

tioners which meant that there was only one physician for every 6,721 of population. Dentists numbered 908. The number of deaths caused by infectious diseases was 3,532 out of 19,849 patients.

**Prohibition of Opium Smoking** Soon after its inauguration the Government-General made a serious effort to deal with opium-smoking. The habit of opium-smoking among the Chosenese people had been quite strong, specially among those in the frontier regions, many deaths resulting therefrom. The Government-General's drive for the abolition of this vicious habit was a thorough one. The following is the policy being pursued by the Government-General since 1929 in its effort to conquer the evil of opium-smoking:

1. Efforts shall be made to cure all morphine addicts within ten years.

2. All addicts shall be registered and a fixed quantity of morphine admin-

istered.

3. The Government-General shall monopolize the manufacture and sale of morphine which is supplied to the registered addicts above mentioned.

4. Stricter control of morphine shall be enforced and no morphine be used by persons other than registered addicts, and heavier punishments be provided for smugglers and secret sellers of morphine.

5. Schools and other institutions of social culture shall educate the public in order to prevent the development of addicts and to assist the already cured to avoid relapse.

On March 3, 1930, the Government-General issued an order forcing all addicts to be registered and in 1935 the Ordinance of Control of Narcotics was issued the result of which was very good and the number of registered addicts was only 315 at the end of 1935 as against 3,278 in 1930.

## CHAPTER XLI

### TAIWAN (FORMOSA)



*Delicious Formosan*  
**Canned PINEAPPLE**

**GODOH**



**TAIWAN GODOH PINEAPPLE K.K.**  
(THE FORMOSAN CONSOLIDATED PINEAPPLE CO., LTD.)  
FORMOSA, JAPAN

Codes Used:  
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Cable Address:  
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**ENSUIKO SUGAR MFG. CO., LTD.**

ESTABLISHED IN 1903

AUTHORIZED CAPITAL ..... ¥60,000,000

**PURE CANE SUGARS**  
**OF THE HIGHEST QUALITY**

LEADING PRODUCTS:

Refined Sugar EY, EW, No. 2, No. 3, No. 4, ER, ET, EZ;  
Plantation White Sugar A, B, C, EK; Brown Sugar ESB,  
ESK, Molasses Sugar EBB; Alcohol 94%, 100%

HEAD OFFICE: Shin-Eigai, Taiwan  
TOKYO OFFICE: Nihombashi-ku, Tokyo

**THE ENSUIKO PULP INDUSTRY COMPANY, LIMITED**

Capital: ¥25,000,000      Established in 1938

HEAD OFFICE: Shin-Eigai, Taiwan

MANUFACTURERS  
OF PULP FOR PAPER AND RAYON YARN





# TAIWAN TAKUSHOKU KABUSHIKI KAISHA

ESTABLISHED 1936

CAPITAL ..... ¥60,000,000

President: KYOHEI KATO

Vice-President: TADASU HISAMUNE

Plantation, Agriculture, Forestry, Fishery, Mining, and Other Industries in Taiwan and South Sea Islands; Financing of Emigration and Enterprises Overseas.

Head Office: TAIHOKU, TAIWAN

Branch Offices: Tokyo, Taichu, Tainan, Takao, Shintiku, Taito, Canton, Haihow, Samah, Bangkok, Hongkong, Hanoi, Manila, etc.

## CHAPTER XLI

### TAIWAN (FORMOSA)

#### General Description

**Area and Topography** Taiwan (Formosa) forms the westernmost part of the Japanese Empire. It is washed by the Pacific on the east, and is separated from China on the west by the Taiwan Straits and on the south from the Philippines by Bashi and Ballintang Channels. It extends from 111° 30' to 122° 06' E. longitude, and from 7° to 25° 38' N. latitude. The Tropic of Cancer bisects the island, which is about 394.28 km. long, its greatest width being 122.31 km. The Pescadores (Bokoto) and other outlying islands form a political division of the Taiwan Government-General. They cover 126.86 sq. km. The area of Taiwan, including the Pescadores, is 35,961.20 sq. km., being about 5.3 per cent of the total area of Japan, little smaller than Kyushu, and about one-sixth the size of Chosen (Korea). As regards its topography, Taiwan is an island which rises from the sea to a height of 3,950 meters, reached at the summit of Mount Nilitaka (Mount Morrison). It consists of a mountain range with narrow valleys on both coasts which are the population centers. The valley on the west coast is the principal population center.

That on the east coast is little developed and is capable of but slight further development. The rivers are not long and their current is very swift; in the rainy season they flood the surrounding country, causing much damage. The climate is semi-tropical. In summer the north is visited by rains; in winter the south. The temperature rarely falls below the freezing point.

**The Inhabitants** The territorial system of Taiwan was organized during five years, 1898 to 1902, by a large land-investigation enterprise made by the Government-General. The island is inhabited by Japanese, natives, Chosenese and foreigners. The Japanese went there after the occupation of the island by Japan, and the foreigners are mostly Chinese (45,367 at the end of 1940). The number of Western people is small (115 at the end of 1940). The natives are mostly Mins from Fukien province and Cantonese from the China coast across the Taiwan Straits, composing 94 per cent of the total population. The aborigines consist of savages and semi-civilized tribes. The following figures show the estimated number of the population at the end of 1936-1939:

	1936	1937	1938	1939
Japanese	282,012	299,280	308,845	323,148
Chosenese	1,694	1,985	1,903	2,260
Natives	5,108,914	5,261,404	5,392,806	5,524,990
Aboriginal savages	152,350			
Chinese	59,015	46,373	43,405	45,466
Foreigners	228			
Total	5,451,863	5,609,042	5,746,959	5,895,864

Including the savages, the census population on October 1, 1940, in Taiwan was 5,872,084 (men, 2,970,655; women, 2,901,429), showing an increase of 2,832,333 over that at the end of 1905, when the first census results were

announced.

The areas, population, number of counties and districts and number of towns and villages of five provinces, three districts and nine cities at the end of 1939 follow:

	Area sq. ri	Population	No. of Counties or Sub-districts	No. of Towns and Villages
Taihoku province	297.8	1,159,648	9	38
Shinchiku ..	296.8	796,340	8	42
Taichu ..	478.6	1,313,419	11	57
Tainan ..	351.5	1,488,429	10	66



# Shintaro Atomiya

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Member of Committee of FORMOSA GOVERNMENT

President of KINSEI MINING CO., LTD.

President of HIGASHI KIJIMA COAL MINING CO., LTD.



	Area sq. ri	Population	No. of Counties or Sub-districts	No. of Towns and Villages
Takao province	370.9	848,892	7	43
Taito district	227.9	85,001	3	11
Karenko "	300.0	135,615	3	9
Boko "	8.2	68,520	2	5
Total	2,331.5	5,895,864	53	271
Taihoku city	4.3	340,114	—	—
Keelung "	3.0	100,182	—	—
Shichiku "	2.3	59,983	—	—
Shoka "	4.2	58,491	—	—
Taichu "	1.3	81,614	—	—
Tainan "	3.4	131,079	—	—
Kagi "	3.6	90,235	—	—
Takao "	2.6	118,435	—	—
Heito "	4.0	53,999	—	—
Total	29.0	1,034,132	—	—

**The Climate** Being in the semi-tropical zone, the summer time is long and the winter is short. The highest temperature, however, is not very much higher than in Japan proper, but the weather is warmer during the winter time. Frost is very rare and water has been known to freeze over only twice since Taiwan came under Japanese rule. The island lies in the highway of typhoons, and is yearly visited by them, terrible damage being sometimes caused.

During a 38-year period ending in 1934, Taiwan was hit by severe typhoons no less than 91 times; of these, as many as 7 occurred in the year 1914.

Typhoons originate generally in the offing northeast or east of Luzon Island of the Philippines, and cross the island or enter the Chinese mainland, passing the southern or northern extremity of the island. Taiwan forms a part of an earthquake zone connecting Kyushu, Okinawa Islands and the Philippines and naturally it is very often visited by seismic shocks. The number of earthquakes registered in the island or the neighboring seas during 28 years ending 1936, was 9,248, which means 330 a year or nearly one every day.

