M. the Emperor of China agrees to place at the disposal of the Russian Government, on lease, Port Arthur (Liou-choun-kou) and Ta-lien-wan, together with the water areas contiguous to these ports. This act of lease, however, in no way violates the sovereign rights of H. M. the Emperor of China to the above-mentioned territory.

ARTICLE II.—The frontier of the territory leased on the above-specified basis, will extend northwards from the Bay of Ta-lien-wan for such distance as is necessary to secure the proper defence of this area on the land side. The precise line of demarcation and other details respecting the stipulations of the present Convention will be determined by a separate Protocol which shall be concluded at St. Petersburg with the dignitary Siou-tzin-ch'eng immediately after the signature of the present Convention. Upon the determination of this line of demarcation, the Russian Government will enter into complete and exclusive enjoyment of the whole area of the leased territory together with the water areas contiguous to it.

ARTICLE III.—The term of the lease shall be twenty-five years from the date of the signature of the present agreement and may be prolonged subsequently by mutual consent of both Governments.

ARTICLE IV.—During the above-specified period, on the territory leased by the Russian Government and its adjacent water area, the entire military command of the land and naval forces and equally the supreme civil

administration will be entirely given over to the Russian authorities and will be concentrated in the hands of one person who, however, shall not have the title of Governor or Governor-General. No Chinese military land forces whatsoever will be allowed on the territory specified. Chinese inhabitants retain the right, as they may desire, either to remove beyond the limits of the territory leased by Russia or to remain within such limits without restriction on the part of the Russian authorities. In the event of a Chinese subject committing any crime within the limits of the leased territory, the offender will be handed over to the nearest Chinese authorities for trial and punishment in accordance with Chinese laws, as laid down in Article VIII of the Treaty of Peking of 1896.

ARTICLE V.—A neutral zone shall be established north of the above-specified frontier of the leased territory. The frontiers of this zone will be fixed by the dignitary Siou-tzin-ch'eng and the Ministry of Foreign Affairs in St. Petersburg. Within this specified neutral zone the civil administration will be entirely in the hands of the Chinese authorities; Chinese troops will be admitted within this zone only with the consent of the Russian authorities.

ARTICLE VI.—Both the Governments agree that Port Arthur, as an exclusively military (naval) port, shall be used solely by Russian and Chinese vessels and shall be considered as a closed port to war-ships and merchant vessels of other States. As regards Ta-lien-wan, this port, with the exception of one of the inner bays which, like Port Arthur, shall be set apart exclusively for the use of the Russian and Chinese fleets, shall be considered open to foreign commerce and free entry to it will be granted to the merchant vessels of all nations.

ARTICLE VII.—The Russian Government takes upon itself at its own expense and with its own resources to erect all buildings necessary for its fleet and land forces on the area leased to it and especially in Port Arthur and the port of Ta-lien-wan, to erect fortifications, maintain garrisons in them and generally to take all necessary steps for the proper defence of the specified locality from hostile attack. Similarly the Russian Government binds itself at its own expense to erect and maintain light-houses and other precautionary signs requisite for the security of navigation.

ARTICLE VIII.—The Chinese Government agrees that the concessions granted by it in 1896 to the Chinese Eastern Railway Company, from the date of the signature of the present agreement shall be extended to the connecting branch which is to be built from one of the stations of the main line to Ta-lien-wan, and also, if deemed necessary, from the same main line to another more convenient point on the littoral of the Liaotung Peninsula between the town of In-tzu and the estuary of the River Yalu. All the stipulations of the contract concluded by the Chinese Government with the Russo-Chinese Bank on August 27 (September 8), 1896, shall apply scrupulously to these supplementary branches. The direction and points through which the above-mentioned lines shall pass will be determined upon by the dignitary Siou-tzin-ch'eng and the administration of the Chinese Eastern Railway. Consent to the construction of the railway on the basis indicated shall never under any form serve as a pretext for the seizure of Chinese territory or for any encroachment on the sovereign rights of China.

ARTICLE IX.—The present Convention shall come into force from the date of exchange of copies thereof by the Plenipotentiaries of the two States.

The exchange of ratifications will take place in St. Petersburg with the least possible delay.

In virtue of which the respective Plenipotentiaries of the two parties have signed and affixed their seals to two copies of the present Convention in the Russian and Chinese languages. Of the two texts which, upon comparison, have been found to be in agreement, the Russian text shall be that used for the interpretation of the Convention.

Done in duplicate at Peking, this 15th day of March (March 27), 1898, and by the Chinese calendar the 6th day of the 3rd moon of the 24th year of the reign of Kuang-Hsu.

(Seal) (Signed) P. Pavlow.

(Seal) (Signed) Li-Chang.

(Seal of the Tsung-li-yamen)

No. 7

(JAPAN AND RUSSIA)

Treaty of Portsmouth — September 5, 1905

His Majesty the Emperor of Japan on the one part, and His Majesty the Emperor of all the Russias on the other part, animated by the desire to restore the blessings of peace to Their countries and peoples, have resolved to conclude a Treaty of Peace, and have, for this purpose, named Their Plenipotentiaries, that is to say:

His Majesty the Emperor of Japan:

His Excellency Baron Komura Jutaro, Jusammi, Grand Cordon of the Imperial Order of the Rising Sun, His Minister for Foreign Affairs, and

His Excellency M. Takahira Kogoro, Jusammi, Grand Cordon of the Imperial Order of the Sacred Treasure, His Envoy Extraordinary and Minister Plenipotentiary to the United States of America; and

His Majesty the Emperor of all the Russias:

His Excellency M. Serge Witte, His Secretary of State and President of the Committee of Ministers of the Empire of Russia, and

His Excellency Baron Roman Rosen, Master of the Imperial Court of Russia and His Ambassador Extraordinary and Plenipotentiary to the United States of America;

Who, after having exchanged their full powers which were found to be in good and due form, have concluded the following Articles;

ARTICLE I.—There shall henceforth be peace and amity between Their Majesties the Emperor of Japan and the Emperor of all the Russias and between Their respective States and subjects.

ARTICLE II.—The Imperial Russian Government, acknowledging that Japan possesses in Korea paramount political, military and economical interests, engage neither to obstruct nor interfere with the measures of guidance, protection and control which the Imperial Government of Japan may find it necessary to take in Korea.

It is understood that Russian subjects in Korea shall be treated exactly in the same manner as the subjects or citizens of other foreign Powers, that

is to say, they shall be placed on the same footing as the subjects or citizens of the most favoured nation.

It is also agreed that, in order to avoid all cause of misunderstanding, the two High Contracting Parties will abstain, on the Russo-Korean frontier, from taking any military measure which may menace the security of Russian or Korean territory.

ARTICLE III.—Japan and Russia mutually engage:

1. To evacuate completely and simultaneously Manchuria except the territory affected by the lease of the Liaotung Peninsula, in conformity with the provisions of additional Article I. annexed to Treaty; and

2. To restore entirely and completely to the exclusive administration of China all portions of Manchuria now in the occupation or under the control of the Japanese or Russian troops, with the exception of the territory above mentioned.

The Imperial Government of Russia declare that they have not in Manchuria any territorial advantages or preferential or exclusive concessions in impairment of Chinese sovereignty or inconsistent with the principle of equal opportunity.

ARTICLE IV.—Japan and Russia reciprocally engage not to obstruct any general measures common to all countries, which China may take for the development of the commerce and industry of Manchuria.

ARTICLE V.—The Imperial Russian Government transfer and assign to the Imperial Government of Japan, with the consent of the Government of China, the lease of Port Arthur, Talien and adjacent territory and territorial waters and all rights, privileges and concessions connected with or forming part of such lease and they also transfer and assign to the Imperial Government of Japan all public works and properties in the territory affected by the above-mentioned lease.

The two High Contracting Parties mutually engage to obtain the consent of the Chinese Government mentioned in the foregoing stipulation.

The Imperial Government of Japan on their part undertake that the proprietary rights of Russian subjects in the territory above referred to shall be perfectly respected.

ARTICLE VI.—The Imperial Russian Government engage to transfer and assign to the Imperial Government of Japan, without compensation and with the consent of the Chinese Government, the railway between Changchun (Kuancheng-tzu) and Port Arthur and all its branches, together with all rights, privileges and properties appertaining thereto in that region, as well as all coal mines in the said region belonging to or worked for the benefit of the railway.

The two High Contracting Parties mutually engage to obtain the consent of the Government of China mentioned in the foregoing stipulation.

ARTICLE VII.—Japan and Russia engage to exploit their respective railways in Manchuria exclusively for commercial and industrial purposes and in no wise for strategic purposes.

It is understood that that restriction does not apply to the railway in the territory affected by the lease of the Liaotung Peninsula.

ARTICLE VIII.—The Imperial Governments of Japan and Russia, with a view to promote and facilitate intercourse and traffic, will, as soon

as possible, conclude a separate convention for the regulation of their connecting railway services in Manchuria.

ARTICLE IX.—The Imperial Russian Government cede to the Imperial Government of Japan in perpetuity and full sovereignty, the southern portion of the Island of Saghalien and all islands adjacent thereto, and all public works and properties thereon. The fiftieth degree of north latitude is adopted as the northern boundary of the ceded territory. The exact alignment of such territory shall be determined in accordance with the provisions of additional Article II. annexed to this Treaty.

Japan and Russia mutually agree not to construct in their respective possessions on the Island of Saghalien or the adjacent islands, any fortifications or other similar military works. They also respectively engage not to take any military measures which may impede the free navigation of the Straits of La Perouse and Tartary.

ARTICLE X.—It is reserved to the Russian subjects, inhabitants of the territory ceded to Japan, to sell their real property and retire to the country; but, if they prefer to remain in the ceded territory, they will be maintained and protected in the full exercise of their industries and rights of property, on condition of submitting to Japanese laws and jurisdiction. Japan shall have full liberty to withdraw the right of residence in, or to deport from, such territory, any inhabitants who labour under political or administrative disability. She engages, however, that the proprietary rights of such inhabitants shall be fully respected.

ARTICLE XI.—Russia engages to arrange with Japan for granting to Japanese subjects rights of fishery along the coasts of the Russian possessions in the Japan, Okhotsk and Behring Seas.

It is agreed that the foregoing engagement shall not affect rights already belonging to Russian or foreign subjects in those regions.

ARTICLE XII.—The Treaty of Commerce and Navigation between Japan and Russia having been annulled by the war, the Imperial Governments of Japan and Russia engage to adopt as the basis of their commercial relations, pending the conclusion of a new treaty of commerce and navigation on the basis of the Treaty which was in force previous to the present war, the system of reciprocal treatment on the footing of the most favoured nation, in which are included import and export duties, customs formalities, transit and tonnage dues, and the admission and treatment of the agents, subjects and vessels of one country in the territories of the other.

ARTICLE XIII.—As soon as possible after the present Treaty comes into force, all prisoners of war shall be reciprocally restored. The Imperial Governments of Japan and Russia shall each appoint a special Commissioner to take charge of prisoners. All prisoners in the hands of one Government shall be delivered to and received by the Commissioner of the other Government or by his duly authorized representative, in such convenient numbers and at such convenient ports of the delivering State as such delivering State shall notify in advance to the Commissioner of the receiving State.

The Governments of Japan and Russia shall present to each other, as soon as possible after the delivery of prisoners has been completed, a statement of the direct expenditure respectively incurred by them for the care and maintenance of prisoners from the date of capture or surrender up to

the time of death or delivery. Russia engages to repay to Japan, as soon as possible after the exchange of the statements as above provided, the difference between the actual amount so expended by Japan and the actual amount similarly disbursed by Russia.

ARTICLE XIV.—The present Treaty shall be ratified by Their Majesties the Emperor of Japan and the Emperor of all the Russias. Such ratification shall, with as little delay as possible and in any case not later than fifty days from the date of the signature of the Treaty, be announced to the Imperial Governments of Japan and Russia respectively through the French Minister in Tokio and the Ambassador of the United States in Saint Petersburg and from the date of the later of such announcements this Treaty shall in all its parts come into full force.

The formal exchange of the ratifications shall take place at Washington as soon as possible.

ARTICLE XV.—The present treaty shall be signed in duplicate in both the English and French languages. The texts are in absolute conformity, but in case of discrepancy in interpretation, the French text shall prevail.

In witness whereof, the respective Plenipotentiaries have signed and affixed their seals to the present Treaty of Peace.

Done at Portsmouth (New Hampshire) this fifth day of the ninth month of the thirty-eighth year of Meiji, corresponding to the twenty-third day of August (fifth September) one thousand nine hundred and five.

(Signed) Serge Witte. (L. S.) Jutarō Komura. (L. S.)

(Signed) Rosen. (L. S.) K. Takahira. (L. S.)

No. 8

(JAPAN AND CHINA)

Treaty of Peking relating to Manchuria — December 22, 1905

ARTICLE I.—The Imperial Chinese Government consent to all the transfers and assignments made by Russia to Japan by Articles V. and VI. of the Treaty of Peace above mentioned.

ARTICLE II.—The Imperial Japanese Government engage that in regard to the leased territory as well as in the matter of railway construction and exploitation, they will, so far as circumstances permit, conform to the original agreements concluded between China and Russia. In case any question arises in the future on these subjects, the Japanese Government will decide it in consultation with the Chinese Government.

ARTICLE III.—The present Treaty shall come into full force from the date of signature. It shall be ratified by Their Majesties the Emperor of Japan and the Emperor of China and the ratifications shall be exchanged at Peking as soon as possible, and not later than two months from the present date.

In witness whereof, the respective Plenipotentiaries have signed this Treaty in duplicate in the Japanese and Chinese languages and have thereto affixed their seals.

Done at Peking, this twenty-second day of the twelfth month of the thirty-eighth year of Meiji, corresponding to the twenty-sixth day of the eleventh moon of the thirty-first year of Kuang Hsü.

(Signed)

No. 9

(JAPAN AND CHINA)

Additional Agreement to Treaty of Peking

The Governments of Japan and China, with a view to regulate, for their guidance, certain questions in which they are both interested in Manchuria, in addition to those provided for in the Treaty signed this day, have agreed as follows:

ARTICLE I.—The Imperial Chinese Government agree that as soon as possible after the evacuation of Manchuria by the Japanese and Russian forces, the following cities and towns in Manchuria will be opened by China herself as places of international residence and trade:

In the Province of Shengking:

Fenghwangcheng; Liaoyang; Hsinmintun; Tiehling; Tangkangtzu and Fakumen.

In the Province of Kirin:

Changchun (Kuanchengtzu); Kirin; Harbin; Ninguta; Hunchun and Sanhsing.

In the Province of Heilungkiang:

Tsitsihar; Hailar; Aigun and Manchouli.

ARTICLE II.—In view of the earnest desire expressed by the Imperial Chinese Government to have the Japanese and Russian troops and railway guards in Manchuria withdrawn as soon as possible, and in order to meet this desire, the Imperial Japanese Government, in the event of Russia agreeing to the withdrawal of her railway guards, or in case other proper measures are agreed to between China and Russia, consent to take similar steps accordingly. When tranquillity shall have been reestablished in Manchuria and China shall have become herself capable of affording full protection to the lives and property of foreigners, Japan will withdraw her railway guards simultaneously with Russia.

ARTICLE III.—The Imperial Japanese Government, immediately upon the withdrawal of their troops from any regions in Manchuria, shall notify the Imperial Chinese Government of the regions thus evacuated, and even within the period stipulated for the withdrawal of troops in the Additional Articles of the Treaty of Peace between Japan and Russia, the Chinese Government may send necessary troops to the evacuated regions of which they have been already notified as above mentioned, for the purpose of maintaining order and tranquillity in those regions. If, in the regions from which Japanese troops have not yet been withdrawn, and villages are disturbed or damaged by native bandits, the Chinese local authorities may also dispatch a suitable military force for the purpose of capturing or dispersing those bandits. Such troops, however, shall not proceed within twenty Chinese li from the boundary of the territory where Japanese troops are stationed.

ARTICLE IV.—The Imperial Government of Japan engage that Chinese public and private property in Manchuria, which they have occupied or expropriated on account of military necessity, shall be restored at the time the Japanese troops are withdrawn from Manchuria and that such property

as is no longer required for military purposes shall be restored even before such withdrawal.

ARTICLE V.—The Imperial Chinese Government engage to take all necessary measures to protect fully and completely the grounds in Manchuria in which the tombs and monuments of the Japanese officers and soldiers who were killed in war are located.

ARTICLE VI.—The Imperial Chinese Government agree that Japan has the right to maintain and work the military railway line constructed between Antung and Mukden and to improve the said line so as to make it fit for the conveyance of commercial and industrial goods of all nations. The term for which such right is conceded is fifteen years from the date of the completion of the improvements above provided for. The work of such improvements is to be completed within two years, exclusive of a period of twelve months during which it will have to be delayed owing to the necessity of using the existing line for the withdrawal of troops. The term of the concession above mentioned is therefore to expire in the 49th year of Kuang Hsü. At the expiration of that term, the said railway shall be sold to China at a price to be determined by appraisal of all its properties by a foreign expert who will be selected by both parties. The conveyance by the railway of the troops and munitions of war of the Chinese Government prior to such sale shall be dealt with in accordance with the regulations of the Eastern Chinese Railway. Regarding the manner in which the improvements of the railway are to be effected, it is agreed that the person undertaking the work on behalf of Japan shall consult with the Commissioner dispatched for the purpose by China. The Chinese Government will also appoint a Commissioner to look after the business relating to the railway as is provided in the Agreement relating to the Chinese Eastern Railway. It is further agreed that detailed regulations shall be concluded regarding the tariffs for the carriage by the railway of the public and private goods of China.

ARTICLE VII.—The Governments of Japan and China, with a view to promote and facilitate intercourse and traffic, will conclude, as soon as possible, a separate convention for the regulation of connecting services between the railway lines in South Manchuria and all the other railway lines in China.

ARTICLE VIII.—The Imperial Chinese Government engage that all materials required for the railways in South Manchuria shall be exempt from all duties, taxes and *likin*.

ARTICLE IX.—The methods of laying out the Japanese Settlement at Yingkou in the Province of Shengking, which has already been opened to trade, and at Antung and Mukden in the same Province, which are still unopen although stipulated to be opened, shall be separately arranged and determined by officials of Japan and China.

ARTICLE X.—The Imperial Chinese Government agree that a joint-stock company of forestry composed of Japanese and Chinese capitalists shall be organized for exploitation of the forests in the regions on the right bank of the River Yalu and that a detailed agreement shall be concluded in which the area and term of the concession as well as organization of the company and all regulations concerning the joint work of exploitation shall be pro-

vided for. The Japanese and Chinese shareholders shall share equally in the profit of the undertaking.

ARTICLE XI.—The Governments of Japan and China engage that in all that relates to frontier trade between Manchuria and Korea most favoured nation treatment shall be reciprocally extended.

ARTICLE XII.—The Governments of Japan and China engage that in all matters dealt with in the Treaty signed this day or in the present Agreement the most favourable treatment shall be reciprocally extended.

The present Agreement shall take effect from the date of signature. When the Treaty signed this day is ratified, this Agreement shall also be considered as approved.

In witness whereof, the Undersigned, duly authorized by their respective Governments, have signed the present Agreement in duplicate in the Japanese and Chinese languages and have thereto affixed their seals.

Done at Peking, this 22nd day of the 12th month of the 38th year of Meiji, corresponding to the 26th day of the 11th moon of the 31st year of Kuang Hsü.
(Signed)

No. 10

(JAPAN AND CHINA)

Protocols attached to the Treaty of Peking — December 22, 1905

1.—The railway between Changchun and Kirin will be constructed by China with capital to be raised by herself. She, however, agrees to borrow from Japan the insufficient amount of capital, which amount being about one-half of the total sum required. The contract concerning the loan shall, in due time, be concluded, following, *mutatis mutandis*, the loan contract entered into between the board of the Imperial Railways of North China and the Anglo-Chinese Syndicate. The term of the loan shall be twenty-five years, redeemable in yearly instalments.

2.—The military railways constructed by Japan between Mukden and Hsinmintun shall be sold to China at a price to be fairly determined in consultation by Commissioners appointed for the purpose by the two Governments. China engages to reconstruct the line, making it her own railway, and to borrow from a Japanese corporation or corporations one half of the capital required for the portion of the line east of Liao-ho for a term of eighteen years repayable in yearly instalments, and a contract shall be concluded, for the purpose following, *mutatis mutandis*, the loan contract entered into between the Board of the Imperial Railways of North China and the Anglo-Chinese Syndicate.

All the other military railways in different localities shall be removed with the evacuation of the regions.

3. 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 neighborhood of and parallel to that railway, or any branch line which might be prejudicial to the interest of the above-mentioned railway.

4.—China declares that she will adopt sufficient measures for securing Russia's faithful observance of the Russo-Chinese treaties with regard to the rail-

ways which Russia continues to possess in the northern part of Manchuria, and that it is her intention, in case Russia acts in contravention of such treaty stipulations, to approach her strongly with a view to have such action fully rectified.

5.—When in the future, negotiations are to be opened between Japan and Russia for regulation of the connecting railway service (Article VIII. of the Treaty of Peace between Japan and Russia), Japan shall give China previous notice. China shall communicate to Russia her desire to take part in the negotiations through Commissioners to be despatched by her on the occasion, and Russia consenting shall participate in such negotiations.

6.—With regard to the mines in the Province of Fengtien, appertaining to the railway, whether already worked or not, fair and detailed arrangements shall be agreed upon for mutual observance.

7.—The affairs relating to the connecting services as well as those of common concern in respect of the telegraph lines in the Province of Fengtien and the cables between Port Arthur and Yentai shall be arranged from time to time as necessity may arise in consultation between the two countries.

8.—The regulations respecting the places to be opened in Manchuria, shall be made by China herself, but the Japanese Minister at Peking must be previously consulted regarding the matter.

9.—If no objection be offered on the part of Russia respecting the navigation of the Sungari (by Japanese vessels), China shall consent to such navigation after negotiations.

10.—The Chinese Plenipotentiaries declare that immediately after the withdrawal of the Japanese and Russian troops from Manchuria, China will proceed to take, in virtue of her sovereign right, full administrative measures to guarantee peace in that region and endeavor, by the same right, to promote good and remove evil as well as steadily to restore order, so that the residents of that region, natives and foreigners, may equally enjoy the security of life and occupation under the perfect protection of the Chinese Government. As to the means of restoring order, the Chinese Government are to take by themselves all adequate measures.

11.—While relations of intimate friendship subsisted as at the present time between China and Japan, Japan and Russia had unfortunately engaged in war and fought in the territory of China. But peace has now been re-established and hostilities in Manchuria have ceased. And while it is undeniable that Japanese troops, before their withdrawal, have the power of exercising the rights accruing from military occupation, the Chinese Government declare that certain Japanese subjects in Manchuria have recently been observed to sometimes interfere with the local Chinese administration and to inflict damage to public and private property of China.

The Japanese Plenipotentiaries, considering that, should such interference and infliction of damage have been carried beyond military necessity, they are not proper acts, declare that they will communicate the purport of the above declaration of the Chinese Government to the Government of Japan, so that proper steps may be taken for controlling Japanese subjects in the Province of Fengtien and promote the friendly relations between the two nations, and also for preventing them in future, from interfering with the Chinese administration or inflicting damage to public or private property without military necessity.

12.—In regard to any public or private property of China which may have been purposely destroyed or used by Japanese subjects without any military necessity, the Governments of the two countries shall respectively make investigations and cause fair reparation to be made.

13.—When the Chinese local authorities intend to despatch troops for the purpose of subduing native bandits in the regions not yet completely evacuated by Japanese troops, they shall not fail to previously consult with the Commander of the Japanese troops stationed in those regions so that all misunderstandings may be avoided.

14.—The Japanese Plenipotentiaries declare that the Railway Guards stationed between Changchun and the boundary line of the leased territory of Port Arthur and Talien, shall not be allowed, before their withdrawal, to unreasonably interfere with the local administration of China or to proceed without permission beyond the limits of the railway.

15.—Chinese local authorities, who are to reside at Yingkou, shall be allowed even before the withdrawal of the Japanese troops, to proceed to that place and transact their official business. The date of their departure is to be determined, as soon as possible after the definite conclusion of this Treaty, by the Japanese Minister to China in consultation with the Waiwupu. As there is still in that place a considerable number of Japanese troops, quarantine regulations as well as regulations for the prevention of contagious diseases, shall be established by the authorities of the two countries in consultation with each other so that epidemics may be avoided.

16.—The revenue of the Maritime Customs at Yingkou shall be deposited with the Yokohama Specie Bank and delivered to the Chinese local authorities at the time of evacuation. As to the revenue of the native Customs at that place and the taxes and imposts at all other places, which are to be appropriated for local expenditures, a statement of receipts and expenditures shall be delivered to the Chinese local authorities at the time of evacuation.

No. 11

Japanese Imperial Ordinance sanctioning Organization of South Manchuria Railway Company — June 7, 1906

(Amended several times)

ARTICLE I.—The Government shall cause the organization of the South Manchuria Railway Joint Stock Company for the purpose of engaging in railway traffic in Manchuria.

ARTICLE II.—The shares of the Company shall all be registered (signed) and may be owned only by the Japanese and Chinese Governments or by subjects of Japan and China.

ARTICLE III.—The Japanese Government may offer its Manchurian railways, and their appurtenances, and its coal-mines in Manchuria, as the capital to be furnished by the Government.

ARTICLE IV.—The company may divide the new shares to be raised into several issues to be floated at different times, but the amount of the first issue shall not be less than one-fifth of the whole amount.

ARTICLE V.—The first payment upon the shares need not exceed one-tenth of the value of the shares.

ARTICLE VI.—The company shall establish its head office at Dairen and a branch office at Tokyo (as amended March 6, 1907).

ARTICLE VII.—The company shall have a president, a vice-president, four or more directors and from three to five inspectors.

ARTICLE VIII.—The president shall represent the company and manage its affairs.

The vice-president shall perform the president's duties when the latter is prevented from discharging them, and shall act as president when the latter post is vacant.

When both the president and vice-president are prevented from discharging their duties the Government shall cause one of the directors to discharge the duties of the president (as amended April 12, 1919).

The vice-president and directors shall assist the president in his duties and shall take charge of various departments of the company's business.

The inspectors shall examine the business of the company.

ARTICLE IX.—The Government, subject to the Imperial sanction, shall appoint the president and vice-president, whose terms of office shall be five years.

The Government shall appoint the directors from among those shareholders who own fifty or more shares. The term of office shall be four years.

The inspectors shall be elected from among the shareholders at a general meeting of the latter. The term of office shall be three years.

ARTICLE X.—The amount of compensation and allowances of the president, vice-president and directors shall be fixed by the Government.

ARTICLE XI.—The president, vice-president and directors of the company shall not engage in any other business or trade, under any name whatsoever, during their terms of office, except by special permission of the Government.

11 b. In case the company establishes one year as the business year, during the period in which the Government will meet deficits in the dividends, the company may once only at a definite time before the termination of that business year pay to shareholders other than the Japanese or Chinese Governments dividends equal to the amount paid up on shares multiplied by one-half the maximum rate of the grant (to meet deficits).

The account distributed in accordance with the provisions of the foregoing paragraph shall with reference to the accounts of the business year in question be deemed company property and shall be deducted from the amount distributed in dividends to shareholders other than the Japanese and Chinese Governments on the basis of these accounts irrespective of changes in the shareholders (added May 31, 1912 and amended August 31, 1917).

11 c. When the company issues debentures it may have payments made in a number of installments (added September 7, 1906). The total amount of debentures may reach an amount twice that of the paid-up shares, but the amount must not exceed the total capitalization (added January 21, 1910).

11 d. The issuance of company debentures and amendments to the articles of incorporation shall be decided when shareholders representing

one-half or more of the total capital are present by a majority vote (added March 6, 1917).

ARTICLE XII.—The Government shall appoint supervisors for the South Manchuria Railway Joint Stock Company to supervise the business of the company.

The supervisors may at any time examine the company's business and inspect their safes, books, documents and any other articles belonging to the company.

The supervisors, whenever they may deem it necessary, may order the company to report on the various accounts and the condition of the company's business.

The supervisors may attend the general meetings of the shareholders of the company, or any other meetings, and express their opinions, but shall not be entitled to vote.

ARTICLE XIII.—The Government may issue such orders as may be necessary to superintend the business of the company.

The Commander-in-Chief of the Kwantung Garrison may issue necessary instructions regarding the company's business as it affects military matters (added April 12, 1919).

ARTICLE XIV.—In case the decisions of the company or the conduct of its officers are in violation of laws and regulations or of the object of the company, or are detrimental to the public welfare, or fail to carry out the orders of the Government office under whose jurisdiction the company is, the Government may cancel the said decisions or dismiss the officers concerned.

ARTICLE XV.—When the Government deems it necessary, it may apply to the company the provisions of the laws and regulations relating to railways in Japan.

In the case referred to in the preceding paragraph the Government shall inform the company in advance as to the laws and regulations to be so applied.

ARTICLE XVI.—When not otherwise provided for in this ordinance, the provisions of the Commercial Code and its Supplementary Laws and Regulations shall be applied.

ARTICLE XVII.—The provisions of Imperial Ordinance No. 366, of 1900 (relating to the construction of railways in foreign countries by Japanese companies) shall not be applied to the company that is to be organized in accordance with this Ordinance.

Supplementary Rules

ARTICLE XVIII.—The Government shall appoint a commission to transact all business relating to the organization of the South Manchuria Railway Joint Stock Company.

ARTICLE XIX.—The organizing commission shall draw up the company's articles of association, and after the said articles have been approved by the Government, shall open the subscription for the first issue of shares.

ARTICLE XX.—When the first issue of the company's shares has been subscribed, the commission shall present to the Government the subscription list and apply for permission to organize the company.

ARTICLE XXI.—When the permission referred to in the preceding

Article has been given, the organizing commission shall, without delay, call for the first instalment upon each share.

When the first instalment referred to in the preceding Article has been paid in, the commission shall, without delay, call a general meeting for organization.

ARTICLE XXII.—At the close of the first general meeting the organizing commission shall turn over its business to the President of the South Manchuria Railway Joint Stock Company.

No. 12

Japanese Government Order regarding South Manchuria Railway Company — August 1, 1906

(Amended several times)

To Masatake Terauchi, Chairman of the Organizing Commission of the South Manchuria Railway Joint Stock Company, and eighty other members of the Commission:

The following orders are hereby given respecting the several matters relating to the organization of the South Manchuria Railway Joint Stock Company, all matters pertaining to the management of which have been entrusted to the Commission.

August 1, 1906.