#### Administration System

When Taiwan came under Japan's rule in April 1895, the Japanese Government established the Taiwan Affairs Bureau in June of that year and then in August of the same year the Taiwan Government-General Act was promulgated in connection with the introduction of military administration. This was replaced by the civil administration in April of the following year. The Taiwan Govern-

ment-General came under the supervision of the Minister for Overseas Affairs with the establishment of the Ministry in June 1929. The Governor-General invested with authority to require military assistance from the commanders of the army and navy in the territory under his jurisdiction, when he deems it necessary to do so for the maintenance of peace and order in Taiwan. If the Governor-General is either a soldier or a naval man, he is able simultaneously to assume the command of the Taiwan Army. The Governor-General also is invested with authority to supervise officials under him, promote them in rank, retire them from service, or recommend them for honors through the Minister for Overseas Affairs and the Premier, and to suspend or cancel orders and administrative measures of provincial governors under him, when such are deemed damaging to public interest or overstepping the sphere of their authority. He is assisted by the Vice-Governor-General. The Taiwan Government-General consists, besides the secretariat to the Governor-General, of seven bureaux, that is, the Home Affairs Bureau, Educational Affairs Bureau, Financial Affairs Bureau, Colonial Development Bureau, Rice Bureau, and Police Affairs Bureau. There are also the Planning Department and the Foreign Affairs Department. The chief of general affairs, or civil governor, directors of the seven bureaux and many other officials are under the supervision of the Governor-General. There is an Advisory Council to the Governor-General, which serves as a very important organ for the administration of the island. Not only does it give advice to the Governor-General on

laws or regulations but also on general important business. The members consist of Government-General officials and leading persons in private circles in the island. The provincial administration extends over 5 provinces, 3 districts, 11 cities and 51 counties. There are the same number of provincial governors, district superintendents, city administrators and county chiefs all under the Government-General.

#### Taiwan in the Emergency

Taiwan situated nearest to China and the South Seas among the territories of the Empire has continued studies of South China and the South Seas Islands since the establishment of the Japanese rule. When the China Affair broke out in 1937 the Taiwan Government-General began to take part earnestly in the accomplishment of war purposes of the home government, creating new sections in the central offices, and, when it developed to the present Greater East Asia War in 1941, it has made invaluable contributions toward the southward movement of the Imperial Army and Navy, the island being at the most convenient geographic position for such movement, and toward the execution of their war plans in the southern regions or the reconstruction of the occupied areas, with its knowledge of the South Seas and presenting valuable data it gathered during recent years.

In consonance with the strengthening of national structure in Japan proper, the Government-General proclaimed the National General Mobilization, beginning with the spiritual unity of all races in the island. Then, followed control measures for the increase of production, restriction of imports and promotion of exports, distribution of daily necessities, regulation of commodity prices, distribution of labor and proper plans for land and sea transportation.

In August 1937 a new Department of Information was created in the Government-General, while each of local governments followed the example, to have the islanders fully informed of the actual situation of general affairs, national and international, and to awaken them in their duties for the country.

The Komin Hoko Kai (Imperial Subjects Service Association) was organized on April 14, 1941, as the national organization of all subjects in the island in concert with the Taisei Yokusan Kai

(Imperial Rule Assistance Association) in Japan proper and similar organizations in the other overseas territories. The purpose of the Association is to firmly establish a strong defense system and to cooperate for the construction of new order in East Asia, each person living in the Island faithfully executing his duty, as the subject of the Emperor and the member of the association, in accordance with the sacred principles of the Imperial Ancestors. The Governor-General is, ex officio, president of the Association, and the inhabitants are necessarily its members. The president is assisted by an advisory council and the head of the central office. The Vice-Governor-General is appointed head of the central office and actually supervises the general affairs of the Association, besides presiding over the meetings of the advisory council. The central office consists of the six sections of general affairs, local affairs, training, living, propaganda and finance. Local offices are established in the governments of the 5 provinces and 3 districts.

#### Police and Judicature

**The Police** The Taiwan police consist of men appointed from among Japanese, natives and semi-civilized aborigines. Their services are divided into the ordinary services and aboriginal police service. At the end of 1940 the police force in Taiwan was 12,466, including all ranks. The police in aboriginal districts are re-enforced by police assistants appointed mostly from among natives. These are features of the police services of Taiwan. What is known as the tithing system of Taiwan provides a feature of peace preservation in the island. This system is of Chinese origin and was first adopted as an auxiliary to the police system in 1898. Owing to the satisfactory results attained, it also was extended to the lower grades of the administration in 1909. One tithing group consists of 100 houses and it looks after the peace of the group. In case these groups organize an association, the matter has to be sanctioned by provincial governors or district superintendents. Each group has its chief, who is elected and sanctioned by governor or superintendent. His duty is to maintain peace and order in his tithing district. Members of groups consist of men ranging from 17 to 50 years old and must



be of good character. They offer their services free. The number of groups involved in the tithing system of Taiwan was 5,812 at the end of 1940. In July 1938 the economic police was created in order to enforce laws concerning economic control.

**Special Police** The aborigines in Taiwan numbered 158,321 at the end of 1940. Of the total, 62,755 are living in the districts under ordinary police. The remaining 95,568 are savages still living in the mountains. The land of these savages extends over 16,166 square kilometers or about 44 per cent of the total area of the island. In order to keep peace and order in the savage part of the land and to help and educate the savages, a special police system is established, which is worked by 5,271 policemen, medical men and social workers. Protection and guidance are the main purposes of the special police, and there are established 180 schools, 42 medical offices, 195 small hospitals and 111 trading offices in the parts occupied by the savages.

The savages have been civilized with years, and the number of criminal cases was 263, including only 5 cases of killing in 1940, a decrease of 173 cases as compared with the preceding year. The aborigines keep guns as a household treasure. But they are persuaded to exchange the dangerous weapons with farming tools, and 1,350 rifles were voluntarily brought into the police offices in 1940, making a total of 37,588 during past 40 years. Since the commencement of the China Affair the aborigines have rendered services to the Imperial Army or made contributions in money amounting to ¥3,195 in 1940 to make a total of ¥22,333. They are instructed in the agricultural industry to get away from savage ways of living. In 1940 they had the harvested area of 3,918 ko for rice crop, besides raising cocoons, hemp, sugar canes, etc. They also raise livestock such as buffaloes, cattle, goats and pigs. Those who were in high mountains have been encouraged to move to fertile valleys for farming, and the number of the households thus migrated to low land reached 8,830 including 39,280 persons, by 1940.

The rate of attendance to primary schools in 1940 was 85 per cent of the school age children, the enrollment numbering 12,086. Those who finished primary courses number 23,426 among the aborigines. Many of them advanced to

secondary and higher educational institutions. In 1940 the trading offices handled the products of the aborigines valued at ¥1,089,947 shipped from and goods valued at ¥576,429 brought into the savage land. The number of cases treated by the medical service aggregated to 1,405,387 by the end of 1940.

**Judicature** The judicature of Taiwan consists of two grades of courts viz., the supreme court and five district courts, the latter having three branches and 38 offices in all—all under control of the Governor-General. The number of prisoners at the end of July 1941 was 5,031.

#### Religion and Education

**Religion** There are 59 Shinto shrines in Taiwan. The Taiwan Shrine is a first-rank Government shrine and is the central shrine of worship for the Japanese people in the island. It is located in a suburb of Taihoku, the capital of the island, and is dedicated to Okuninushi, Oanamuchi and Sukunahikona, all legendary leaders of early Japanese race, and to His Imperial Highness General Prince Yoshihisa Kitashirakawa, who died in the island when commanding the Japanese expeditionary force in Taiwan during the Sino-Japanese War. Shintoism, Buddhism and Christianity have been propagated by the Japanese since 1895. Confucianism is observed among the natives and Chinese people in the island.

In 1940 the number of the native temples and shrines of Buddhism, Confucianism and Taoism was 3,638, and that of the native religious societies was 6,279. In regard to religious beliefs introduced by the Japanese, Buddhist sects had 111,601 adherents, sectarian Shintoism 33,909, and Christian denominations 58,798.

**Education** The continuous efforts of the Government-General have been rewarded to such an extent that the natives have been receiving education since 1922 together with Japanese in the classes of middle-school grade and in higher institutions, although the elementary education is still given both in the vernacular and Japanese languages. Besides numerous elementary schools, Taiwan had at the end of April 1941, 95 kindergartens, 19 middle schools, 19 girls' schools, 20 business schools of middle school grade, 6 normal schools, 4 colleges and 1 Imperial University. The Taihoku Imperial University was

founded in March 1928. It consists of three departments, namely, literature and politics, physics and agriculture and medicine.

The number of schools and pupils at the end of April 1941 was as follows:

	Schools	Teachers or Professors	Pupils or Students
Primary education	1,000	12,076	740,693
Normal schools (May)	6	225	{ Japanese 2,122 Natives 385
Higher school	1	51	{ Japanese 161 Natives 78
Preparatory course in the University (June)	1	10	{ Japanese 22 Natives 11
Middle schools	19	498	{ Japanese 6,069 Natives 6,006 Others 25
Girls schools	19	438	{ Japanese 6,208 Natives 3,574 Others 13
Business schools (agriculture, industry, commerce)	20	506	{ Japanese 4,372 Natives 5,100 Others 29
Business schools (Lower)	79	468	{ Boys 6,802 Girls 4,960
Colleges (technical, agricultural and commercial schools)	4	236	{ Japanese 1,141 Natives 244
Imperial University	1	*713	{ Japanese 267 Natives 76 Chosenese 2
Schools for the blind and the mute	17	28	{ Japanese 30 Natives 324 Others 2
Miscellaneous secondary schools	11	161	{ Japanese 618 Natives 2,482 Others 14
Kindergartens	95	233	{ Japanese 2,546 Natives 5,796 Others 8
Total	1,273	15,652	800,180

#### Social Work

The Government-General of Taiwan early paid attention to the need of promoting social works in the island

and has given aids to facilities and organizations. In March 1939 their number reached over 1,600, as detailed below.