Isaburo Yamagata,
Minister of Communications.
Yoshiro Sakatani, LL. D.,
Minister of Finance.
Viscount Tadasu Hayashi,
Minister for Foreign Affairs.

ARTICLE I.—In accordance with the Additional Agreement of the Japan-China Treaty relating to Manchuria, signed on December 22nd, 1905, the Company shall engage in the traffic of the following railways:

Dairen-Changchun.
Nankuanling-Port Arthur.
Tafangshen-Liushutun.
Tashihchiao-Yingkou.
Yentai-Yentai Coal Mine.
Suchiatun-Fushun.
Mukden-Antungshien.

ARTICLE II.—The railways mentioned in the preceding Article shall be changed to the 4 feet 8.5 inch gauge within three (3) years counting from the day on which the company commences its operations.

On the Dairen-Changchun Railway the tracks between Dairen and Suchiatun (near Mukden) shall be doubled.

ARTICLE III.—The company shall make the various arrangements necessary for the lodging and meals of the passengers, as well as for the storage of goods at the principal stations on the line.

At the points on the harbors and bays touched by the railways the necessary arrangements shall be made for connecting water and land transportation.

ARTICLE IV.—For the convenience and the profit of the railway, the company may engage in the following accessory lines of business:

Mining, especially the operation of the coal-mines at Fushun and Yentai.

Water transportation.

Electrical enterprises.

Sale on commission of the principal goods carried by the railways.
Warehousing.

Business relating to the land and buildings on the land attached to the railways.

In addition, any business for which Government permission has been given.

ARTICLE V.—The company shall, subject to the permission of the Government, make the necessary arrangements for engineering works, education, sanitation, etc. within the area of lands used for the railways and the accessory lines of business.

ARTICLE VI.—To defray the expenses necessary for the arrangements mentioned in the preceding Article, the company may, subject to the permission of the Government, collect fees of those who live within the area of lands used for the railways and the accessory lines of business, or make any other assessments for necessary expenses.

ARTICLE VII.—The total amount of the company's capital stock shall be 440 million Yen, of which 200 million Yen shall be furnished by the Imperial (Japanese) Government. The amount of each share shall be 50 Yen.

ARTICLE VIII.—The capital to be furnished by the Government mentioned in the preceding Article shall consist of the following properties:
The existing railways.

All properties belonging to the railways, except those in the leased territory specially designated by the Government.

The coal mines at Fushun and Yentai.

The Government shall subscribe company shares to the face value of 120,000,000 Yen on December 1, 1920, in accordance with Law No. 34 of 1920.

ARTICLE IX.—The rolling stock now being used by the Government, and the rails as well as the accessories of the Mukden-Antungshien temporary railway, shall be sold to the company at a reasonable price.

ARTICLE X.—The shares not owned by the Government shall be open to subscription by Japanese and Chinese subjects. If the Chinese Government desires to subscribe shares, the company shall comply therewith.

ARTICLE XI.—When the dividend of the company for any business year is less than six (6) per cent. per annum on the paid amount for the shareholders other than the Governments of Japan and China (hereafter to be styled merely "the shareholders"), the Government shall supply the deficiency for a period of fifteen (15) years only (or for thirty (30) business years if the calendar year be divided into two business years), commencing from the day of the registration of the company's establishment. However, the amount of money to be furnished by the Government to supply the deficiency referred to shall, under no circumstances, exceed six (6) per cent per annum on the capital paid in by the shareholders.

ARTICLE XII.—When the dividend of the company for any business year does not exceed six (6) per cent. per annum on the capital paid in by

the shareholders, the dividend on the shares owned by the Government need not be paid.

The shares owned by the Chinese Government shall be dealt with in a similar way to those owned by the Imperial Government.

ARTICLE XIII.—The Government shall guarantee the payment of interest on the debentures which the company may issue for the reconstruction of the railways, or for the operation of the accessory business, and on those which the company may issue for consolidating or redeeming these debentures. The Government shall, if necessary, guarantee the repayment of the principal.

The amount of the face value of the debentures to be guaranteed by the Government shall not be greater than twice the paid-up capital or exceed the authorized capital.

The debentures mentioned in the first paragraph shall be redeemed within twenty-five (25) years counting from the year of their issuance.

ARTICLE XIV.—For the debentures issued in accordance with the provisions in the first paragraph of the preceding Article, the Government shall supply the amount corresponding to the interest on the debentures.

When the dividend on the capital paid up by the shareholders exceeds six (6) per cent. per annum, the surplus shall first be applied to the payment of the interest on the debentures. However, in this case the amount of surplus shall be deducted.

ARTICLES XV.—When there is any surplus after paying the interest on the debentures, as mentioned in the preceding Article, out of the profits of the company's business, the said surplus shall be apportioned to the shares owned by the Governments of Japan and China until the rate is equal on the respective amounts paid up by all shareholders. Provided, however, that when the dividends on the shares owned by the Japanese and Chinese Governments reach 4.3 per cent. per annum, a second dividend may be paid not exceeding 4 per cent. on the paid-up capital of the shareholders. When the dividends on the shares owned by the Japanese and Chinese Governments shall happen to exceed 4.3 per cent. per annum, the second dividend may be increased to the extent of what exceeds 4.3 per cent., the additional dividend not exceeding 2 per cent. per annum on the paid-up capital of the shareholders.

ARTICLE XVI.—The money to be supplied by the Government, as provided for in Articles 11 and 14, shall bear interest at six (6) per cent per annum. The interest shall be added annually to the principal, and the total shall be the company's indebtedness to the Government.

When the dividend for all the shares exceeds ten (10) per cent. per annum, the surplus shall be devoted to the redemption of the company's debt mentioned in the preceding paragraph.

ARTICLE XVII.—Any surplus of funds raised by means of the debentures mentioned in Article 13 shall be deposited with the Division of Deposits in the Department of Finance.

ARTICLE XVIII.—The company shall determine estimates of the capital to be paid up and the debentures to be floated during each business year, their face value, issuing price, rate of interest, date of issuance et cetera, and shall receive the Government's approval.

ARTICLE XIX.—The company shall determine the regulations relating to its finances and business, and shall secure the Government's approval.

When the company desires to alter the regulations mentioned in the preceding paragraph and the articles of incorporation, similar steps shall be taken.

ARTICLE XX.—The plans of the company's business, the estimate of the cost of operation, the budget of income and expenditures connected with the company's business, the settlement of the same and the rate of the dividend for each business year shall be submitted to the Government for approval. When the company desires to alter the foregoing items, similar steps shall be taken.

ARTICLE XXI.—At the designation of the Government the company shall report on the following matters:

The present condition of the cost of operation as well as the income and expenditures connected with the company's business.

The actual condition of the company's work in general.

ARTICLE XXII.—Without the permission of the Government the company shall not dispose of its principal rights and properties; nor give the same for security.

ARTICLE XXIII.—When the Government deems it necessary, it may order the freight charges to be reduced, but only under special conditions.

ARTICLE XXIV.—The Government may, when it deems necessary, order the company to make new works arrangements or modify the existing ones.

ARTICLE XXV.—At the designation of the Government the company shall be under obligation at any time to place the railways, land and any other articles at the service of the Government.

ARTICLE XXVI.—The Articles and paragraphs relating to the funds to be supplied by the Government guarantees mentioned in the present order shall be confirmed upon the approval of the Imperial Diet.

No. 13

Revised Articles of Association of the South Manchuria Railway Joint Stock Company

(Amended several times)

Chapter I.—General Provisions

ARTICLE I.—This company shall be called the South Manchuria Railway Joint Stock Company and is established in accordance with Imperial Ordinance No. 142 of 1906 and in obedience to the order of the Imperial Japanese Government.

ARTICLE II.—The liability of the shareholders of this company is limited to the value of shares owned by them.

ARTICLE III.—This company shall establish its head office at Dairen and a branch office at Tokyo.

ARTICLE IV.—The objects of the company are as follows:

I. To engage in the transportation business of the following railways in Manchuria:

Dairen-Changchun Railway.
 Nankuanling-Port Arthur Railway.
 Tafangshen-Liushutun Railway.
 Tashihchiao-Yingkow Railway.
 Yentai-Yentai Coal Mine Railway.
 Suchiatun-Fushun Railway.
 Mukden-Antunghsien Railway.

II. To engage in the following lines of accessory business for the benefit of the railways:

Mining, especially the operation of the coal mines at Fushun and Yentai.
 Water transportation.
 Electrical Enterprises.
 Warehousing.
 Business relating to the land and buildings on the land attached to the railways.
 Any other business for which the permission of the Government may be given.

ARTICLE V.—The capital of the company shall be 440,000,000 Yen. However, the amount of the first subscription of shares shall be Yen 20,000,000, not including the shares to be owned by the Imperial Japanese Government. The second and subsequent subscriptions shall be opened from time to time, as necessity may require, upon the resolution of a general meeting of the shareholders.

ARTICLE VI.—The public notices of the company shall be published in the newspapers in which official announcements of the Kwantung Government are published at the place where the company's head office is situated and in the newspapers in which are published the public notices of the court of law to whose jurisdiction the company's branch office is subject.

Chapter II.—Shares

ARTICLE VII.—The share certificates of this company shall all be registered, and each share shall be fifty (50) Yen.

ARTICLE VIII.—The certificates of shares of this company shall be of the following five denominations:

One share certificates.
 Ten share certificates.
 One hundred share certificates.
 One thousand share certificates.
 Ten thousand share certificates.

ARTICLE IX.—The certificates of shares of this company shall bear the name of the company, the date of registration, the total amount of capital, the amount of each share, the amount paid up and the number of the certificate. They shall bear the signature and seal of the President.

ARTICLE X.—As regards payments upon the shares of second and subsequent issues, the president shall determine the amount to be paid up and the date as required by the (company's) business, and shall give notice thereof to each shareholder at least sixty days in advance.

ARTICLE XI.—If a shareholder fails to make payment by the day fixed for payment on the shares, delay interest shall be charged him at the rate of four sen per day per one hundred yen on the amount due.

ARTICLE XII.—If a shareholder fails to make payment within fifteen days from the date fixed for the first payment on the shares the company may demand that payment be made within thirty days: and if the money is not paid in by that time the company may notify him that his rights as a shareholder of this company shall be forfeited.

In the case mentioned in the previous paragraph, where rights are lost the application money previously paid shall not be refunded.

ARTICLE XIII.—If at the second and subsequent calls on the shares a shareholder fails to make payment within fifteen days after the date fixed for payment, the company may notify such shareholder that payment must be made within thirty days, and that, in the case of failure to comply, his rights as a shareholder of this company shall be forfeited.

When, in the case mentioned in the previous paragraph, a shareholder has forfeited his rights as such, the company shall notify each assignor (i. e. one who has previously held the shares) of shares that payment must be made within fifteen days, and the assignor who first pays the amount in arrears shall acquire the shares. If no assignor pays, the company shall sell the shares at auction. If the amount realized by the auction is not sufficient to cover the amount in arrears, the previous shareholder shall be required to make good the deficit. If the previous shareholder does not make good within fourteen days, the company shall demand performance of the assignors.

ARTICLE XIV.—The liability of the assignors mentioned in the preceding article is extinguished after two years from the time when the assignment was entered in the Register of Shareholders.

ARTICLE XV.—If a company or any other legal person, public or private, owns the shares of this company, it shall appoint its representative and have his name entered in the Register of Shareholders of this company. If shares are held by two or more persons in common, they are required to appoint one person to exercise their rights as shareholder. Persons holding shares in common are jointly and severally liable to the company for the payment upon the shares.

ARTICLE XVI.—When shares are to be assigned, the parties concerned shall make a written statement in accordance with the form prescribed by this company and apply for the alteration of the certificates of shares. However, when a person inherits shares by virtue of succession, bequest or any decision rendered by a court of law, such person is required to attach to the statement referred to a certificate of the census official or other documents as evidence that the company may deem necessary.

The assignment of any share shall not be valid unless the name and domicile of the assignee are entered in the Register of Shareholders and the name of the said assignee is entered on the share certificate in question.

ARTICLE XVII.—Should any certificate of shares be destroyed, mutilated or lost, the shareholder may apply for a new certificate of shares by presenting to the company a statement giving the facts in the case and signed by two or more persons approved by the company as guarantors.

However, in case of loss, a public notice to that effect shall be given at the expense of the applicant, and the new certificate of shares shall be issued only when no objection is raised within sixty days from the date of the said public notice.

ARTICLE XVIII.—If any shareholder wishes to change the denominations of his certificate of shares, the said certificate shall be presented to the company together with the application.

ARTICLE XIX.—For the registration of a change of an owner's name on a certificate of shares, the issue of a new certificate of shares or the alteration of the denomination of a certificate of shares, the prescribed fee of the company shall be collected from the applicant.

ARTICLE XX.—During a period not exceeding thirty days immediately preceding each ordinary general meeting of shareholders and during the sixteen days between November 25th and December 10th of each year, the company shall suspend the assignment of shares.

Chapter III.—Shareholders

ARTICLE XXI.—The shareholders of this company shall be limited to the Government of Japan and China, and the subjects of Japan and China.

ARTICLE XXII.—The Imperial Japanese Government shall furnish the following properties as capital, and the company shall deliver to the Government two million shares, amounting to Yen 100,000,000, which is the value of the said properties:

The existing railways (except the rolling stock now actually in use, as well as the rails and accessories of the Mukden-Antungshien temporary railway).

All properties attached to the railways referred to, except such properties within the leased territory as may be designated by the Government.

The coal-mines at Fushun and Yentai.

The Imperial Japanese Government in addition to the capital mentioned in the foregoing paragraph shall subscribe on December 1, 1920, shares to the amount of 120,000,000 Yen in accordance with law No. 34 of 1920, in return for which the company shall issue to it 2,400,000 shares.

The Imperial Japanese Government on the date of subscribing the shares mentioned in the foregoing paragraph shall accept the liability of paying the capital and interest of the sterling debentures issued by the company in London to the total face value of 12,000,000 pounds sterling in lieu of paying 117,156,000 Yen for the shares.

ARTICLE XXIII.—Each shareholder shall have the right to one vote for each share owned by him.

ARTICLE XXIV.—The shareholders and their legal representatives shall report to the company their domiciles, names and a copy of their legal seals, when they acquire shares. When any alteration in the above facts has taken place, similar measures shall be taken.

Shareholders and their legal representatives domiciled abroad may be required to designate provisional domiciles or representatives in Japan. In such cases provisional domiciles and the representatives shall be reported to the company, as well as any changes in the same.

Chapter IV.—General Meetings

ARTICLE XXV.—An ordinary general meeting shall be called by the president in June every year, and extraordinary general meetings when the president or the inspectors deem them necessary, or when shareholders owning at least one tenth or more of the total number of shares have presented a written request stating the objects and reasons for holding a general meeting. When the shareholders have requested a general meeting to be called, the president shall take steps for calling the same within fourteen days.

ARTICLE XXVI.—The discussion at a general meeting shall be confined to the subjects previously announced.

ARTICLE XXVII.—The date, time and place of a general meeting shall be determined by the president, and a notice to that effect shall be sent out to the shareholders at least fourteen days in advance of such meeting.

ARTICLE XXVIII.—The president shall act as chairman of a general meeting.

ARTICLE XXIX.—The shareholders may appoint only shareholders of this company as their representatives, and their powers of attorney shall be presented to the company.

ARTICLE XXX.—The chairman of the general meeting shall be allowed to exercise his right to vote as a shareholder.

ARTICLE XXXI.—Resolutions of a general meeting shall be adopted by a majority vote of the shareholders present. In case of a tie, the chairman shall have the casting vote.

ARTICLE XXXII.—The issuance of company debentures or amendments to the articles of incorporation shall be decided when shareholders representing one half or more of the total capital are present by a majority vote (as amended April 16, 1907).

If, in the case mentioned in the preceding paragraph the necessary quorum is not present, a provisional decision may be made by a majority of the shareholders present. A notification giving the essential details of the said provisional decision shall be sent to each shareholder, and another general meeting shall be called in not less than one month.

At the second general meeting the said provisional decision shall be confirmed or rejected by a majority vote of the shareholders present.

ARTICLE XXXIII.—The minutes of a general meeting shall be recorded in the proceedings of the general meetings, and the same shall bear the signatures and seals of the president and chief officers present.

ARTICLE XXXIV.—The chairman of the general meeting may adjourn the meeting or change the place of meeting. The discussion at an adjourned meeting shall be confined to the subjects on which no decision was made at the preceding meeting.

Chapter V.—Chief Officers

ARTICLE XXXV.—The chief officers of this company shall be as follows:

President	1
Vice-President	1
Directors	4 or more
Inspectors	3 to 5

ARTICLE XXXVI.—The term of office of the president and vice-president shall be five years, and they shall be appointed by the Government subject to the Imperial sanction.

The term of office of the directors shall be four years, and they shall be appointed by the Government from among those who own one hundred shares or more.

The term of office of the inspectors shall be three years, and they are to be elected by the shareholders at a general meeting of the shareholders.

ARTICLE XXXVII.—The remunerations and allowances of the president, vice-president and directors shall be determined by the Government.

The remuneration of the inspectors shall be determined by a resolution of a general meeting of the shareholders.

ARTICLE XXXVIII.—The directors are required, during their term of office, to deposit with the inspectors one hundred shares of the company owned by them. These shares shall not be returned to their owners even on their retirement from office until all affairs transacted during their term of office shall have been approved at a general meeting.

ARTICLE XXXIX.—In the event of the office of any inspector becoming vacant, an extraordinary general meeting of the shareholders shall be called for the purpose of a by-election, and the new inspector shall hold office during the remainder of the term of office of this predecessor.

However, a by-election may be postponed until the next general meeting of the shareholders, except when the number of inspectors has decreased to two or less.

ARTICLE XL.—The president shall represent the company and have general control of all its affairs.

The vice-president shall represent the president when he is prevented from discharging his official duties, and shall act as president when that office is left vacant.

When the president and vice-president are prevented from discharging their duties, the Government shall cause one of the directors to act for the president (added June 27, 1906). The vice-president and the directors shall assist the president, and each shall take charge of a part of the business of the company. The inspectors shall inspect the affairs of the company.

ARTICLE XLI.—During their respective terms of office the president, vice-president and directors shall not engage in any other occupations or business under any name whatever without the permission of the Government.

ARTICLE XLII.—The president shall keep at the head-office as well as the branch office copies of the Articles of Incorporation and of the Record of Resolutions of the general meetings of shareholders. He shall also keep at the head office the Register of Shareholders and the Ledger of Debentures.

ARTICLE XLIII.—The president shall submit the following documents to the inspectors seven days in advance of the date set for the ordinary general meeting of shareholders:

- (1) An inventory of the company's properties.

- (2) A balance sheet.
- (3) A report on the company's works.
- (4) An account of the profits and losses.
- (5) Proposals relating to the reserve funds and to the dividends.

ARTICLE XLIV.—The president shall have in readiness at the head office before the day of an ordinary general meeting of the shareholders the documents mentioned in the preceding articles and the inspector's report.

ARTICLE XLV.—The president shall submit to an ordinary general meeting of the shareholders the documents mentioned in Article 43 and obtain its approval.

The president shall publish the balance sheet when he has obtained the approval mentioned in the preceding paragraph.

ARTICLE XLVI.—The inspectors are required to examine the documents to be submitted by the president to a general meeting of shareholders and to report their views at the said meeting.

ARTICLE XLVII.—The inspectors may at any time demand the president to report on the business of the company, and may examine the management of its affairs and the condition of its properties.

Chapter VI.—Supervisors

ARTICLE XLVIII.—The supervisors of the South Manchuria Railway Joint Stock Company may at any time inspect the arrangements of the company's work, or examine the safes and books of the company, as well as the various documents and articles belonging to it.

The supervisors may, whenever they deem it necessary, order the company to report on the various business accounts and the condition of the company.

The supervisors may attend the general meetings of the shareholders or any other meetings and express their opinions, but they are not entitled to vote.

Chapter VII.—Accounts

ARTICLE XLIX.—The business year of this company shall commence on April 1 and end on March 31 of the following year (as amended March 11, 1912).

ARTICLE L.—The company shall set aside as a reserve fund one-twentieth or more of the profits, whenever they are apportioned until the reserve funds amount to one-fourth of the capital.

Special reserve funds other than that provided for in the preceding paragraph shall be determined by a resolution of the general meeting.

ARTICLE LI.—The dividends to the shareholders shall be paid according to the Register of Shareholders as it stands on June 1 (as amended March 11, 1912).

ARTICLE LII.—When the company is certain to be able to pay dividends for the business year, it may, before the termination of that year, pay once only to the shareholders other than the Japanese and Chinese Governments, dividends equal to the amount paid up on shares multiplied by one-half the estimated rate of dividend, the amount so paid not exceeding the amount brought forward from the preceding year.

The portion dividends paid in accordance with the provisions of the two foregoing paragraphs shall in respect to the accounts of the company for the business year in question be deemed to be company property, and the distribution of the profits at an ordinary general meeting shall be determined on the basis of such estimate; provided, however, that the payment of dividends to shareholders other than the Japanese and Chinese Governments shall irrespective of changes in shareholders in the meantime, be made by paying over the balance after deducting from the amount (of the declared dividend) the amount distributed in accordance with paragraph 1 (as amended August 25, 1917).

ARTICLE LIII.—When the dividend of the company does not exceed six per cent. per annum of the capital paid in by the shareholders, the dividend on the shares owned by the Government need not be paid.

The shares owned by the Chinese Government shall be dealt with in a similar way to those owned by the Imperial Japanese Government.

ARTICLE LIV.—The payment of interest on the debentures which the company may issue for the reconstruction of the railways or for the operation of the accessory business, and on those which the company may issue for consolidating or redeeming old debentures, shall be guaranteed by the Imperial Japanese Government. The reimbursement of the principal may also, if necessary, be guaranteed by the Imperial Japanese Government.

The total amount of debentures to be guaranteed by the Imperial Japanese Government shall be less than twice the paid up capital and shall not exceed the authorized capital (as amended February 5, 1910).

ARTICLE LV.—For the debentures issued in accordance with the provisions of the first paragraph of the preceding Article, the Government shall supply the amount corresponding to the interest on the debentures.

When the dividend on the capital paid up by the shareholders exceeds six per cent. per annum, the surplus shall first be applied to the payment of the interest on the debentures. However, in this case the amount of surplus shall be deducted from the money to be supplied by the Government mentioned in the preceding paragraph.

ARTICLE LVI.—When there is any surplus after paying the interest on the debentures, as mentioned in the preceding article, out of the profits of the company's business, the said surplus shall be apportioned to the shares owned by the Governments of Japan and China until the rate equals the respective amounts paid up by all shareholders.

Provided, however, that when the dividends on the shares owned by the Japanese and Chinese Governments reach 4.3 per cent. per annum a second dividend may be paid not exceeding 4 per cent. on the paid up capital of the shareholders (added June 20, 1914, and amended September 11, 1920).

ARTICLE LVII.—The money to be supplied by the Imperial Japanese Government, as provided for in Article 55, shall bear interest at six per cent. per annum. The interest shall be added annually to the principal, and the total shall be the company's indebtedness to the Imperial Japanese Government.

When the dividend for shares shall exceed ten per cent. per annum,

the surplus shall be devoted to the redemption of the company's debt mentioned in the preceding paragraph.

Chapter VIII.—Expenses for Organizing the Company

ARTICLE LVIII.—The expenses for organizing the company shall not exceed 50,000 Yen.

Of the amount mentioned in the preceding paragraph that advanced by the Government shall be reimbursed by the company.

Supplementary Article

ARTICLE LIX.—Five hundred thousand shares representing 50,000,000 Yen included in the additional capitalization authorized by resolution of a special general meeting of the shareholders on April 16, 1920 shall be issued at above par; provided, that there shall be no objection to issuing it in instalments (as amended April 16, 1920).

No. 14

(JAPAN AND CHINA)

Treaty respecting South Manchuria and Eastern Inner Mongolia — May 25, 1915

His Excellency the President of the Republic of China and His Majesty the Emperor of Japan, having resolved to conclude a Treaty with a view to developing their economic relations in South Manchuria and Eastern Inner Mongolia, have for that purpose named as their Plenipotentiaries, that is to say;

His Excellency the President of the Republic of China, Lou Tseng-tsiang, Chung-ching, First Class Chia-ho and Minister of Foreign Affairs; and His Majesty the Emperor of Japan, Hioki Eki, Jushii, Second Class of the Imperial Order of the Sacred Treasure, Minister Plenipotentiary and Envoy Extraordinary;

Who, after having communicated to each other their full powers, and found them to be in good and due form, have agreed upon and concluded the following Articles:—

ARTICLE I.—The two High Contracting Parties agree that the term of lease of Port Arthur and Dalny and the terms of the South Manchuria Railway and Antung-Mukden Railway, shall be extended to 90 years.

ARTICLE II.—Japanese subjects in South Manchuria may, by negotiation, lease land necessary for erecting suitable buildings for trade and manufacture or for prosecuting agricultural enterprises.

ARTICLE III.—Japanese subjects shall be free to reside and travel in South Manchuria and to engage in business and manufacture of any kind whatsoever.

ARTICLE IV.—In the event of Japanese and Chinese desiring jointly to undertake agricultural enterprises and industries incidental thereto, the Chinese Government may give its permission.

ARTICLE V.—The Japanese subjects referred to in the preceding three articles, besides being required to register with the local Authorities passports

which they must procure under the existing regulations, shall also submit to the police laws and ordinances and taxation of China.

Civil and criminal cases in which the defendants are Japanese shall be tried and adjudicated by the Japanese Consul; those in which the defendants are Chinese shall be tried and adjudicated by Chinese Authorities. In either case an officer may be deputed to the court to attend the proceedings. But mixed civil cases between Chinese and Japanese relating to land shall be tried and adjudicated by delegates of both nations conjointly in accordance with Chinese law and local usage.

When, in future, the judicial system in the said region is completely reformed, all civil and criminal cases concerning Japanese subjects shall be tried and adjudicated entirely by Chinese law courts.

ARTICLE VI.—The Chinese Government agrees, in the interest of trade and for the residence of foreigners, to open by China herself, as soon as possible, certain suitable places in Eastern Inner Mongolia as Commercial Ports.

ARTICLE VII.—The Chinese Government agrees speedily to make a fundamental revision of the Kirin-Changchun Railway Loan Agreement, taking as a standard the provisions in railway loan agreements made heretofore between China and foreign financiers.

When in future, more advantageous terms than those in existing railway loan agreements are granted to foreign financiers in connection with railway loans, the above agreement shall again be revised in accordance with Japan's wishes.

ARTICLE VIII.—All existing treaties between China and Japan relating to Manchuria shall, except where otherwise provided for by this Treaty, remain in force.

ARTICLE IX.—The present Treaty shall come into force on the date of its signature. The present Treaty shall be ratified by His Excellency the President of the Republic of China and His Majesty the Emperor of Japan, and the ratifications thereof shall be exchanged at Tokio as soon as possible.

In witness whereof the respective Plenipotentiaries of the two High Contracting Parties have signed and sealed the present Treaty, two copies in the Chinese language and two in Japanese.

Done at Peking this twenty-fifth day of the fifth month of the fourth year of the Republic of China, corresponding to the same day of the same month of the fourth year of Taisho.

No. 15

Exchange of Notes respecting Railways and Taxes in South Manchuria and Eastern Inner Mongolia — April 5, 1915

Peking, the 25th day of the 5th month of the 4th year of the Republic of China.

Monsieur le Ministre,

In the name of my Government, I have the honour to make the following declaration to your Government:

China will hereafter provide funds for building necessary railways in South Manchuria and Eastern Inner Mongolia; if foreign capital is required

China may negotiate for a loan with Japanese capitalists first; and further, the Chinese Government, when making a loan in future on the security of the taxes in the above-mentioned places (excluding the salt and customs revenue which have already been pledged by the Chinese Central Government) may negotiate for it with Japanese capitalists.

I avail, etc.,

His Excellency,
Hioki Eki,

Japanese Minister.

(Signed) Lou Tseng-tsiang.

Reply

Peking, the 25th day of the 5th month of the 4th year of Taisho.

Excellency,

I have the honour to acknowledge the receipt of Your Excellency's note of this day's date respecting railways and taxes in South Manchuria and Eastern Inner Mongolia in which you state:

China will hereafter provide funds for building necessary railways in South Manchuria and Eastern Inner Mongolia; if foreign capital is required China may negotiate for a loan with Japanese capitalists first; and further, the Chinese Government, when making a loan in future on the security of taxes in the above-mentioned places (excluding the salt and customs revenue which has already been pledged by the Chinese Central Government) may negotiate for it with Japanese capitalists first.

In reply I beg to state that I have taken note of the same.

I avail, etc.,

His Excellency,

Lou Tseng-tsiang,

Minister of Foreign Affairs.

(Signed) Hioki Eki.

No. 16

(JAPAN AND CHINA)

Preliminary Agreement for Loan for the Construction of Kirin-Hueining Railway — June 18, 1918

For the purpose of constructing the railway from Kirin, in the Republic of China, to Hueining, through the Southern part of Yenchi (Chientao) and the Tumen River, the Government of the Republic of China (hereinafter called A) hereby enters into the present preliminary agreement with the three Japanese Banks, the Industrial Bank of Japan, the Bank of Chosen and the Bank of Taiwan, represented by the Industrial Bank of Japan (hereinafter called B) as the basis of a formal loan agreement for the same Railway:—

ARTICLE I.—A shall with due promptness outline the amount of funds required for the construction of the railway and other items of necessary expenditure and bring it to the notice of B for its consent.

In accordance with the amount of funds required as referred to above, B shall issue 5 per cent. public loan bonds of the Republican Government of China gold currency for A.

ARTICLE II.—The period for the redemption of the present loan shall be limited to forty years. Redemption of the loan shall begin from the 11th year calculating from the date of the issue of the bonds, and the method of yearly-instalment redemption shall be followed.

ARTICLE III.—As soon as the formal agreement for the Kirin-Hueining Railway loan is signed, A shall begin to construct the line so as to hasten its completion.

ARTICLE IV.—A shall build the railway bridge over the Tumen River conjointly with the Railway Department of the Office of the Japanese Governor General for Korea and shall share half of the expense thereof.

Regarding through traffic between this railway and the railways in Korea, a separate agreement shall be entered into with a view to developing the traffic and securing the smooth co-operation of the two railways concerned.

ARTICLE V.—A shall pledge the following assets to B as security for payment of interest and redemption of the present loan bonds:

All the property owned by and the revenue due to the railway either at present or in the future.