#### NUMBER OF FACILITIES OR ORGANIZATIONS FOR SOCIAL WORK IN TAIWAN

(March 1940)

Branches of Work	Facilities or Organizations	Branches of Works	Facilities or Organizations
General organs		Relief	
Unifying and investigation organs	10	Poor relief	274
Bloc Committees	244	For the sick and the dead on wayside	8
Organs for promotion	98	Relief in calamities	8

Note: (\*) including administrative officials.



	Facilities or Organ- izations
Branches of Works	
Private military relief	8
Economic protection	
Employment exchange	5
Giving works	5
Lodging	16
Supply of dwelling houses	11
Public bath	88
Public market	244
Public pawnshop	16
Accommodation of small funds	5
Medical protection	
General medical service	64
Special medical service	14
Protection of children and women	
Orphanage	2
Protection and education of children	194
Reformatory instruction	1
Education of deformed children	315
Health consultation	8
Pleasure-ground for children	5
Midwifing	142
Special protection of women	1
Cultural work	
Temperance	3
Protection of discharged prisoners	170
Improvement of customs and manners	37
Settlement work	7
Personal consultation	25
Improvement of villages	1
Promotion of school attendance	19
Total	1,856

### Medicine

At the end of 1940 the number of public and private hospitals in Taiwan was 298; physicians 2,401; dental surgeons 446; assistant practitioners 349; and midwives 2,026.

The number of pharmacists in public employment was 81, while pharmacists in private pharmacies numbered 170. The number of manufacturers of medicine was 26; pharmacies for modern medicine 333, those for Chinese medicine 1,836. Manufacturers of ready-made medicines numbered 853, while traders in those medicines numbered 6,596.

### Agriculture

Agriculture is the most important industry of Taiwan. Since the island came under Japan's control, it has made

a rapid development and the total farm production in 1939 was worth ¥536,890,000, composing about 50 per cent of all the industrial production of the island. The area under cultivation in 1899 was 363,290 ko (one ko being 2.377 acres or 2,934 tsubo). It increased to 887,142 ko at the end of 1940, more than double that of 36 years ago. The cultivated land is more than 20 per cent of the island's total area. The area of cultivated land since 1931 has been as follows:

Year	Paddy Field (In 1,000 ko)	Dry Land	Total
1931	411	424	835
1932	439	400	839
1933	482	362	844
1934	463	388	851
1935	493	363	856
1936	533	338	871
1937	544	338	882
1938	534	341	875
1939	546	339	885
1940	546	341	887

People engaged in agriculture are about 51 per cent of the total population. At the end of 1940 their number was 2,984,258 of whom tenant-farmers were 1,104,836, landed farmers 928,251 and landed tenant-farmers 951,170.

**Rice Crops** The climate is very well suited to rice cultivation especially in the western district, where crops are harvested twice a year. The production in 1940 was about 8,000,000 koku. Rice forms the chief of the three most important farm products of Taiwan, that is, rice, sugar cane and potatoes. Rice known as Hōrai rice is grown heavily in recent years. Its plantation area for 1940 totalled 658,427 ko and the crop amounted to 7,901,492 koku for two crops a year. The plantation area and rice crops since 1931 follow:

	Plantation Areas (In ko)	Crops (In koku)
1931	653,380	7,479,846
1932	684,928	8,949,216
1933	696,423	8,361,839
1934	687,664	9,088,886
1935	699,675	9,122,152
1936	702,685	9,558,390
1937	678,082	9,234,244
1938	644,793	9,816,809
1939	645,549	9,151,740
1940	658,427	7,901,492

More than one half of the annual crop of rice is exported to Japan proper

But, the acute situation in the distribution of staple provisions in Japan proper compelled the passage of a bill relating to the control of import of Taiwan rice into Japan proper at the 74th session of the Imperial Diet, and the law was put into force as from October 1, 1939, the main purpose of which is to control the export of Taiwan rice to Japan proper by prohibiting free export, the Government-General taking whole responsibility into its own hand.

**Sweet Potatoes** Sweet potatoes also are extensively produced almost everywhere and all through the year in the island. The chief producing centers are Tainan, Taichu and Takao provinces. Potatoes serve as fodder for cattle besides being used as ordinary foodstuff. Dried potatoes are shipped to Japan as material for producing alcohol and starch. The export value of dried potatoes for 1935 totalled 44,332,580 kin (one kin being 1.3 pounds), worth ¥1,290,529. The crop of sweet potatoes for 1940 amounted to 501,100,292 kin and the amount has been increasing yearly since. The 1940 crop totalled 2,520,700,744 kin. The plantation area of 63,147 ko for 1902 increased to 136,580 for 1940.

**Tea** Tea is one of the principal exports of Taiwan. The export totalled once as much as ¥11,500,000, though it has somewhat declined in recent years.

	Yielding Area (In ko)		Production (In koku)	
	1900	1940	1900	1940
Peanuts	11,958	31,567	120,838	567,646
Beans	11,365	15,840	50,281	58,778
Barley	1,479	9,024	11,460	4,253
Wheat	1,857	5,788	11,282	29,365
Sesame seeds	6,889	4,717	36,279	14,906
Jute	1,155	—	1,481,548 (kin)	—
Hemp	1,654	1,921	1,022,063 (kin)	1,091,536 (kin)
Tobacco	240	3,283	363,900 (kg.)	5,916,486 (kg.)
Oranges	752	5,285	4,725,000 (kin)	52,928,779 (kin)
	(1909)		(1909)	
Pineapples	—	10,225	—	128,858,216 (pieces)
Lungyen	—	622,332 (trees)	—	18,780,694 (kin)
Vegetables	—	—	—	¥24,386,681

The export of raw pineapples for 1939 totalled ¥389,092 and that of canned pineapples ¥13,329,928.

Bananas are Taiwan's representative fruits. They are planted everywhere in the island, but are produced most heavily in Taichu province, where 52 per cent of the total production is obtained. They occupy the third position in the export list of the island, the first being rice

The tea production amounted to 20,808,765 kin (in plantation area of 28,308 ko) for 1902 and that for 1940 amounted to 19,474,445 kin (in the area of 47,055 ko). Tea plantation was introduced there by immigrants from China. In 1868 some amount of tea roughly made in Taiwan was exported to Amoy, where it was refined, but later the Taiwan producers, bringing tea operators from Amoy and Foochow, began to export refined tea, and in 1869 as much as 280,000 pounds of refined tea was exported to New York. This was the first export of Taiwan tea to America. Then tea production developed considerably year after year. Export tea is classified into varieties, viz., Oolong, Pouchong, green and black. Oolong and Pouchong teas are most abundantly produced; the former, appreciated by Americans, and the latter, preferred by the people of the South Sea Islands, is exported to Java and Thailand. Black tea is extending its markets, and, although not as good as Ceylon tea, it is better in quality than Japanese black tea.

**Other Products** Other agricultural products are peanuts, beans, wheat, sesame, lungyen, (otherwise known as "dragon's eye") and vegetables. The yielding areas and production of these farm products for 1940, as compared with those for 1900, follow:

and the second sugar. Bananas exported during 1940 totalled 2,692,359 baskets, one basket being 75 kin. In 1909 the plantation acreage was 560 ko with a crop of 10,536,062 kin, which increased in 1940 to 19,217 ko with a crop of 282,108,625 kin.

**Live-stock** The live-stock raising industry in Taiwan is flourishing. The number of cattle at the end of 1939 was



	Facilities or Organ- izations
Branches of Works	
Private military relief	8
Economic protection	
Employment exchange	5
Giving works	5
Lodging	16
Supply of dwelling houses	11
Public bath	88
Public market	244
Public pawnshop	16
Accommodation of small funds	5
Medical protection	
General medical service	64
Special medical service	14
Protection of children and women	
Orphanage	2
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1931	653,380	7,479,846
1932	684,928	8,949,216
1933	696,423	8,361,839
1934	687,664	9,088,886
1935	699,675	9,122,152
1936	702,685	9,558,390
1937	675,082	9,234,244
1938	644,793	9,816,899
1939	645,549	9,151,740
1940	658,427	7,901,492

More than one half of the annual crop of rice is exported to Japan proper.

But, the acute situation in the distribution of staple provisions in Japan proper compelled the passage of a bill relating to the control of import of Taiwan rice into Japan proper at the 74th session of the Imperial Diet, and the law was put into force as from October 1, 1939, the main purpose of which is to control the export of Taiwan rice to Japan proper by prohibiting free export, the Government-General taking whole responsibility into its own hand.