Without the approval of B, A shall not offer either the property or the revenue of the railway to others as loan security.

ARTICLE VI.—The actual amount of funds to be received by A out of the issue of the present loan bonds shall be such as to be more profitable to A than what is stipulated in the Ssupingkai-Chengchiatun Railway Loan Agreement concluded on December 17 of the 4th year of the Republic.

The rate at which the present loan bonds are to be issued shall be fixed according to the circumstances under which they are issued.

ARTICLE VII.—Regarding the particulars which are not provided for under the foregoing articles, they shall be decided upon by A and B in accordance with the Tientsin-Pukow Railway Loan Agreement signed on the 10th of the 12th moon of the 33rd Year of Kuanghsu.

ARTICLE VIII.—The present preliminary agreement shall be the basis of the formal agreement for the Kirin-Hueining Railway Loan, which shall be concluded within six months after the conclusion of the present preliminary agreement.

ARTICLE IX.—Upon the conclusion of the present preliminary agreement, B shall pay to A an advance of \$10,000,000 in full without any deduction for commission.

ARTICLE X.—The advance referred to above shall bear $7\frac{1}{2}$ per cent. interest per annum; that is, $7\frac{1}{2}$ yen shall be paid for the yearly interest on every 100 yen.

ARTICLE XI.—The advance shall be paid to A in specie in exchange for the Treasury Notes by A.

ARTICLE XII.—The Treasury Notes mentioned in the foregoing article shall be subject to change every six months. At each occasion of their change for new ones, the interest due for the said period shall be paid to B.

ARTICLE XIII.—After the conclusion of the formal agreement for the Kirin-Hueining Railway Loan, the advance shall have the preferential right of being repaid with the proceeds from the issue of the loan bonds referred to above.

ARTICLE XIV.—The payment of the advance, its redemption and the

payment of its interest and other transactions in connection therewith shall be carried out at Tokio.

Two copies of the present preliminary agreement shall be written in the Chinese language and two copies in the Japanese language, and A and B shall each keep one copy written in each language. In case any dispute arises with regard to the interpretation of the agreement, the text of the one written in Japanese shall be considered as authoritative.

No. 17

(JAPAN AND CHINA)

Preliminary Agreement for Loan for Railways in Manchuria and Mongolia — September 28, 1918

The following preliminary agreement has been concluded between the Government of the Chinese Republic (hereinafter called the Government) and the Industrial Bank of Japan, representing the Industrial Bank of Japan, the Bank of Taiwan and the Bank of Chosen (hereinafter called the Banks), with the object of concluding a loan contract for the purpose of building a railway between Jehol and Taonan, a railway between Changchun and Taonan, a railway between Kirin and Kaiyuan by way of Hailung, and a railway from a point on the Jehol-Taonan Railway to a certain seaport (hereinafter called the Four Railways of Manchuria and Mongolia).

ARTICLE I.—The Government shall permit the Banks to raise all the funds required for building the Jehol-Taonan, Changchun-Taonan, Kirin-Kaiyuan Railways, and the railway between a point on the Jehol-Taonan Railway to a certain seaport, by means of Chinese Government bonds of the Jehol-Taonan Railway, bonds of the Changchun-Taonan Railway, bonds of the Kirin-Kaiyuan Railway, and bonds of the . . . railway respectively (hereinafter called the gold bonds of the Four Manchuria and Mongolian Railways). Provided, however, that the route of the railway from a point on the Jehol-Taonan Railway to a certain seaport shall be decided upon by consultation between the Government and the Banks.

ARTICLE II.—The Government shall speedily determine the expense for constructing the Four Railways of Manchuria and Mongolia and all other expenses necessary, and shall obtain the approval of the Banks.

ARTICLE III.—The term of the gold loan of the Four Railways of Manchuria and Mongolia shall be forty years. The redemption of the principal, to be refunded by annual instalments, shall commence after eleven years, counting from the issue of the loan.

ARTICLE IV.—With the conclusion of the loan contract, the Government shall consult the Banks as to the plan of work to be started according to the plan agreed upon, with a view to speedy construction.

ARTICLE V.—The Government shall offer the following to the Banks as security for the payment of the principal and interest on the loans:— All the property and revenue of the Four Railways of Manchuria and Mongolia, at present and in the future.

The Government shall not offer the above-mentioned property and revenue to other parties unless the approval of the Banks is obtained.

ARTICLE VI.—The issue price, interest, net amount to be received by

the Government, and other conditions, shall be agreed upon between the parties in as favorable terms as possible to the Government when the loan is issued.

ARTICLE VII.—Matters which are not provided for in the foregoing Articles shall be agreed upon by consultation between the Government and the Banks.

ARTICLE VIII.—A formal loan contract shall be concluded within four months after the conclusion of the present preliminary agreement.

ARTICLE IX.—With the conclusion of the preliminary contract the Banks shall advance twenty million yen of Japanese currency to the Government. The advance shall be delivered without charging any commission.

ARTICLE X.—Interest on the advance shall be paid at the rate of eight per cent. per annum or Yen Eight per Yen 100.

ARTICLE XI.—The advance shall be delivered in the form of the discount of Treasury Bills issued by the Government.

ARTICLE XII.—The Treasury Bills mentioned in the preceding paragraph shall be renewed every six months, and an amount shall be paid into the Banks equal to six months' interest.

ARTICLE XIII.—After the final agreement for the loan for the Four Railways in Manchuria and Mongolia has been effected, the Government shall repay previous advances preferentially and without delay from the funds obtained by the issue of a public loan.

ARTICLE XIV.—The collection, repayment, payment of interest, and all other payments of the previous advances, shall be made at Tokyo, Japan.

Two sets each in Japanese and Chinese of the preliminary agreement shall be prepared and signed, and the Government and the Banks shall retain a copy of each.

In case a dispute should arise concerning the interpretation of this preliminary agreement, it shall be interpreted according to the Japanese text.

September 28, 7th Year of Taisho.

(Signed) Industrial Bank of Japan,
Eijiro Ono,
Vice-President,
Chang Tsung-hsiang,
Envoy Extraordinary and Minister
Plenipotentiary of China.

No. 18

Imperial Ordinance respecting Organization of the Government
of Kwantung — April 12, 1919

1.—The Kwantung Government shall be established in Kwantung Province.

2.—The Kwantung Government shall have a Governor (Chokan).

The Governor of Kwantung shall have jurisdiction over Kwantung Province, and shall exercise control over the policing of the railway lines in South Manchuria.

The Governor of Kwantung shall supervise the business of the South Manchuria Railway Company.

3.—The Governor of Kwantung shall be of Shinnin rank.

When a military officer is appointed as Governor of Kwantung he shall assume, in addition, the command of the Kwantung army.

4.—The Governor of Kwantung shall carry on administrative business under the supervision of the Prime Minister; but with reference to international affairs he shall be under the supervision of the Foreign Minister.

5.—The Governor of Kwantung may in accordance with his administrative powers or with special delegation of authority issue orders, the infringement of which may be punished by him with imprisonment not to exceed one year or with a fine not to exceed one hundred yen.

6.—In case urgent measures are necessary for the preservation of peace and order, the Governor of Kwantung may issue orders attaching penalties exceeding the limitations of the foregoing article.

Orders which have been issued in accordance with the provisions of the foregoing paragraph shall be submitted for Imperial sanction immediately through the Prime Minister. If Imperial sanction is not obtained the Governor of Kwantung shall immediately give notice that the orders are in future invalid.

7.—When the Governor of Kwantung deems it necessary for the preservation of peace and order within the districts under his jurisdiction or for the protection of the railway lines, he may request the Commander of the Kwantung army for the use of military force.

8.—When the Governor of Kwantung deems that an order issued or a measure adopted by an office under his jurisdiction is contrary to the rules, injurious to public welfare or exceeds official authority, he may suspend or cancel the order or measure.

9.—The Governor of Kwantung shall assume control over all officials under his jurisdiction; the appointment or dismissal of officials of Sonin rank shall be submitted through the Prime Minister for Imperial sanction, and the appointment or dismissal of officials of Hannin rank shall be effected at his own discretion.

10.—The Governor of Kwantung shall submit through the Prime Minister for Imperial sanction the decoration of officials under him.

11.—The Governor of Kwantung shall be empowered to discipline the officials under him. He shall submit through the Prime Minister for Imperial sanction the dismissal of Chokunin and Sonin Officials.

12.—There shall be established in the Kwantung Government a Governor's Secretariat and sections of civil and foreign affairs. The Governor shall determine the apportioning of work in the Governor's Secretariat and the sections of civil and foreign affairs.

13.—The Kwantung Government shall be divided into two districts in each of which an office of civil affairs shall be established. The Governor of Kwantung shall determine their location, names and boundaries of jurisdiction.

14.—Branch civil offices shall be established at important points in order to distribute the work of civil offices. The Governor of Kwantung shall determine their location, names and boundaries of jurisdiction.

14.—In the Government of Kwantung the following officials shall be appointed:

Chief Secretary		Chokunin rank
Chief of Section of Civil Affairs		"
" Foreign Affairs		"
One Councillor		Sonin rank
Seven Secretaries (one of whom may be of Chokunin rank)		"
Police Officer, one		"
Private Secretary, one		"
Educational Officer, one		"
Nine Engineers		"
Nine Police Officers		"
Two Translators		"
Clerks		"
School Officers		"
Police Officers		"
Engineers' Assistants	173	Hannin rank
Translators' Assistants		"
Police Assistants	99	"

The position of Chief of the Section of Civil Affairs, Chief Secretary, and Chief of the Section of Foreign Affairs shall be filled by the Consul General at Mukden.

The positions of secretaries may be filled as additional posts by consuls in South Manchuria.

The Government of Kwantung shall have an adviser for communications. This position shall be filled by the President of the South Manchuria Railway Company.

(The remaining 24 articles deal with the duties of these various officials.)
Supplementary Rules.—This Ordinance shall be effective from the date of its promulgation.

The Organization of the Kwantung Government General is hereby abolished.

No. 19

Exchange of Notes relating to New Consortium Agreement — May 11, 1920

Tokyo, Japan, May 11, 1920.

N. Kajiwara, Esquire,
Tokio, Japan.

Dear Sir:

We beg to acknowledge, with thanks, the receipt of your communication of May 11th, 1920, informing us, in behalf of the Japanese Banking Group that, under the instructions of your Government, you have now withdrawn your letter dated June 18th, 1919, and have adopted, in association with the Banking Groups of America, Great Britain and France and on like terms with them, the agreement for the establishment of a New Consortium in respect to China.

We are happy to note that certain points that had hitherto been somewhat obscure to your Group and to your Government have now been

made plain, and we trust with you that the way is clear for the Consortium to undertake operations.

Inasmuch as some questions have arisen during our discussions as to the status of specific railway enterprises contemplated or actually begun in Manchuria and Mongolia, we hereby confirm that we have agreed with you as follows:

- (1) That the South Manchuria Railway and its present branches, together with the mines which are subsidiary to the railway, do not come within the scope of the Consortium;
- (2) That the projected Taonanfu-Jehol Railway and the projected railway connecting a point on the Taonanfu-Jehol Railway with a seaport are to be included within the terms of the Consortium Agreement;
- (3) That the Kirin-Hueining, the Chengchiatun-Taonanfu, the Changchun-Taonanfu, the Kaiyuan-Kirin (via Hailung), the Kirin-Changchun, the Hsinminfu-Mukden and the Ssuningkai-Chengchiatun Railways are outside the scope of the joint activities of the Consortium.

The foregoing letter of acknowledgment, although written in behalf of the American Banking Group, has, we are assured, the cordial approval of the British and French Banking Groups, also of the Government of the United States, of Great Britain and of France.

Pray be good enough to present our regards to your colleagues in the Japanese Banking Group and our best wishes for the success of the joint Four-Power Undertaking.

Very truly yours,

(Signed) Thomas W. Lamont,

For and in behalf of the American Group.

No. 20

New Consortium Agreement — October 15, 1920

The Hongkong and Shanghai Banking Corporation, having its office at 9 Gracechurch Street in the City of London (hereinafter called "the Hongkong Bank") of the first part,

The Banque de L'Indo-Chine, having its office at 15 bis Rue Laffite, Paris (hereinafter called "the French Bank") of the second part,

The Yokohama Specie Bank Limited, having its office at Yokohama in Japan (hereinafter called "the Japanese Bank") of the third part, and,

Messrs. J. P. Morgan & Co., Messrs. Kuhn Loeb & Co., the National City Bank of New York, the Guaranty Trust Company of New York, Messrs. Lee, Higginson & Co., of Boston and the Continental and Commercial Trust and Savings Bank of Chicago (hereinafter called "the American Managers") acting as to the United Kingdom by Messrs. Morgan, Grenfell and Co., of 22 Old Broad Street in the City of London, and as to France by Messrs. Morgan, Marjes & Co., of Paris, of the fourth part.

Whereas the Hongkong Bank, the French Bank, the Japanese Bank and the American Managers are acting for the purposes of this Agreement as the representatives of the British, French, Japanese and American Groups respectively,

And whereas the British, French, Japanese and American Groups were formed with the object of negotiating and carrying out Chinese loan business;

And whereas their respective Governments have undertaken to give their complete support to their respective national groups the parties hereto in all operations undertaken pursuant to the agreement hereinafter contained, and have further undertaken that in the event of competition in the obtaining of any specific loan contract the collective support of the diplomatic representatives in Peking of the four Governments will be assured to the parties hereto for the purpose of obtaining such contract;

And whereas the said national groups are of the opinion that the interests of the Chinese people can in existing circumstances best be served by the co-operative action of the various banking groups representing the investment interests of their respective countries in procuring for the Chinese Government the capital necessary for a programme of economic reconstruction and improved communications;

And whereas with these objects in view the respective national groups are prepared to participate on equal terms in such undertakings as may be calculated to assist China in the establishment of her great public utilities and to these ends to welcome the co-operation of Chinese capital;

Now it is hereby agreed by and between the parties hereto as follows:

1.—Each Group reserves to itself the right of increasing or reducing the number of its own members, but so that any member of a group dropping out shall remain bound by the restrictive provisions hereof and any member of a group coming in shall become subject to the restrictive provisions hereof, and so that no group shall (without the consent of the others) be entitled to admit into its group a new member who is not of its nationality and domiciled in its market. The admission of any new group shall be determined by the parties hereto subject to the approval of their respective Governments.

2.—This agreement relates to existing and future loan agreements which involve the issue for subscription by the public of loans to the Chinese Government or to Chinese Government Departments or to Provinces of China or to companies or corporations owned or controlled by or on behalf of the Chinese Government or any Chinese Provincial Government or to any party if the transaction in question is guaranteed by the Chinese Government or Chinese Provincial Governments but does not relate to agreements for loans to be floated in China. Existing agreements relating to industrial undertakings upon which it can be shown that substantial progress has been made may be omitted from the scope of this agreement.

3.—The existing agreements and any future loan agreements to which this agreement relates and any business arising out of such agreements respectively shall be dealt with by the said groups in accordance with the provisions of this agreement.

4.—This agreement is made on the principle of complete equality in every respect between the parties hereto and each of the parties hereto shall take an equal share in all operations and sign all contracts and shall bear an equal share of all charges in connection with any business (except stamp duties and any charges of and in connection with the realization by the

parties hereto in their respective markets of their shares in the operations) and the parties hereto shall conclude all contracts with equal rights and obligations as between themselves and each party shall have the same rights, privileges, prerogatives, advantages, responsibilities and obligations of every sort and kind. Accordingly preliminary advances on account of or in connection with business to which this agreement relates shall be borne by each of the parties hereto in equal shares and each of the parties hereto shall be entitled to participate equally in the existing agreements and will offer to the other parties hereto an equal participation with itself in any future loan business falling within the scope of this agreement. Should one or more of the parties hereto decline a participation in the existing agreements or any of them or in any such future loan business as aforesaid the party or parties accepting a participation therein shall be free to undertake the same but shall issue on its or their markets only.

5.—All contracts shall so far as possible be made so as not to impose joint liability on the parties hereto but each of the parties hereto shall severally liquidate its own engagements or liabilities. The parties hereto will so far as possible come to an understanding with regard to the realization of the operations but so that such realization in whatever manner this may take place shall be for the separate benefit of each of the parties hereto as regards their respective participations therein and so that each of the parties hereto shall be entitled to realize its participation in the operations only in its own market it being understood that the issues in the respective markets are to be made at substantial parity.

6.—Any one or more of the parties hereto who shall have accepted its or their participation in any business hereunder shall be entitled by notice in writing to call upon the other or others of the parties hereto who propose to issue their own respective participations to issue for the account of the party or parties giving such notice or notices either all or one-half of the amount which may constitute the participation of the party or parties, giving such notice or notices and the party or parties so called upon shall issue the said amount or amounts (hereinafter called "the Residuary Participation") specified in such notice or notices upon and subject to the terms and conditions following, viz.:

- (1) Such notice or notices must be received by the other or others of the parties hereto before the execution of the final agreement for issue of the loan or (in the case of an issue of a part only of the loan) of so much thereof as the parties hereto may from time to time agree to issue.
- (2) The party or parties to whom such notice or notices shall have been given shall be entitled to decide among themselves and without reference to the party or parties giving such notice or notices as to which one or more of them shall issue the Residuary Participation but in default of any such decision they shall issue the same equally between them.
- (3) In issuing the Residuary Participation no distinction shall be made between the Residuary Participation and the amount or amounts issued on its or their own account by the party or parties issuing the Residuary Participation which shall in all respects be subject

to the conditions of the respective Syndicates which may be formed for the purpose of effecting the issue.

- (4) Each of the parties issuing the Residuary Participation shall be entitled to decide for itself and without reference to the party or parties giving such notice or notices as to what expenses shall be incurred in relation to the issue of the total amount issued by such party.
- (5) The party or parties issuing the Residuary Participation shall be entitled between them to charge the party or parties giving such notice or notices with a commission of not exceeding $1\frac{1}{2}$ per cent. on the nominal amount of the Residuary Participation and also with a pro rata share of the expenses which the issuing party or parties may in their sole discretion incur in relation to the whole issue and being in the proportion which the Residuary Participation bears to the total nominal amount of the issue.
- (6) The party or parties issuing the Residuary Participation shall not by virtue of this Agreement incur any responsibility to subscribe for the Residuary Participation or to cause the same to be subscribed.
- (7) Each party issuing the Residuary Participation shall apply all subscriptions received by it pro rata between the Residuary Participation issued by it and the amount issued by such party on its own account.
- (8) Each of the parties issuing the Residuary Participation will apply for and use its best endeavours to obtain a quotation on its market for the total amount issued by it.
- (9) No issue of the Residuary Participation or any part thereof shall be made by the party or parties giving such notice or notices unless mutually agreed by the parties hereto.

7.—No participation shall be given by any one of the parties hereto outside its own market. Any participation given in its own market by any one of the parties hereto shall be for its own market only or in the event of the issue including any of the Residuary Participation for the accounts pro rata of the issuing Bank and the party or parties giving such participation, the party giving the same shall use its best endeavours to secure that no part of such participation shall be transferred to parties outside the market of the party giving the same. Any other participation shall be given only with the consent of all parties hereto and shall be borne in equal shares by the parties hereto.

8.—This agreement shall remain in force for the period of five years from the date hereof provided nevertheless that a majority of the parties hereto may by twelve months' previous notice in writing addressed to the other parties hereto determine this agreement at any time.

In witness whereof the duly authorized representatives of the respective parties hereto have set their hands the day and year first above written.

For the Hongkong and Shanghai Banking Corporation,
On behalf of the British Group:

C. S. Addis.

For the Banque de L'Indo-Chine,
On behalf of the French Group:

Th. De La Chaume.

For the Yokohama Specie Bank, Ltd.
On behalf of the Japanese Group:

K. Takeuchi.

For and on behalf of the American Group:

J. P. Morgan & Co.

Kuhn, Loeb & Co.

The National City Bank of New York.

by J. A. Stillman, President.

The Guaranty Trust Company & Savings Bank, Chicago.

by J. R. Swan, Vice-President.

Continental & Commercial Trust & Savings Bank, Chicago.

by John Jay Abbott, Vice-President.

Chase National Bank, New York City.

by A. H. Wiggin, Chairman.

Lee, Higginson & Co.

No. 21

Statement of Japanese Delegation at Washington Conference with regard to Preferential Rights in South Manchuria and Eastern Inner Mongolia — February 2, 1922

1. Japan is ready to throw open to the joint activity of the International Consortium recently organized, the right of option granted exclusively in favour of Japanese capital, with regard, first, to loans for the construction of railways in South Manchuria and Eastern Inner Mongolia, and, second, to loans to be secured on taxes in that region; it being understood that nothing in the present declaration shall be held to imply any modification of the notes and memoranda which were exchanged among the governments of the countries represented in the Consortium and also among the national financial groups composing the Consortium, in relation to the scope of the joint activity of that organization.

2. Japan has no intention of insisting on her preferential right under the Sino-Japanese arrangements in question concerning the engagement by China of Japanese advisers or instructors on political, financial, military, or police matters in South Manchuria.

3. Japan is further ready to withdraw the reservation which she made, in proceeding to the signature of the Sino-Japanese treaties and notes of 1915, to the effect that Group V of the original proposals of the Japanese Government would be postponed for future negotiations.

No. 22

(WASHINGTON CONFERENCE)

Treaty* relating to Principles and Policies Concerning China — February 6, 1922

ARTICLE I.—The Contracting Powers, other than China, agree:

* The Treaty was signed by Belgium, the British Empire, China, France, Italy, Japan, the Netherlands, Portugal and the United States of America.

(1) To respect the sovereignty, the independence, and the territorial and administrative integrity of China;

(2) To provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government;

(3) To use their influence for the purpose of effectually establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China;

(4) To refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly States, and from countenancing action inimical to the security of such States.

ARTICLE II.—The Contracting Powers agree not to enter into any treaty, agreement, arrangement, or understanding, either with one another, or, individually or collectively, with any Power or Powers, which would infringe or impair the principles stated in Article I.

ARTICLE III.—With a view to applying more effectually the principles of the Open Door or equality of opportunity in China for the trade and industry of all nations, the Contracting Powers, other than China, agree that they will not seek, nor support their respective nationals in seeking:—

(a) any arrangement which might purport to establish in favour of their interests any general superiority of rights with respect to commercial or economic development in any designated region of China;

(b) any such monopoly or preference as would deprive the nationals of any other Power of the right of undertaking any legitimate trade or industry in China, or of participating with the Chinese Government, or with any local authority, in any category of public enterprise, or which by reason of its scope, duration or geographical extent is calculated to frustrate the practical application of the principle of equal opportunity.

It is understood that the foregoing stipulations of this Article are not to be so construed as to prohibit the acquisition of such properties or rights as may be necessary to the conduct of a particular commercial, industrial, or financial undertaking or to the encouragement of invention and research.

China undertakes to be guided by the principles stated in the foregoing stipulations of this Article in dealing with applications for economic rights and privileges from Governments and nationals of all foreign countries, whether parties to the present Treaty or not.

ARTICLE IV.—The Contracting Powers agree not to support any agreements by their respective nationals with each other designed to create Spheres of Influence or to provide for the enjoyment of mutually exclusive opportunities in designated parts of Chinese territory.

ARTICLE V.—China agrees that, throughout the whole of the railways in China, she will not exercise or permit unfair discrimination of any kind. In particular there shall be no discrimination whatever, direct or indirect, in respect of charges or of facilities on the ground of the nationality of passengers or the countries from which or to which they are proceeding, or the origin or ownership of goods or the country from which or to which they are consigned, or the nationality or ownership of the ship or other means of conveying such passengers or goods before or after their transport on the Chinese Railways.

The Contracting Powers, other than China, assume a corresponding obligation in respect of any of the aforesaid railways over which they or their nationals are in a position to exercise any control in virtue of any concession, special agreement or otherwise.

ARTICLE VI.—The Contracting Powers, other than China, agree fully to respect China's rights as a neutral in time of war to which China is not a party; and China declares that when she is a neutral she will observe the obligations of neutrality.

ARTICLE VII.—The Contracting Powers agree that, whenever a situation arises which in the opinion of any one of them involves the application of the stipulations of the present Treaty, and renders desirable discussion of such application, there shall be full and frank communication between the Contracting Powers concerned.

ARTICLE VIII.—Powers not signatory to the present Treaty, which have Governments recognized by the Signatory Powers and which have treaty relations with China, shall be invited to adhere to the present Treaty. To this end the Government of the United States will make the necessary communications to non-signatory Powers and will inform the Contracting Powers of the replies received. Adherence by any Power shall become effective on receipt of notice thereof by the Government of the United States.

ARTICLE IX.—The present Treaty shall be ratified by the Contracting Powers in accordance with their respective constitutional methods and shall take effect on the date of the deposit of all the ratifications, which shall take place at Washington as soon as possible. The Government of the United States will transmit to the other Contracting Powers a certified copy of the procès-verbal of the deposit of ratifications.

The present Treaty, of which the French and English texts are both authentic, shall remain deposited in the archives of the Government of the United States, and duly certified copies thereof shall be transmitted by that Government to the other Contracting Powers.

In faith whereof the above-named Plenipotentiaries have signed the present Treaty.

Done at the City of Washington the Sixth day of February One Thousand Nine Hundred and Twenty-Two.

No. 23

Agreement on General Principles for the Settlement of Questions between China and Soviet Russia — May 31, 1924

The Republic of China and the Union of Soviet Socialist Republics, desiring to re-establish normal relations with each other, have agreed to conclude an agreement on general principles for the settlement of the questions between the two countries, and have to that end named as their Plenipotentiaries, that is to say:

His Excellency the President of the Republic of China:

Vi Kyuin Wellington Koo.

The Government of the Union of Soviet Socialist Republics:

Lev Mikhailovitch Karakhan.

Who, having communicated to each other their respective full powers,

Republics agrees to renounce the special rights and privileges relating to all concessions in any part of China acquired by the Tsarist Government under various Conventions, Treaties, Agreements, et cetera.

ARTICLE XI.—The Government of the Union of Soviet Socialist Republics agrees to renounce the Russian portion of the Boxer Indemnity.

ARTICLE XII.—The Government of the Union of Soviet Socialist Republics agrees to relinquish the rights of extraterritoriality and consular jurisdiction.

ARTICLE XIII.—The Governments of the two Contracting Parties agree to draw up simultaneously with the conclusion of a Commercial Treaty at the Conference as provided in Article II. of the present Agreement, a Customs Tariff for the two Contracting Parties in accordance with the principles of equality and reciprocity.

ARTICLE XIV.—The Governments of the two Contracting Parties agree to discuss at the aforementioned Conference the questions relating to the claims for compensation of losses.

ARTICLE XV.—The present Agreement shall come into effect from the date of signature.

In witness whereof, the respective Plenipotentiaries have signed the present Agreement in duplicate in the English language and have affixed thereto their seals.

Done at the City of Peking this Thirty-First Day of the Fifth Month of the Thirteenth Year of the Republic of China, which is the Thirty-First Day of May, One Thousand Nine Hundred and Twenty-Four.

(Seal) V. K. Wellington Koo.

(Seal) L. M. Karakhan.

No. 24

Agreement for the Provisional Management of the Chinese Eastern Railway — May 31, 1924

The Republic of China and the Union of Soviet Socialist Republics mutually recognizing that, inasmuch as the Chinese Eastern Railway was built with capital furnished by the Russian Government and constructed entirely within Chinese territory, the said Railway is a purely commercial enterprise and that, excepting for matters appertaining to its own business operations, all other matters which affect the rights of the Chinese National and Local Governments shall be administered by the Chinese Authorities, have agreed to conclude an Agreement for the Provisional Management of the Railway with a view to carrying on jointly the management of the said Railway until its final settlement at the Conference as provided in Article II. of the Agreement on General Principles for the Settlement of the Questions between the Republic of China and the Union of the Soviet Socialist Republics of May 31, 1924, and have to that end named as their Plenipotentiaries, that is so say:

His Excellency the President of the Republic of China:

Vi Kyuin Wellington Koo.

The Government of the Union of Soviet Socialist Republics:

Lev Mikhailovitch Karakhan.

Who, having communicated to each other their respective full powers, found to be in good and due form, have agreed upon the following Articles:

ARTICLE I.—The Railway shall establish, for discussion and decision of all matters relative to the Chinese Eastern Railway, a Board of Directors to be composed of ten persons, of whom five shall be appointed by the Government of the Republic of China and five by the Government of the Union of Soviet Socialist Republics.

The Government of the Republic of China shall appoint one of the Chinese Directors as President of the Board of Directors, who shall also be the Director-General.

The Government of the Union of Soviet Socialist Republics shall appoint one of the Russian Directors as Vice-President of the Board of Directors, who shall also be the Assistant Director-General.

Seven persons shall constitute a quorum, and all decisions of the Board of Directors shall have the consent of not less than six persons before they can be carried out.

The Director-General and Assistant Director-General shall jointly manage the affairs of the Board of Directors and they shall both sign all the documents of the Board.

In the absence of either the Director-General or the Assistant Director-General, their respective Governments may appoint another Director to officiate as the Director-General or the Assistant Director-General (in the case of the Director-General, by one of the Chinese Directors, and in that of the Assistant Director-General, by one of the Russian Directors).

ARTICLE II.—The Railway shall establish a Board of Auditors to be composed of five persons, namely, two Chinese Auditors, who shall be appointed by the Government of the Republic of China, and three Russian Auditors, who shall be appointed by the Government of the Union of Soviet Socialist Republics.

The Chairman of the Board of Auditors shall be elected from among the Chinese Auditors.

ARTICLE III.—The Railway shall have a Manager, who shall be a national of the Union of Soviet Socialist Republics, and two Assistant Managers, one to be a national of the Republic of China and the other to be a national of the Union of Soviet Socialist Republics.

The said officers shall be appointed by the Board of Directors and such appointments shall be confirmed by their respective Governments.

The rights and duties of the Manager and the Assistant Managers shall be defined by the Board of Directors.

ARTICLE IV.—The Chiefs and Assistant Chiefs of the various Departments of the Railway shall be appointed by the Board of Directors.

If the Chief of Department is a national of the Republic of China, the Assistant Chief of Department shall be a national of the Union of Soviet Socialist Republics, and if the Chief of Department is a national of the Union of Soviet Socialist Republics, the Assistant Chief of Department shall be a national of the Republic of China.

ARTICLE V.—The employment of persons in the various departments of the Railway shall be in accordance with the principle of equal representa-

tion between the nationals of the Republic of China and those of the Union of Soviet Socialist Republics.