**Sweet Potatoes** Sweet potatoes also are extensively produced almost everywhere and all through the year in the island. The chief producing centers are Tainan, Taichu and Takao provinces. Potatoes serve as fodder for cattle besides being used as ordinary foodstuff. Dried potatoes are shipped to Japan as material for producing alcohol and starch. The export value of dried potatoes for 1935 totalled 44,332,580 kin (one kin being 1.3 pounds), worth ¥1,290,529. The crop of sweet potatoes for 1902 amounted to 501,160,292 kin and the amount has been increasing yearly since. The 1940 crop totalled 2,520,700,744 kin. The plantation area of 83,147 ko for 1902 increased to 136,580 for 1940.

**Tea** Tea is one of the principal exports of Taiwan. The export totalled once as much as ¥11,500,000, though it has somewhat declined in recent years.

	Yielding Area (In ko)		Production (In koku)	
	1900	1940	1900	1940
Peanuts	11,958	31,567	120,838	567,646
Beans	11,365	15,840	50,291	58,778
Barley	1,479	9,024	11,460	4,253
Wheat	1,857	5,788	11,282	29,365
Sesame seeds	6,889	4,717	36,279	14,906
Jute	1,155	—	1,481,548 (kin)	—
Hemp	1,654	1,921	1,022,063 (kin)	1,091,536 (kin)
Tobacco	240	3,283	363,900 (kg.)	5,916,486 (kg.)
Oranges	752	5,285	4,725,000 (kin)	52,928,779 (kin)
	(1909)		(1909)	
Pineapples	—	10,225	—	128,858,216 (pieces)
Lungyen	—	622,332 (trees)	—	18,780,694 (kin)
Vegetables	—	—	—	¥24,386,681

The export of raw pineapples for 1939 totalled ¥389,092 and that of canned pineapples ¥13,329,928.

Bananas are Taiwan's representative fruits. They are planted everywhere in the island, but are produced most heavily in Taichu province, where 52 per cent of the total production is obtained. They occupy the third position in the export list of the island, the first being rice

The tea production amounted to 20,808,765 kin (in plantation area of 28,308 ko) for 1902 and that for 1940 amounted to 19,474,445 kin (in the area of 47,055 ko). Tea plantation was introduced there by immigrants from China. In 1868 some amount of tea roughly made in Taiwan was exported to Amoy, where it was refined, but later the Taiwan producers, bringing tea operators from Amoy and Foochow, began to export refined tea, and in 1869 as much as 280,000 pounds of refined tea was exported to New York. This was the first export of Taiwan tea to America. Then tea production developed considerably year after year. Export tea is classified into varieties, viz., Oolong, Pouchong, green and black. Oolong and Pouchong teas are most abundantly produced; the former, appreciated by Americans, and the latter, preferred by the people of the South Sea Islands, is exported to Java and Thailand. Black tea is extending its markets, and, although not as good as Ceylon tea, it is better in quality than Japanese black tea.

**Other Products** Other agricultural products are peanuts, beans, wheat, sesame, lungyen, (otherwise known as "dragon's eye") and vegetables. The yielding areas and production of these farm products for 1940, as compared with those for 1900, follow:

and the second sugar. Bananas exported during 1940 totalled 2,692,359 baskets, one basket being 75 kin. In 1909 the plantation acreage was 560 ko with a crop of 10,538,062 kin, which increased in 1940 to 19,217 ko with a crop of 282,108,625 kin.

**Live-stock** The live-stock raising industry in Taiwan is flourishing. The number of cattle at the end of 1939 was



324,780 of which buffaloes numbered 266,136. Buffaloes play the most important rôle in agriculture. Hog-raising industry is widely maintained and hogs are kept by almost all native farmers. Their number at the end of 1939 was 1,653,210, having increased three-and-half times since the cession of the island to Japan. Poultry consists of chicken and geese, their total number at the end of 1939 being 9,043,336.

**Sericulture** It was in 1912 that sericulture was started in the island. Before that year no sericulture existed there. It took nearly 10 years before native farmers appreciated it as a sideline. This industry is becoming important among farmers. In the first year the cocoon crop amounted to only 84 koku and it increased to 38,490 kg. in 1939. One of the unique features of sericulture in Taiwan is that silkworms can be raised at any time of the year, since even during the winter-time mulberry leaves are grown. Moreover, no insect ravage is experienced in the island. The cost of production is scarcely half of that in Japan.

#### Sugar Industry

Taiwan is the center of the sugar industry of Japan. The industry has existed since the coming of the Han race to the island and, when the Dutch occupied the island in 1624, sugar had already become one of the staple products of the island. It has maintained the topmost position of Taiwan's industries. At the time of Japan's occupation of Taiwan the annual output was only about 80,000,000 kin, one kin being 1.323 pounds. Japan proper consumed more than 300,000,000 kin of sugar, most of which had to be imported from abroad.

Dr. Nitobé's Plan Alive to this situation, the Taiwan Government-General concentrated its energy on the increased production of sugar by means of business improvement and expansion, and this has resulted in the present industrial prosperity. The late Dr. Inazo Nitobé was engaged by the Government-General to work out a sugar-industry development plan. He proposed several measures for industrial development, namely, the improvement of kinds of sugar cane and their cultivation, improvement of pressing and manufacturing methods, the application of artificial

irrigation, increased land cultivation and expansion of sugar plantations, the establishment of sugar experimental stations, and the organization of sugar production guilds, as well as other measures. These formed the basic policy of the Taiwan sugar industry. The sugar encouragement regulations were issued in June 1902. According to these regulations, the Government-General would give a subsidy to sugar-cane planters or sugar manufacturers for cane plantation, fertilizers, cultivation, irrigation, and manufacturing machines, or, if necessary, implements will be lent or given. The subsidies given in this connection up to the end of the fiscal year of 1931-32 totalled ¥12,908,698. The Government-General is adopting a policy of reducing the subsidy with the progress of the sugar industry.

The following are figures showing the area of sugar plantations, cane crop and crop per ko (see "Japanese Weights and Measures") since 1930-31:

Sugar Plantation year	area (In ko)	Cane crop (In kin)	Crop per ko (In kin)
1930-31	99,094	10,944,669,505	110,447
1931-32	109,496	13,415,197,477	122,518
1932-33	53,690	8,782,001,849	104,833
1933-34	91,163	8,883,801,544	97,449
1934-35	121,628	13,477,260,178	110,607
1935-36	128,329	13,190,389,434	102,783
1936-37	124,555	14,271,874,413	114,583
1937-38	134,208	15,101,099,328	112,538
1938-39	149,834	19,602,120,652	130,825
1939-40	152,409	16,487,490,000	108,245

**Production of Sugar** The sugar industry at the time of Japan's occupation of Taiwan was very primitive. Out of about 1,100 sugar mills, not a single mill had adopted the modern mechanical method of manufacturing, and all of them used animal power. Owing to insufficient pressing power, a large percentage of sugar-substance was wasted during the manufacturing process and, moreover, the product was inferior. By 1938 there were only 62 mills of the kind, as the majority of them were gradually eliminated. The modernly-equipped mills have pressing capacity ranging from 300 to 3,000 tons a day and are able to produce in great quantity. The Taiwan Sugar Manufacturing Company founded in 1901 was the first of its kind. During the financial boom

following the Russo-Japanese War many sugar-manufacturing concerns were established, and Japan finally leaped into a prominent position among the world's sugar-producing countries. In the sugar year 1941 (Nov. 1941—Oct. 1942) there were 49 mills. Most of them produce crude sugar known as centrifugals. Some of them turn out white sugar by a change of milling operation. The aggregate amount of the authorized capital of

sugar companies in 1927 was ¥290,000,000. It increased to ¥284,920,000 at the end of 1941. ¥217,112,000 paid up. The total production in 1902 was only 90,000,000 kin, but in 1927 it rose as high as 1,315,540,000 kin and further to 1,648,440,000 kin in 1932. It increased to 1,878,920,000 kin in 1937, and to the highest record of 2,364,550,976 kin in 1939, but decreased to 1,887,500,000 kin in 1940.

#### JOINT-STOCK SUGAR COMPANIES

(At the end of 1941)

Companies	Head Offices	Subscribed (In ¥1,000)	Paid-up	No. of Mills
Taiwan Sugar	Heito, Takao province	64,200	44,280	14
Meiji Sugar	Mato, Tainan province	58,000	45,200	7
Dai Nippon	Sunamachi, Tokyo city	96,170	85,083	19
Ensuiko Sugar	Shinel, Tainan province	60,000	36,937	7
Taito Sugar	Taito	3,000	2,062	1
Sango Sugar	Nirinsho, Taichu province	3,550	3,550	1
<b>Total</b>		<b>284,920</b>	<b>217,112</b>	

#### YEARLY COMPARISON OF SUGAR PRODUCTION

(In kin)

Year (Nov.-Oct.)	Mechanically-operated Mills	Improved Mills	Primitive Mills	Total
1931	1,311,805,427	9,584,858	7,458,389	1,328,798,674
1932	1,628,731,287	11,240,564	8,441,111	1,648,415,962
1933	1,028,066,503	16,784,410	11,356,418	1,056,207,331
1934	1,057,338,553	7,869,235	13,197,643	1,078,405,431
1935	1,571,186,721	16,656,732	21,577,230	1,609,420,683
1936	1,467,586,586	17,336,027	17,875,478	1,502,798,091
1937	1,645,751,379	17,371,682	15,797,097	1,678,920,158
1938	1,810,925,338	22,435,302	16,906,172	1,850,266,812
1939	2,290,071,794	41,114,842	33,364,240	2,364,550,976
1940	—	—	—	1,887,500,000

#### Forestry and Afforestation

The surface of Taiwan is covered by mountains to the extent of almost two-thirds of its entire area, and the island is rich in thick forests of immense depth. Forest protection and afforestation are done on an approved system by the Government-General. The great mountain ranges running north to south with numerous peaks provide vegetation peculiar to temperate as well as to tropical and sub-tropical regions. The most renowned of the natural forests of Taiwan are those on the mountains in the central ranges, from Taibysan in the south to the peninsula of Koshun; those on famous

Mt. Arisan; those on Mt. Rokujodalsan in the north; and those on Mt. Seiran. Besides these, there are also extensive forests in the valleys of the River Dakusul and in some districts of Karenko. The total forest area in Taiwan in 1937 was 2,496,749 ko, of which 2,215,314 ko were government owned forests. Building-timber, sleepers and other forest products turned out in 1939 amounted to ¥6,474,157. When the Portuguese first discovered the island, they were impressed with the immense expanse of forests and cried "Formosa!" signifying "beautiful." Reckless cutting of trees was done by Chinese immigrants and this, combined with the lack of adequate



forest administration by the Manchu Dynasty, resulted in the devastation of forest districts. The Forest Bureau was established in 1915 and since then forest protection has been carried on in an approved manner by the Government-General.

**Timber Industry** The timber industry of the Arisan group is controlled by the Government-General. This famous mountain group is located east of Kagi in Tainan province and is on the Tropic of Cancer. It stands 9,240 feet high. It is covered with red cypress, Mongolian oak and hemlock. The former two kinds of wood are highly valued. There are many trees aged more than 3,000 years. Even the Imperial forest at Kiso in Nagano prefecture has few oaks of such great age. Timber used for the building of important shrines such as the Kashiwabara Shrine, dedicated to the memory of Jimmu Tenno, the first Emperor of Japan, the Imperial Mausolea at Momoyama for the Emperor Meiji and Empress Shoken, and the Meiji Shrine was grown on these mountains. The two great pillars constituting the torii of the Meiji Shrine are estimated to be 1,900 and 1,090 years old respectively. Both came from these mountains.

The lumber industry on Mt. Taihei near Rato town in Taihoku province and Mt. Hassen in Shinchiku province is considered one of the most promising of all in the island.

Sales of lumber from these mountains totalled ¥1,245,554 in 1916; ¥4,327,821 in 1937; and ¥7,245,594 in 1940.

Taiwan wood is not only used for shrine and temple construction, but for

building of warships and merchant-ships. Demand from naval arsenals and dockyards is yearly increasing. Taiwan wood is exported to Japan proper, Chosen, China, British India, South Africa, Australia and other places.

#### Aquatic Products

The seas about Taiwan are rich in various kinds of fish and shell-fish, and catches are especially abundant in spring and autumn. Fishing is to a great extent still conducted in a primitive manner. There are, however, now 56 fishing companies of which 2 have their head offices in Japan proper and the rest in the island with capitalization of ¥101,500,000 for the former and ¥6,401,000 for the latter. There were 101 fish markets in the island at the end of 1939, and the total fish sales there during the year amounted to ¥23,935,869 and showed an increase of ¥7,840,598. The Takao Fish Market led the list. The Taiwanese are a fish-eating people, but the annual catch is so great that a large quantity is exported to Japan proper and other countries. Taiwan's marine product trade for 1939 amounted to ¥25,927,114. Trade figures including exports abroad totalling ¥2,949,199, imports from abroad totalling ¥308,532, exports to Japan proper totalling ¥3,949,308 and imports from these districts totalling ¥18,720,075. The making of dried bonito is the largest marine products industry. The annual output of dried and canned marine products is worth about ¥2,500,000 a greater part of which is accounted for by the dried bonito production. The marine production of Taiwan follows:

	Catches	Manufactures (In yen)	Cultivated Fish Production	Total
1936	14,934,405	2,500,298	4,207,178	21,641,881
1937	14,513,106	2,324,009	4,545,292	21,382,407
1938	15,670,812	2,358,530	5,525,265	23,554,607
1939	25,183,328	3,328,138	6,582,465	35,093,931
1940	38,894,399	6,719,467	6,644,560	52,258,426

#### Mineral Products

The principal mineral products of Taiwan are gold, silver, placer-gold, quicksilver, copper, iron, lead, zinc, coal, petroleum, sulphur and phosphorus. The

mine-lots at the end of 1940, numbered 914 with a total area of 305,197,000 tsubo, one tsubo being six feet square. The mineral production during the past five years, 1933-1937, follows:

	1933	1934	1935 (In yen)	1936	1937
Gold	1,681,592	1,581,328	3,494,040	4,223,712	4,451,000
Gold-copper ores	3,709,157	3,773,194	3,995,854	5,881,080	7,214,000
Placer-gold	57,017	94,730	62,477	159,509	—
Silver	16,632	8,472	21,542	16,746	—
Copper	284,388	274,484	376,072	469,530	—
Gold ores	—	66,633	2,330,178	2,076,851	2,119,000
Quicksilver	—	—	—	—	—
Coal	6,571,195	7,681,689	9,868,193	11,364,943	15,014,000
Sulphur	37,148	62,075	65,553	87,034	—
Phosphorous ores	—	—	365	851	—
Petroleum	245,944	424,677	384,860	312,159	—
Gasolene	994,003	574,857	490,383	456,396	—
Carbon black	205,527	341,079	516,125	291,554	—
Others and total	13,950,888	14,196,250	22,838,751	28,726,978	36,223,000

Note: Figures for most of minerals are not published since 1937.

The Government-General conducted a mineral and geological investigation for eight years over the island following the introduction of civil administration in 1900. As a result, oil seepages were found almost all over the island. Subsidies were granted to those who had proper equipment for boring for oil to a depth of more than 2,000 feet. The subsidy was given from 1901 to 1924. It was then suspended, owing to financial reasons, but was resumed in 1930. Metal ores are found exclusively in the extreme north and the eastern district, coal in the northern and central parts and oil all over the island, especially in the central and southern districts. The mineral production in 1897 was only ¥112,000, but in 1907 it increased to ¥2,255,000, and in 1936 to as much as ¥15,196,250. Of this more than 50 per cent was coal, gold-copper ores 25 per cent; gasolene 4 per cent; gold 10 per cent; other minerals in smaller amounts in the following order: petroleum, carbon black, copper, placer-gold, gold ore, and sulphur.

**Gold and Silver** Placer-gold was first discovered by Japanese invaders in Taiwan over 400 years ago, when Japanese pirates infested the neighboring coasts of China. It was then got at Takkiri Gorge in Karenko district. In later years placer-gold was found in several localities, but at present the mining is conducted along the Keelung and other rivers. When the mining was

most prosperous in 1903, the annual output reached 161 kan, one kan being 8,267 lb., valued at ¥610,000, but since then the industry has been sinking. The 1931 output was only 3.165 kan. A gold vein was first discovered at Mt. Kubu in 1893. In the following year gold deposits were found at Kinkwaseki and in 1891 another vein was discovered at Butanko. The gold mining interests at Butanko and Kinkwaseki were merged in 1913. The mining operation is done at Zuibo and Kinkwaseki. The Kinkwaseki mine is located about 10 miles east of Keelung. It is managed and operated by the Tanaka Mining Company, Ltd. The mining area at the end of 1931 was 4,053,000 tsubo. It has its own refinery. In 1939 new placer-gold fields covering vast areas were discovered in the island, and the gold mining industry is prospering. The mine-lots on January 1, 1940, numbered 94 with a total area of 20,584,212 tsubo and the mines in operation numbered 46 covering an area of 11,439,711 tsubo.

**Oil** Oil in Taiwan was discovered by a Chinese about 80 years ago at Shukotan, near the Koryu valley, over an area covering 599,670 tsubo. Since 1905, 71 oil wells have been sunk. Well No. 18 is the best of all. From 1913 to 1925 the oil output from this well totalled 53,205 koku, by the Nippon Sekiyu Kaisha (Japan Oil Company, Ltd.). Owing, however, to the concentration of energy on the exploitation of the Kin-



sul Oil Field by the company, the output has gone off from the daily output of 300 koku. Lamp oil, gasoline, light oil and paraffin are manufactured from crude oil obtained here. The oil refinery is in Byoritsu.

The production from the crude oil is gasoline, 5 per cent, lamp oil 85 per cent, heavy oil 8 per cent and wax.