ARTICLE VI.—With the exception of the estimates and budgets, as provided in Article VII. of the present Agreement, all other matters on which the Board of Directors cannot reach an agreement shall be referred for settlement to the Governments of the Contracting Parties.

ARTICLE VII.—The Board of Directors shall present the estimates and budgets of the Railway to a joint meeting of the Board of Directors and the Board of Auditors for consideration and approval.

ARTICLE VIII.—All the net profits of the Railway shall be held by the Board of Directors and shall not be used pending a final settlement of the question of the present Railway.

ARTICLE IX.—The Board of Directors shall revise as soon as possible the statutes of the Chinese Eastern Railway Company, approved on December 4, 1896, by the Tsarist Government, in accordance with the present Agreement and the Agreement on General Principles for the Settlement of the Questions between the Republic of China and the Union of Soviet Socialist Republics of May 31, 1924, and in any case, not later than six months from the date of the constitution of the Board of Directors.

Pending their revision, the aforesaid statutes, insofar as they do not conflict with present Agreement on General Principles for the Settlement of the Questions between the Republic of China and the Union of Soviet Socialist Republics, and not prejudice the rights of sovereignty of the Republic of China, shall continue to be observed.

ARTICLE X.—The present Agreement shall cease to have effect as soon as the question of the Chinese Eastern Railway is finally settled at the Conference as provided in Article II. of the Agreement on General Principles for the Settlement of the Questions between the Republics of China and the Union of Soviet Socialist Republics of May 31, 1924.

ARTICLE XI.—The present Agreement shall come into effect from the date of signature.

In witness whereof the respective Plenipotentiaries have signed the present Agreement in duplicate in the English language and have affixed thereto their seals.

Done at the City of Peking this Thirty-First Day of the Fifth Month of the Thirteenth Year of the Republic of China, which is, the Thirty-First Day of May, One Thousand Nine Hundred and Twenty-Four.

(Seal) V. K. Wellington Koo.

(Seal) L. M. Karakhan.

No. 25

Agreement between the Government of the Autonomous Three Eastern Provinces of the Republic of China and the Government of the Union of Soviet Socialist Republics, Mukden — September 20, 1924

The Government of the Autonomous Three Eastern Provinces of the Republic of China and the Government of the Union of Soviet Socialist Republics, desiring to promote the friendly relations and regulate the ques-

tions affecting the interests of both Parties, have agreed to conclude an Agreement between the two Parties, and to that end named as their Plenipotentiaries, that is to say:

The Government of the Autonomous Three Eastern Provinces of the Republic of China:

Cheng Tsian, Lui Yung-huan and Chung Shih-ming.

The Government of the Union of Soviet Socialist Republics:

Nikolai Kirillovich Kouznetzov.

Who, having communicated to each other their respective full powers, found to be in good and due form, have agreed upon the following Articles:

ARTICLE I

The Chinese Eastern Railway

The Governments of the two Contracting Parties agree to settle the question of the Chinese Eastern Railway as hereinafter provided:

(1) The Governments of the two Contracting Parties declare that the Chinese Eastern Railway is a purely commercial enterprise.

The Governments of the two Contracting Parties mutually declare that with the exception of matters pertaining to the business operations which are under the direct control of the Chinese Eastern Railway, all other matters affecting the rights of the National and the Local Governments of the Republic of China, such as judicial matters, matters relating to civil administration, military administration, police, municipal government, taxation and landed property (with the exception of lands required by the Chinese Eastern Railway itself) shall be administered by the Chinese Authorities.

(2) The time-limit as provided in Article XII. of the Contract for the Construction and Operation of the Chinese Eastern Railway of August 27th/September 8th, 1896, shall be reduced from eighty to sixty years, at the expiration of which the Government of China shall enter gratis into possession of the said Railway and its appurtenant properties.

Upon the consent of both Contracting Parties, the question of a further reduction of the said time-limit, that is, sixty years, may be discussed.

From the date of signing the present agreement, the Union of Soviet Socialist Republics agrees that China has the right to redeem the Chinese Eastern Railway. At the time of redemption, the two Contracting Parties shall determine what the Chinese Railway had actually cost, and it shall be redeemed by China with Chinese capital at a fair price.

(3) The Government of the Union of Soviet Socialist Republics agrees in a Commission to be organized by the two Contracting Parties to settle the question of the obligations of the Chinese Eastern Railway Company in accordance with Section 4 of Article IX. of the Agreement on General Principles for the Settlement of the Question between the Union of Soviet Socialist Republics and the Republic of China signed on May 31st, 1924, at Peking.

(4) The Governments of the two Contracting Parties mutually agree that the future of the Chinese Eastern Railway shall be determined by the Union of Soviet Socialist Republics and China to the exclusion of any third party or parties.

(5) The Contract for the Construction and Operation of the Chinese Eastern Railway of August 27th/September 8th, 1896, shall be completely revised, in accordance with the terms specified in this Agreement, by a Commission of the two Contracting Parties in four months from the date of signing the present Agreement. Pending the revision, the rights of the two Governments arising out of this Contract, which do not prejudice China's rights of sovereignty, shall be maintained.

(6) The Railway shall establish, for discussion and decision of all matters relating to the Chinese Eastern Railway, a Board of Directors to be composed of ten persons, of whom five shall be appointed by China and five by the Union of Soviet Socialist Republics.

China shall appoint one of the Chinese Directors as President of the Board of Directors, who shall be ex-officio the Director-General.

The Union of Soviet Socialist Republics shall appoint one of the Russian Directors as Vice-President of the Board of Directors, who shall be ex-officio the Assistant Director-General.

Seven persons shall constitute a quorum, and all decisions of the Board of Directors shall have the consent of not less than six persons before they can be carried out.

The Director-General and the Assistant Director-General shall jointly manage the affairs of the Board of Directors, and they shall jointly sign all the documents of the Board.

In the absence of either the Director-General or the Assistant Director-General, their respective Governments may appoint another Director to officiate as the Director-General or the Assistant Director-General (in the case of the Director-General, by one of the Chinese Directors, and in that of the Assistant Director-General, by one of the Russian Directors).

(7) The Railway shall establish a Board of Auditors to be composed of five persons, namely, two Chinese Auditors, who shall be appointed by China, and three Russian Auditors, who shall be appointed by the Union of Soviet Socialist Republics.

The Chairman of the Board of Auditors shall be elected from among the Chinese Auditors.

(8) The Railway shall have a Manager, who shall be a national of the Union of Soviet Socialist Republics, and two Assistant Managers, one to be a national of the Union of Soviet Socialist Republics, and the other to be a national of the Republic of China.

The said officers shall be appointed by the Board of Directors and such appointments shall be confirmed by their respective Governments.

The rights and duties of the Manager and the Assistant Managers shall be defined by the Board of Directors.

(9) The Chiefs and Assistant Chiefs of the various departments of the Railway shall be appointed by the Board of Directors.

If the Chief of a department is a national of the Republic of China, the Assistant Chief of that department shall be a national of the Union of Soviet Socialist Republics, and if the Chief of a department is a national of the Union of Soviet Socialist Republics, the Assistant Chief of that department shall be a national of the Republic of China.

(10) The employment of persons in the various departments of the

Railway shall be in accordance with the principle of equal representation between the nationals of the Republic of China and those of the Union of Soviet Socialist Republics.

(Note:—In carrying out the principle of equal representation, the normal course of life and activities of the Railway shall in no case be interrupted or injured, that is to say, the employment of the people of both nationalities shall be based in accordance with experience, personal qualifications and fitness of the applicants.)

(11) With the exception of the estimates and budgets as provided in Section XII. of Article I. of the present agreement, all other matters on which the Board of Directors cannot reach an agreement, shall be referred to the Governments of the Contracting Parties for a just and amicable settlement.

(12) The Board of Directors shall present the estimates and budgets of the Railway to a joint meeting of the Board of Directors and the Board of Auditors for consideration and approval.

(13) All the net profits of the Railway shall be held by the Board of Directors and shall not be used pending a final settlement, in a joint Commission, of the question of its distribution between the two Contracting Parties.

(14) The Board of Directors shall make a complete revision, as soon as possible, of the statutes of the Chinese Eastern Railway Company approved on December 4th, 1896, by the Tsarist Government in accordance with the present Agreement and not later than four months from the date of the constitution of the Board of Directors.

Pending their revision, the aforesaid Statutes, insofar as they do not conflict with the present Agreement and do not prejudice the rights of sovereignty of the Republic of China, shall continue to be observed.

(15) As soon as the conditions of the redemption by China of the Chinese Eastern Railway are settled by both Contracting Parties, or as soon as the Railway reverts to China upon the expiration of the time-limit as stipulated in Section II. of Article I. of the present Agreement, all parts of this Agreement concerning the same shall cease to have effect.

ARTICLE II

Navigation

The Governments of the two Contracting Parties agree to settle, on the basis of equality, reciprocity and the respect of each other's sovereignty, the question relating to the navigation of all kinds of their vessels on those parts of the rivers, lakes, and other bodies of water, which are common to their respective borders, the details of this question to be regulated in a Commission of the two Contracting Parties within two months from the date of signing the present Agreement.

In view of the extensive freight and passenger interests of the Union of Soviet Socialist Republics on the River Sungari up to and including Harbin, and the extensive freight and passenger interests of China on the lower Amur River into the sea, both Contracting Parties agree, on the basis of equality and reciprocity, to take up the question of securing the said interests in the said Commission.

ARTICLE III

Boundaries

The Governments of the two Contracting Parties agree to redemarcate their boundaries through a Commission to be organized by both Parties, and, pending such redemarcation, to maintain the present boundaries.

ARTICLE IV

Tariff and Trade Agreement

The Governments of the two Contracting Parties agree to draw up a Customs Tariff and conclude a Commercial Treaty in a Commission to be organized by the said Parties on the basis of equality and reciprocity.

ARTICLE V

Propaganda

The Governments of the two Contracting Parties mutually pledge themselves not to permit within their respective territories the existence and/or activities of any organizations or groups whose aim is to struggle by acts of violence against Government of either Contracting Party.

The Governments of the two Contracting Parties further pledge themselves not to engage in propaganda directed against the political and social systems of either Contracting Party.

ARTICLE VI

Commissions

The Commissions as provided in the Articles of this Agreement shall commence their work within one month from the date of signing this Agreement, and shall complete their work as soon as possible and not later than six months. This does not apply to those Commissions whose time-limits have been specified in the respective Articles of this Agreement.

ARTICLE VII

The present Agreement shall come into effect from the date of signature.

In witness whereof, the respective Plenipotentiaries have signed the present Agreement in duplicate in the Chinese, Russian and English languages, and have affixed thereto their seals.

In case of dispute, the English text shall be accepted as the standard.

Done at the City of Mukden this Twentieth Day of the Ninth Month of the Thirteenth Year of the Republic of China, which is the Twentieth Day of September, One Thousand Nine Hundred and Twenty-Four.

Signed:

Cheng Tsian	(Seal)
Lui Yung-huan	(Seal)
Chung Shih-ming	(Seal)
Kouznetzov	(Seal)

No. 26

The Treaty for the Renunciation of War as an Instrument of National Policy*

Signed at Paris, August 27, 1928; in force July 24, 1929, for Afghanistan, Albania, Australia, Austria, Belgium, Bulgaria, Canada, Chile (August 12), China, Cuba, Czechoslovakia, Denmark, Dominican Republic, Egypt, Estonia, Ethiopia, Finland, France, Germany, Great Britain, Greece (August 3), Honduras (August 5), Hungary, Iceland, India, Irish Free State, Italy, Japan, Latvia, Liberia, Lithuania, Luxemburg (August 24), Netherlands, New Zealand, Nicaragua, Norway, Panama, Persia, Peru, Poland, Portugal, Rumania, Serb-Croat-Slovene State, Siam, South Africa, Soviet Union, Spain, Sweden, Switzerland (September 5), Turkey, United States of America; Costa Rica, Haiti and Venezuela perfected adherence on August 1.

The President of the German Reich, the President of the United States of America, His Majesty the King of the Belgians, the President of the French Republic, His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India, His Majesty the King of Italy, His Majesty the Emperor of Japan, the President of the Republic of Poland, the President of the Czechoslovak Republic,

Deeply sensible of their solemn duty to promote the welfare of mankind;

Persuaded that the time has come when a frank renunciation of war as an instrument of national policy should be made to the end that the peaceful and friendly relations now existing between their peoples may be perpetuated;

Convinced that all changes in their relations with one another should be sought only by pacific means and be the result of a peaceful and orderly process, and that any signatory power which shall hereafter seek to promote its national interests by resort to war should be denied the benefits furnished by this Treaty;

Hopeful that, encouraged by their example, all the other nations of the world will join in this humane endeavor and by adhering to the present Treaty as soon as it comes into force bring their peoples within the scope of its beneficent provisions, thus uniting the civilized nations of the world in a common renunciation of war as an instrument of their national policy;

Having decided to conclude a Treaty and for that purpose have appointed as their respective plenipotentiaries:

(Here follows a list of the Plenipotentiaries)

who, having communicated to one another their full powers found in good and due form have agreed upon the following articles:

ARTICLE I.—The high contracting parties solemnly declare in the names of their respective peoples that they condemn recourse to war for the solution of international controversies, and renounce it as an instrument of national policy in their relations with one another.

* The French and English texts are also found in the *Kampo*, the Japanese Official Gazette, July 24, 1929.

ARTICLE II.—The high contracting parties agree that the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means.

ARTICLE III.—The present Treaty shall be ratified by the high contracting parties named in the preamble in accordance with their respective constitutional requirements, and shall take effect as between them as soon as all their several instruments of ratification shall have been deposited at Washington.

This Treaty shall, when it comes into effect as prescribed in the preceding paragraph, remain open as long as may be necessary for adherence by all the other powers of the world. Every instrument evidencing the adherence of a power shall be deposited at Washington and the Treaty shall immediately upon such deposit become effective as between the power thus adhering and the other powers parties hereto.

It shall be the duty of the Government of the United States to furnish each Government named in the preamble and every Government subsequently adhering to this Treaty with a certified copy of the Treaty and of every instrument of ratification or adherence. It shall also be the duty of the Government of the United States telegraphically to notify such Governments immediately upon the deposit with it of each instrument of ratification or adherence.

In faith whereof the respective plenipotentiaries have signed this Treaty in the French and English languages both texts having equal force and hereunto affixed their seals.

Done at Paris, the twenty-seventh day of August in the year one thousand nine hundred and twenty-eight.

[Signatures of the Plenipotentiaries]

DECLARATION

The Imperial Government declare that the phraseology "in the names of their respective peoples," appearing in Article 1 of the Treaty for the Renunciation of War, signed at Paris on August 27, 1928, viewed in the light of the provisions of the Constitution of the Empire, is understood to be inapplicable in so far as Japan is concerned.

June 27, 4. Showa (1929)

No. 27

(RELATING TO DISPUTE ON THE C. E. R.)

The Sino-Soviet Agreement*

On December 22, 1929 Simanovsky, representing the Moscow Foreign Office and Mr. Tsai, representing the Chinese Republic, signed the following protocol:

1.—Preliminary conditions of the Government of the U. S. S. R. understood by both parties in full conformity with the telegram of Mr. Litvinov

* The English Translation of the Agreement is reproduced from the North China Herald, December 25, 1929.

of November 27 and the Nikolsk-Ussurisk protocol of December 3 as restoration of the situation existing prior to the conflict and based upon the Mukden and Peking agreements.