The kinsul oil field is the most important one in Taiwan. It is operated by the Japan Oil Company. A government subsidy was paid to exploit wells No. 1 to No. 5. It took 11 years for well No. 5 to realize satisfactory results. Well No. 10 produced an enormous output of 30,000,000 cubic feet a day in March 1930, and a gasoline plant was installed there in November of the same year. When the capacity of the gasoline plants is fully developed, the daily output of gasoline will be 1,000 koku.

#### Industrial Productions

Prior to the World War, industries other than sugar and tea developed very little in the island. Since the War, however, chemical, spinning, machinery and other miscellaneous industries have developed to a considerable extent. The value of industrial products for 1940 was as follows:

	(In yen)
Spinning Industry	9,070,000
Hemp tissues	5,570,000
Metal Industry	31,290,000
Tin cans	3,620,000
Machinery Industry	24,000,000
Machine and tools	19,040,000
Food Industry (including sugar)	382,260,000
Tea	22,300,000
Canned pineapples	20,850,000
Confectionaries	7,270,000
Macaroni, etc.	6,200,000
Chemical Industry	62,250,000
Mixed fertilizers	12,450,000
Paper	7,170,000
Oil cake	3,120,000
Kiln Industry	14,750,000
Cement	5,370,000
Bricks	4,220,000
Printing and Binding	8,030,000
Printing	7,830,000
Wood Works	7,850,000
Miscellaneous	31,210,000
Hats	3,650,000
Total	570,720,000

The total output of all kinds of indus-

try for 1940 in yen was as follows:

Agriculture	551,826,343
Fisheries	35,088,930
Forestry	22,299,688
Manufacturing Industry	570,763,328
Total	1,179,978,289

#### Number and Capital of Companies

At the end of 1939 the total number of commercial and industrial companies in Taiwan was 1,641, with an aggregate amount of authorized capital of ¥779,127,486, of which ¥467,795,000 paid up.

#### NUMBER AND CAPITAL OF COMPANIES CLASSIFIED ACCORDING TO ENTERPRISE (At the end of 1939)

Branches of Industry	Number of Companies	Authorized Capital (In yen)	Percentage of Capital
Agriculture	86	51,568,120	6.6
Fisheries	18	18,157,500	2.3
Mining	23	27,506,500	3.5
Manufacturing	492	484,249,380	62.2
Commerce	847	169,980,186	21.8
Transportation	175	27,665,800	3.6
Total	1,641	779,127,486	100.0

#### Overseas Trade

The overseas trade of Taiwan, although it has experienced temporary setbacks from time to time, has made remarkable progress in recent years. The bulk of overseas trade is, however, with Japan proper, the rest being chiefly done with China, the United States, the Straits Settlements, the Dutch East Indies, the United Kingdom, Germany, British India, the Kwantung Leased Territory and Hongkong. The trade is carried on principally through the four large ports of Keelung, Tamsui, Anping and Takao. As Keelung is the most important port of trade in the north, so is Takao in the south. The trade volume for 1898 amounted to ¥30,000,000 which increased to ¥50,000,000 in 1906, and, owing to the phenomenal growth of the sugar industry and import of sugar milling machinery, the amount went up to more than ¥100,000,000 in 1910. In 1917 the amount recorded a further gain to ¥234,000,000, due to active trade in sugar, alcohol and rice and heavy transit trade with China. Taiwan's overseas trade since 1935 is as follows:

#### TOTAL VALUE OF OVERSEAS TRADE

	Exports Abroad and exports to Japan Proper and its Territories	Imports from Abroad and Japan Proper and its Territories	Total	Index (Normal Year, 1897)
		(In yen)		
1935	305,744,673	263,119,746	613,864,419	1,965
1936	387,948,978	292,685,948	680,634,926	2,178
1937	440,174,995	322,123,742	762,298,737	2,440
1938	456,453,837	366,659,192	823,113,029	2,635
1939	592,938,199	408,650,840	1,001,588,039	3,206

#### TAIWAN'S FOREIGN TRADE WITH THIRD COUNTRIES

	Exports	Imports (In yen)	Total	Excess of Imports
1936	36,544,190	44,978,909	81,523,099	8,434,719
1936	29,053,980	48,854,419	77,908,399	19,800,439
1937	29,916,109	44,228,818	74,144,927	14,312,709
1938	36,349,923	38,709,142	75,059,065	2,359,219
1939	83,194,628	31,042,833	134,236,461	32,152,795

(Note: Kwantung L.T., Manchoukuo and China included) (Excess of exports)

#### Finance and Economy

The Bank of Taiwan is invested with authority to issue notes. This bank was founded in September 1899, replacing the Taiwan Agency of the Bank of Japan. The bank was capitalized at ¥5,000,000 when it was founded. After 1920 its capitalization was increased to ¥60,000,000, but in September 1925, it was cut to ¥45,000,000 and further to ¥15,000,000 in November 1927, due to its readjustment following the great financial panic of the spring of 1927. The head office is in Taihoku and it has 31 branches and two agencies in Japan and abroad (see Chapter IX). The Japan Hypothec Bank maintains its real estate business in Taiwan and the outstanding balance of its loan

in the island at the end of June 1941 amounted to ¥122,800,000. The aggregate capitalization of banks having their head offices in the island at the end of June 1941 was ¥43,300,000, of which ¥35,000,000 was paid up. The balance of deposits at the end of June 1941 was ¥373,100,000 of which savings deposits totalled ¥39,120,000 and the outstanding balance of loans totalled ¥478,200,000. Exchange deals for the 1937-1939 fiscal year totalled ¥1,440,730,000 for income and ¥1,402,370,000 for payment. The average amount of note issue of the Bank of Taiwan at the end of June 1941 totalled ¥197,900,000.

Deposits in post offices amounted to ¥55,917,423 as outstanding at the end of March 1941.

#### DEPOSITS IN POST OFFICES

End of March	Number of Depositors	Increase (In percentage)	Deposits (In yen)	Increase over the previous year (In percentage)
1936	574,423	0.54	23,682,297	1.08
1937	604,373	0.52	25,925,162	0.95
1938	633,053	0.47	27,106,748	0.45
1939	905,321	4.30	34,838,764	2.85
1940	1,066,520	1.78	44,214,908	2.69
1941	1,239,408	1.39	55,917,423	2.09

Government-General Finance The finance of the Taiwan Government-General has become independent from subsidization by the general accounts of

the Central Government since the 1905-06 fiscal year, owing to favorable income following the Russo-Japanese War. In 1897 the revenue was about 11 million



yen. In 1907, 10 years after the establishment of special accounts in Taiwan, the revenue increased to three times that amount; in 1917, after 10 more years, to six times; in 1927, to 12 times; in 1929 to 13 times the first figure. Revenue and Expenditure follow:	1933	130,812,152	102,220,615
	1934	141,617,595	112,170,683
	1935	156,549,367	123,943,964
	1936	175,771,836	133,938,958
	1937	202,836,543	156,444,600
	1938	233,817,392	183,406,722
	1939	288,498,326	217,435,888
	1940	352,908,590	262,907,564
	1941 (Budget)	315,157,971	315,157,971
	1942 ( " )	358,079,121	358,079,121
		Revenue	Expenditure
		(In yen)	(In yen)
1932		120,303,279	97,240,295

## BUDGET FOR 1942-43

## Revenue

(In yen)

Ordinary Revenue	
Taxes	53,672,723
Stamp receipts	7,897,326
Receipts from Government undertakings and properties	231,710,288
Payments from the Bank of Taiwan	1,320,102
Miscellaneous	6,211,891
Total of ordinary revenue	300,812,330
Extraordinary Revenue	
Taxes	28,757,604
Proceeds of sale of Government properties	1,692,839
Miscellaneous	135,882
Interest on advances and refunding	1,680,250
Payments by public bodies for public works	2,921,824
Shares assumed by public bodies for public works	1,600,474
Receipts anent the export compensation system	18,720
Special Account, Reserve Fund, for the Export Control of Taiwan Rice	2,403,852
Special Account for the Export Control of Taiwan Rice	7,732,600
Receipt from the Special Account of Gold Fund	791,264
Replenishment from the National Treasury	231,482
Public loans	9,300,000
Total of extraordinary revenue	57,266,791
Grand total of revenue	358,079,121

## Expenditure

Ordinary Expenditure	
Shrines	64,000
The Government-General Office	5,431,657
Provincial Offices	18,725,766
Custom houses	683,433
Judicial expenses	1,674,840
Prison expenses	1,728,208
Police and prison police training institute	327,207
Hospitals	1,311,720
Experimental and investigational stations	3,964,745
Live-stock Serum Manufacturing Office	283,990
Taihoku Imperial University	4,915,287
General educational expenses	7,024,835
Social educational expenses	806,429
Social works	1,811,871
Meteorological Station	511,289
Transportation Bureau	74,315,372
Monopoly Bureau	68,298,309
Forest expenses	5,201,522