All outstanding questions which have arisen during the period of joint Soviet-Chinese management of the Railway are to be solved at the forthcoming conference. Accordingly the following measures are to be immediately carried out:

(a) Restoration, on basis of the old agreements, of the activity of the Management of the C. E. R. and resumption by Soviet members of the Management of their duties. Henceforth the Chinese Chairman of the Management and Soviet Vice-Chairman of the Management must act only jointly in conformity with article 6 of the Soviet-Mukden agreement.

(b) Restoration of the former proportion of offices held by Soviet and Chinese citizens and reinstatement (or immediate appointment of new candidates should such be recommended on the Soviet side) of Soviet citizens, chief officers and assistant chiefs of departments.

(c) Orders and instructions on the C. E. R. issued on behalf of Management and Administration of C. E. R. beginning on July 10, 1929 are considered invalid unless properly confirmed by the local management and administration of the road.

2.—All Soviet citizens without exception arrested by Chinese authorities after May 1, 1929 and in connection with the conflict immediately to be released without subdivision into any categories, including Soviet citizens arrested during the search of the Harbin Consulate on May 27, 1929.

The Government of the U. S. S. R. also immediately releases all Chinese citizens without exception arrested in connection with the conflict and interned Chinese soldiers and officers.

3.—All workers and employees of the C. E. R., citizens of the U. S. S. R. discharged or resigned, beginning July 10, to be given the right and opportunity immediately to return to positions held prior to discharge and to receive money owing them from C. E. R.

Those discharged and resigned, who fail to utilize this right must immediately be paid full wages, pension dues etc. owing to them.

Vacancies may be filled only by a proper order of the lawful management and administration of the C. E. R. and all former Russian citizens non-citizens of the U. S. S. R. employed by C. E. R. during conflict must be summarily and immediately discharged.

4.—Chinese authorities immediately to disarm the Russian White Guards detachments and deport from the Three Eastern Provinces their organizers and inspirers.

5.—Leaving open the question of resumption of full diplomatic and consular relations between U. S. S. R. and China until the Soviet-Chinese Conference, both parties consider possible and necessary the immediate restoration of Soviet Consulates in the territory of the Three Eastern Provinces and Chinese Consulates at respective points of the Soviet Far East. In view of the fact that the Union Government declared on May 21, 1929, that "since the Chinese Authorities have proved by all their actions their clear unwillingness and inability to reckon with the generally accepted principles of International Law and customs, it on its part does not henceforth

regard itself bound by these principles in relation to Chinese representation in Moscow and Chinese Consulates in Soviet Territory and that this representation and these Consulates will no longer enjoy the extraterritoriality to which International Law entitles them," and that both parties intend to restore consular relations between them on a basis conforming with the principles of International Law and customs, the Mukden Government declares that it undertakes to assure the Soviet Consulates on the territory of the Three Eastern Provinces full inviolability and all privileges to which international law and custom entitle them and will of course refrain from any action violating this inviolability and these privileges. On its part the Government of the U. S. S. R. discontinues the special regime established by it between May 21, 1929 and the rupture of relations for Chinese Consulates and grants these Consulates, which are to be restored by virtue of the first clause of this point, on the territory of the Soviet Far East, all privileges and the full inviolability to which International Law and custom entitle them.

6.—With restoration of Consulates, opportunity immediately is given for the resumption of normal activity of all Soviet business organizations existing before the conflict within the Three Eastern Provinces.

Similar opportunity is offered to restore Chinese commercial enterprises which existed within the U. S. S. R. and whose operations were discontinued in connection with the C. E. R. conflict.

The question of commercial relations between the two countries as a whole to be settled at the Soviet-Chinese Conference.

7.—The question of real guarantees of observance of agreements and the interests of both sides are to be solved at the forthcoming conference.

8.—The Soviet Chinese Conference to regulate all outstanding questions to be held at Moscow on January 25, 1930.

9.—The peaceful situation on the frontiers of China and the U. S. S. R. to be restored immediately with the subsequent withdrawal of troops by both sides.

10.—This protocol comes into force from moment of its signature.
December 22, 1929.

No. 28

(Tariff) Agreement Concluded between the Empire of Japan and the Republic of China

The Government of Japan and the National Government of the Republic of China have, through their respective representatives, agreed upon and concluded the following Articles:—

ARTICLE I

The Japanese and the Chinese Governments agree that all matters relating to rates of duty on the import and export of articles, drawbacks, transit dues and tonnage dues in the territories of Japan and the territories of China shall be regulated exclusively by the laws of Japan and of China respectively.

ARTICLE II

The Governments of Japan and of China shall reciprocally grant to each other and to the nationals of the other country, in customs duties, drawbacks and transit dues and all other similar internal charges, applied to the import and export of articles, and in tonnage dues, as well as in all matters connected therewith, treatment not less favourable than that accorded or to be accorded to its own nationals or to the Government and nationals of any other foreign country.

Articles produced or manufactured in the territories of Japan or of China and imported into the territories of the other, from whatever place arriving, shall receive, in import duties, drawbacks and transit dues and all other similar internal charges, and in all matters connected therewith, treatment not less favourable than that accorded or to be accorded to the like articles produced or manufactured in the same territories and exported to any other foreign country.

In regard to tonnage dues and all matters connected therewith vessels of Japan and of China shall each receive in the territories of the other treatment not less favourable than that accorded or to be accorded to the vessels of any other foreign country.

ARTICLE III

The stipulations contained in the foregoing Articles as well as in the exchanged Notes annexed to the present Agreement shall be incorporated in, and form part of, a Treaty of Commerce and Navigation to be negotiated and concluded as soon as possible between Empire of Japan and the Republic of China.

ARTICLE IV

The Japanese, Chinese and English texts of this Agreement have been carefully compared and verified; but in the event of there being any difference of meaning between them, the sense as expressed in the English text shall be held to prevail.

ARTICLE V

The present Agreement shall enter into force on the tenth day following the date of the signature thereof.

Done in duplicate at the city of Nanking, this 6th day of the 5th month of the 5th year of Showa, corresponding to the 6th day of the 5th month of the nineteenth year of the Republic of China.

(Signed) M. Shigemitsu,
Japanese Chargé d'Affaires in China.
(Signed) Chengting T. Wang,
Minister for Foreign Affairs of the
National Government of the
Republic of China.

ANNEX I

Nanking, May 6th, 5 Showa (1930).

Monsieur le Ministre,

With reference to the Agreement which we signed to-day I have the honour to state that it is the understanding of the Japanese Government:

1. That, beginning from the date of the coming into force of the above-mentioned Agreement, the Chinese Government will maintain: for a period of three years the rates of duty leviable under Items 1, 2 and 3 in Part I of the Schedule attached hereto, and will also maintain for a period of one year the rates of duty leviable under Item 4 in Part I of the said Schedule, as the maximum rates of Import Duty leviable during the respective periods on articles falling within such Items produced or manufactured in the territories of Japan and imported into the territories of China, subject, however, to the reservation made in the said Schedule by the Chinese Government concerning the increase of rates; and

2. That the Japanese Government will maintain for a period of three years from the date of the coming into force of the above-mentioned Agreement, the rates of duty leviable under the three Items in Part II of the Schedule attached hereto, as the maximum rates of Import Duty leviable during the said period on articles falling within such Items produced or manufactured in the territories of China and imported into the territories of Japan.

I shall be much obliged if Your Excellency will be good enough to confirm the foregoing understanding.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

(Signed) M. Shigemitsu.

His Excellency

Dr. Chengting T. Wang,

Minister for Foreign Affairs of

the National Government of the Republic of China.

SCHEDULE

PART I

No. of Items	Description of Articles	Nos. in Chinese Customs Import Tariff of 1929
1	Cotton Goods	1 to 10, 12 to 14, 22 to 24, 26 to 32, 37, 38, 40, 43, 46, 47, 51, 53, 58, 59.
2	Fishery and Sea Products	196 to 199, 202, 205, 206, 213, 216, 217, 218, 231.
3	Wheat Flour	280.
4	Miscellaneous Goods.....	302, 567, 568, 603 to 605 (a), 612, 647, 652 (b), 666 (b), 677 (c), 685, 706, 709 (f), 709 (g), 710, 715.

The numbers which appear in Part I of this Schedule indicate the same articles as are mentioned under the corresponding numbers in the Chinese Customs Import Tariff of 1929, with the exception of the following numbers which cover only such articles as are enumerated thereunder:

- 652 (b). Rubber Shoes and Boots, as also Foot-gear made wholly or partly of Rubber.
 666 (b). Clocks and Movements assembled as a Unit, Value not over Hk. Tls. 40 per doz.
 677 (c). Hats and Caps, of Felt made with other materials than Beaver or Hair, Value not over Hk. Tls. 15 per doz.
 706. Thermostatic Containers and Parts thereof, Value not over Hk. Tls. 15 per doz.
 709 (f). Electrical Machinery and Parts thereof.
 710. Toys and Games.
 715. Vehicles: Velocipedes (e. g., Bicycles, etc.), not otherwise enumerated, Value not over Hk. Tls. 40 per piece.

The rates of duty on articles mentioned in Part I of this Schedule shall remain the same as those stated under the corresponding numbers in the aforesaid Tariff, it being understood that, as regards the rates of duty on articles covered by the numbers not underlined, the Chinese Government reserves the right to increase the rates specified above by not more than two and a half per cent. ad valorem. In the case of specific rates of duty, the increase above provided for will be based either uniformly upon the original duty paying value by which the rates in the aforesaid Tariff were determined or uniformly upon the duty paying value which was adopted by the Tariff Valuation Commission in 1928.

The Chinese Government reserves the right to levy an excise on imported Cotton Yarn (No. 51) in addition to the Customs Import Duty.

PART II

No. of Items	Description of Articles	Nos. in existing Japanese Import Tariff
1	Grass Cloth	299.5, (over 48 centimetres in width excepted) C-1, a-1 to a-4, C-2, a-1 to a-4.
2	Silk Piece Goods.....	303. 3, A, a, b.
3	Embroidered Tissues	308 (Hand-work only).

Unless otherwise specified, the numbers which appear in Part II of this Schedule indicate the same articles as are mentioned under the corresponding numbers in the Japanese Import Tariff at present in force.

The rates of duty on articles mentioned in Item 1 in Part II of this Schedule shall remain the same as those stated under the corresponding numbers in the Japanese Import Tariff at present in force, and the rates of duty on articles mentioned in Item 2 and 3 in Part II of this Schedule shall be thirty per cent. less than those now levied under the Law relating to Import Duties on Luxuries and Similar Articles.

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January-December, 1929

Ports		Dairen	Shanghai	Kobe	San Francisco
Steamers	Arrived	Number 4,187	10,649	4,323	7,806
	Net Tonnage	7,061,173	17,921,838	14,687,901	19,592,704
Cleared	Number	4,074	11,640	4,319	7,959
	Net Tonnage	6,996,219	17,966,722	14,786,424	19,537,606
Cargo	Imports	(Hk. Tls.) 206,083,814	(Hk. Tls.) 973,052,814	¥ 879,442,992	\$ 212,672,215
	Exports	(Hk. Tls.) 302,444,099	(Hk. Tls.) 936,474,806	¥ 691,372,749	\$ 206,206,840

PORT OF DAIREN,
As the Russians left it in 1904.



PORT OF DAIREN
JUNE, 1930. SCALE 1:20,000.





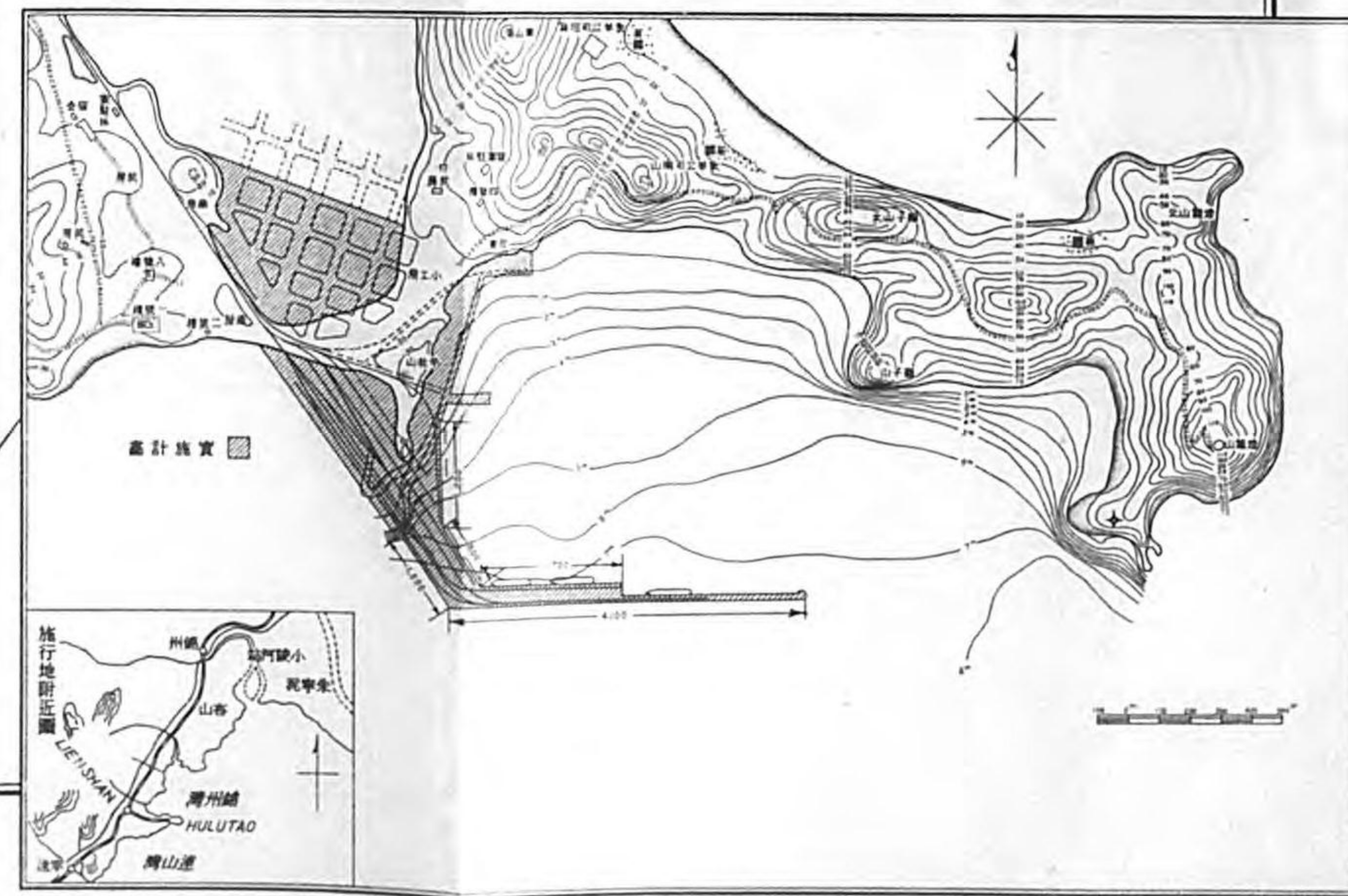
HARBOR OF VLADIVOSTOK



GENERAL PLAN OF HULUTAO HARBOR



GENERAL PLAN OF HULUTAO HARBOR



The Map of the Vladivostok Harbor copied from "The Port of Vladivostok," published by The Head Office of Vladivostok Commercial Port & The Ussuri Railway, 1927.