Transfer to the Special Account of National Loan Adjustment Fund	7,182,483
Pension	5,807,077
Miscellaneous expenses	1,238,299
Reserve fund	7,100,000
Total of ordinary expenditure	218,408,439
Extraordinary Expenditure	
Undertakings	37,582,456
Buildings and repairs	6,880,428
Investigations and experimentations	917,140
Encouragement of commerce and industry	25,554,762
Subsidies	18,305,664
Special police measures	601,393
Control and promotion of gold mining	792,800
Promotion of production of coal	724,144
Temporary economic control	4,791,627
Temporary military relief	315,743
Temporary air defense	2,647,637
Temporary prison expenses	107,182
Temporary allowances to families of officials	2,546,808
Temporary allowances to officials	1,131,556
National Service Movement	713,099
Transfer to the Special Account for Military Expenses	35,000,000
Transfer to the Government railway necessities fund	500,000
Reconstruction in areas affected by calamities	558,243
Total of extraordinary expenditure	139,670,682
Grand total of expenditure	358,079,121

**Bonds** Expenses required for enterprises such as the railway construction, land investigation, Keelung harbor construction, building of government offices, river work, Takao harbor construction, and purchase of private railways were raised by bonds. The outstanding balance of bonds in 1900 was ¥3,200,000, which increased to ¥34,465,399 in 1910, ¥94,213,038 in 1925, ¥106,946,733 in 1927 and ¥126,380,958 at the end of 1937, while the estimated amount reached ¥166,800,000 at the end of 1941.

**Monopolies** The products of Taiwan, opium, salt, camphor, tobacco, and saké are placed under monopoly of the

## Taiwan Government-General.

The proceeds from the sale of these articles in 1940 amounted to over 90 million yen, representing 37 per cent of the total revenue of the Government, and including ¥2,278,541 of opium, ¥10,480,313 of camphor, ¥3,190,608 of salt, ¥35,530,719 of tobacco and ¥38,814,115 of saké and alcohol.

## Railways

At the time of Japan's occupation of Taiwan there was a 62-mile railway between Keelung and Shinchiku. Railway construction was undertaken by the Government-General subsequently and now the total mileage is 902.1 km. The railway receipts are as follows:

Fiscal year	Passenger Fares	Freight Receipts	Others	Total	Indices
		(In ¥1,000)			
1935-36	9,578	14,625	—	24,204	7,047
1936-37	9,722	16,353	—	26,076	7,592
1937-38	10,537	16,481	—	27,019	7,866
1938-39	12,207	18,899	—	31,107	9,056
1939-40	15,170	20,221	—	35,391	10,304

Besides private railways had 522 kilos, with receipts in yen; passenger fares, 677,588; freight, 2,442,888; miscellaneous, 38,187, making a total of 3,158,663 in 1939-40.

## Communications

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yen. In 1907, 10 years after the establishment of special accounts in Taiwan, the revenue increased to three times that amount; in 1917, after 10 more years, to six times; in 1927, to 12 times; in 1929 to 13 times the first figure. Revenue and Expenditure follow:	1933	130,812,152	102,220,815
	1934	141,617,595	112,176,683
	1935	156,549,367	123,943,964
	1936	175,771,836	133,938,988
	1937	202,836,543	156,444,600
	1938	233,817,392	183,406,722
	1939	288,498,326	217,435,888
	1940	352,908,590	262,907,564
	1941 (Budget)	315,157,971	315,157,971
	1942 ( " )	358,079,121	358,079,121
		Revenue	Expenditure
		(In yen)	(In yen)
1932		120,303,279	97,240,295

## BUDGET FOR 1942-43

## Revenue

(In yen)

Ordinary Revenue	53,672,723
Taxes	7,897,326
Stamp receipts	231,710,288
Receipts from Government undertakings and properties	1,320,102
Payments from the Bank of Taiwan	6,211,891
Miscellaneous	300,812,330
Total of ordinary revenue	28,757,604
Extraordinary Revenue	1,692,839
Taxes	135,882
Proceeds of sale of Government properties	1,680,250
Miscellaneous	2,921,824
Interest on advances and refunding	1,600,474
Payments by public bodies for public works	18,720
Shares assumed by public bodies for public works	2,403,852
Receipts anent the export compensation system	7,732,600
Special Account, Reserve Fund, for the Export Control of Taiwan Rice	791,264
Special Account for the Export Control of Taiwan Rice	231,482
Receipt from the Special Account of Gold Fund	9,300,000
Replenishment from the National Treasury	57,266,791
Public loans	358,079,121
Total of extraordinary revenue	
Grand total of revenue	

## Expenditure

Ordinary Expenditure	64,000
Shrines	5,431,657
The Government-General Office	18,725,766
Provincial Offices	683,433
Custom houses	1,674,840
Judicial expenses	1,728,208
Prison expenses	327,207
Police and prison police training institute	1,311,720
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## Communications

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## TAIWAN

Transportation Bureau. The number of post offices increased from 27 in 1896 to 198 in March 1941. General conditions of communications in Taiwan in recent years are shown in the following tables:

## NUMBER OF GOVERNMENT OFFICES OF COMMUNICATIONS

Fiscal year	Office	Divided according to Business			
		Mall	Telegraph	Telephone Message	Telephone Exchange
1937-38	264	193	218	219	117
1938-39	267	194	219	222	120
1939-40	268	195	220	223	123
1940-41	231	198	—	—	—

## VOLUME OF MAIL MATTER HANDLED

Fiscal year	Ordinary Mail		Increase or Decrease (In percentage)	
	Received	Delivered	Received	Despatched
1937-38	82,271,393	99,670,143	-1.03	-0.98
1938-39	81,835,710	101,711,030	-0.05	0.20
1939-40	90,594,195	113,849,283	1.07	1.19
1940-41	90,778,632	112,512,981	0.02	-0.11

Fiscal year	Parcel Post		Increase or Decrease (In percentage)	
	Received	Delivered	Received	Despatched
1937-38	783,049	1,309,129	0.78	0.33
1938-39	855,163	1,373,787	0.92	0.49
1939-40	971,110	1,386,280	1.56	0.09
1940-41	1,044,636	1,390,063	0.70	0.02

## NUMBER OF TELEGRAMS HANDLED

Fiscal year	Despatch	Arrival	Total	Increase
				(In percentage)
1937-38	2,067,283	2,115,754	4,183,037	0.88
1938-39	2,102,253	2,187,425	4,299,678	0.28
1939-40	2,702,529	2,751,531	5,454,060	2.68
1940-41	3,019,875	3,045,551	6,065,426	1.00

## NUMBER OF TELEPHONE SUBSCRIBERS

At the end of March	Number	Increase (In percentage)	Taiwanese in the total	
			Number	Increase (In percentage)
1938	18,674	0.82	6,192	0.53
1939	20,251	0.84	6,741	0.90
1940	21,933	0.83	7,256	0.76
1941	24,040	0.87	—	—

## NUMBER OF RECEIVERS OF RADIO

Year	1935	1936	1937	1938	1939	1940
Taihoku province	9,750	12,266	16,595	18,175	20,988	—
Shinchiku province	1,246	1,680	2,917	3,235	3,331	—
Taihu province	4,028	5,165	7,604	8,263	9,752	—
Tainan province	3,533	4,919	7,753	8,912	10,388	—
Takao province	2,107	3,180	4,822	5,507	6,436	—
Taito district	124	164	378	367	328	—
Karenko district	333	387	698	745	887	—
Boko district	76	80	152	195	235	—
Total	21,197	27,841	40,919	45,399	52,295	62,224

## CHAPTER XLII

## KARAFUTO (SAGHALIEN)



ESTABLISHED



1872

# OJI SEISHI K.K.

(OJI PAPER MANUFACTURING CO., LTD.)

**CAPITAL: YEN 300,000,000**

**President: KIKUJIRO TAKASHIMA, Esq.**

**Head Office: Oji-cho, Oji-ku, Tokyo**

**Business Office:**  
 Sanshin Bldg., Yuraku-cho, Kojimachi-ku,  
 Tokyo

**Paper and Pulp Mills:**  
 33 Places in Japan

## CHAPTER XLII

### KARAFUTO (SAGHALIEN)

#### General Survey

**Geography** Karafuto is a long island situated in the extreme north of the Empire of Japan along the Maritime Province of Siberia, and separated from it by the Mamiya Straits. The eastern coast is washed by the cold waters of the Sea of Okhotsk, which is bordered by the mainland of Siberia on the north, the Kamchatka Peninsula on the east, and the Chishima Islands (the Kuriles) on the south-east. Japanese Karafuto is the southern half of Saghalien Island, the dividing line being the 50th parallel of latitude; the northern half of the island is under the jurisdiction of Soviet Russia.

At the extreme southern end of the island lies Cape Nishi-Notoro. On the east or opposite side of it, across the Aniwa Gulf, is Cape Nakashirutoko, and embraced by these two capes is the port of Ohtomari at the northern extremity of the Gulf, which is an important port connecting with Wakkanai, the extreme northern port of Hokkaido, across the Soya Straits. The traffic connection between Ohtomari and Wakkanai is maintained by freight boats run by the Imperial government railways.

Beyond Cape Nakashirutoko lies Taraka Bay, on the farther side of which Cape Kitashirutoko runs out to the northeast. Thus, Karafuto is deeply indented by the two large gulfs, Aniwa and Taraka, the latter lying to the north-east of the former. The island has two mountain ranges running parallel from north to south with the plains hemmed in between. The total area of Karafuto is 36,090.3 sq. km., the length being 455.6 km. and the breadth from 27.5 at the narrowest to 157 km. at the widest.

**Climate** The months which enjoy an average temperature above the freezing point are the seven months from April to October. The coldest month is January and the warmest August. The temperature rises suddenly as the thawing season approaches and falls abruptly when the snows set in. The western coast is warmer than the eastern owing

to the warm ocean current. The island is, as a whole, high in humidity on account of the frequency of sea fogs, except for the southern point of the western coast, but in both spring and autumn it decreases. Rainfall is most abundant in the summer and autumn seasons.

**Population** The great majority of the population of Karafuto is Japanese. The following table shows the racial distribution at the end of 1940:

#### POPULATION BY RACE OR NATIONALITY

Japanese	382,056
Chosenese	16,056
Taiwanese	1
Natives	406
Foreigners	319
Total	398,838

#### POPULATION IN CHIEF TOWNS

(Dec. 31, 1940)

Esutoru	94,393
Ohtomari	53,404
Maoka	44,247
Toyosaka	41,720
Shikuka	41,164
Toyohara	38,606
Tomarioru	34,846
Hontocho	25,341
Metodomari	25,117

**Administration** The chief administrative office of Karafuto is the Karafuto government and the governor is under the direct control of the Minister for Overseas Affairs, but the powers of the former are far wider than those of a governor in the home land, as they extend over mining, forestry, taxation, railways and the postal service. The governmental work of Karafuto is subdivided into five main offices, i. e., Secretariat, Interior Bureau, Forestry Bureau, Railways and Communications Bureau, and Police Bureau. The revenue of 1938 amounted to ¥64,964,000, of which ¥41,773,000 was from taxes and others, and the rest from various government undertakings.



## Finance

The revenue of the Karafuto government is derived from taxes and other sources of income as well as an annual replenishment from the ordinary account of the national treasury. The principal taxes are:—the town homestead tax, income tax, business profit tax, liquor-brewing tax, liquor-export tax, consumption tax, mining business tax, and fishery tax, etc. The revenue from all these taxes is in the 1942-43

budget, estimated at ¥103,404,646. The revenue, other than from taxes, consists of receipts from the sales of stamps, railway traffic and freight charges, medical treatment charges at governmental hospitals, charges receivable at the Central Experiment Station, receipts from the sales of trees felled in the state forests, rents of homesteads and various Government buildings and loans. Below is given a brief fiscal history of the Karafuto government:

## REVENUE AND EXPENDITURE

(In yen)

Year	Revenue		Sum Brought Forward	Total	Expenditure
	Taxes and Non-tax Elements	Replenishment from National Treasury			
1933	21,511,620	1,600,000	1,774,673	27,841,498	22,214,599
1934	33,408,070	1,000,000	5,526,912	40,039,597	24,700,146
1935	27,565,141	—	15,339,451	42,904,592	27,462,435
1936	32,842,000	185,000	15,442,000	48,469,000	33,228,032
1937	41,762,000	—	15,241,000	57,003,000	35,805,000
1938	41,772,644	1,992,729	21,198,117	64,963,750	39,453,407
1939	43,921,838	78,991	4,792,536	48,733,765	48,733,765
1940	62,017,269	4,814,200	139,988	66,971,457	66,971,457
1941	93,020,182	6,822,200	15,203,093	115,045,475	115,045,475
1942	99,455,336	3,949,310	—	103,404,646	103,404,646

Note: Figures for 1939-1942 represent budgetary estimates.

## Monetary Organs

The principal monetary organs in the island are the Hokkaido Colonization Bank and the Karafuto Bank. The former is represented by its branches at Toyohara, Ohtomari, Maoka, Honto, Noda, Tomarioru, Ochlal, Shirutoru, Shikuka and Rutaka; its head office being located at Sapporo, Hokkaido. The business operation of the bank in the island at the end of 1940 showed deposits amounting to ¥55,657,359 and loans advanced to ¥24,505,502. The Karafuto Bank is the only one having its head office in the island. Its deposits totalling ¥4,521,185 and loans advanced ¥3,644,103 on the same date. The bank came into existence in May 1914, with a capital stock of ¥500,000 which was increased to ¥2,000,000 in March 1919.

The Karafuto Bank has its head office at Ohtomari and a branch at Maoka. The two banks are doing good work for the development of the island. Besides these banks there is a special bank which has a branch at Toyohara, i.e., the Hokkai Savings Bank. This savings bank branch was opened on April 1, 1922. Its local business operation at the end of 1940, showed deposits at ¥5,150,243 and advances at ¥156,175.

## Overseas Trade

The history of the overseas trade of Karafuto since 1905 is a history of steady expansion, though it underwent a frequent recession in the course of those 31 years. The table below illustrates the trend in a more graphic way:

Year	To Foreign Countries		To Japan Proper	Total
	(In yen)			
1931	841,655	80,233,395	81,075,050	
1932	274,447	92,626,343	92,900,790	
1933	367,088	104,886,093	105,253,181	

Year	To Foreign Countries		To Japan Proper	Total
	(In yen)			
1934	430,644	133,777,256	134,207,900	
1935	867,965	130,940,201	131,808,166	
1936	402,848	173,207,406	173,610,254	
1937	235,001	121,137,965	121,372,966	
1938	142,299	149,548,505	149,690,804	
1939	—	224,800,290	224,800,290	

## SHIPMENTS TO AND FROM JAPAN PROPER

Year	Outward-bound	Inward-bound		Total	Excess of Outward-bound
		(In yen)			
1931	50,984,860	29,248,535	80,233,395	21,736,325	
1932	63,510,076	29,116,267	92,626,343	34,393,809	
1933	73,455,524	31,430,569	104,886,093	42,024,955	
1934	96,648,171	37,129,083	133,777,256	59,519,086	
1935	92,884,992	38,055,209	130,940,201	54,829,783	
1936	119,435,796	53,771,610	173,207,406	65,664,186	
1937	121,137,965	59,114,966	180,252,931	62,002,999	
1938	149,548,505	88,248,013	237,796,518	61,324,492	
1939	224,800,290	130,156,299	354,956,589	94,643,991	
1940	294,714,128	144,342,310	439,056,438	150,371,818	

Principal shipments to Japan proper in 1940 consisted of pulp, coal, lumber, paper, marine fertilizer, salt-salmon, salt-codfish, dried herring, dried codfish, fish oil, edible seaweed and canned crabs. Principal shipments from Japan proper during the same year consisted of rice, wheat, beer, saké, oats, peas and beans, salt, sugar, soy (Japanese sauce), miso (bean paste), wheat flour, cement, and mats.

## Agriculture

There was practically no agriculture in Karafuto prior to its cession to Japan in 1905. No sooner had it passed into Japan's possession than vigorous steps were taken for the reclamation work of all arable lands. In 1940 the farm production reached ¥8,023,698, farming households 8,389 and arable lands 331,317 hectares. Yet the lands under actual cultivation cover only 31,764 hectares, which shows that there is still room to accommodate more farming inhabitants. The chief agricultural products are grains, peas and beans, potatoes and green vegetables, and of the grains oats and rye are most abundantly produced. Keeping livestock goes hand in hand with agriculture in the island, for it is by pasturing that the livelihood of the agricultural settlers is made more stable. Every assistance is, therefore, being given by the Karafuto government to live-stock raising. Cattle, horses,

swine and foxes are the principal animals kept, with some sheep, rabbits, chickens, ducks, etc. In 1940 the total live-stock product amounted in money value to ¥4,972,865, about one-half of the entire value of farm products.

## Mineral Products

Coal The most important mineral product in the island is coal and next to it comes petroleum. The coal producing centers are divided into the northern, southern and central districts. The coal bed is of the tertiary formation consisting of upper, middle and lower measures. Of the three coal districts the central is the largest and belongs to the lower measures. It runs for 100 kilometers from north to south and has a breadth of from 2 to 5 kilometers. A portion of the southern coal field along the western coast and the greater portion of the northern and eastern coal fields belong to the upper measure. On the northwestern coast there are several important coal fields belonging to the middle measure. The upper measure belongs to the Pliocene and the middle and the lower to the Eocene Period.

At the end of 1940 there were 111 coal fields under operation of an aggregate area of 143,582,417 tsubo. The following table shows the general trend of the increase:



Year	No. of Coalfields	Area (sq. m.)	Quantity (m. t.)	Value (in yen)
1931	—	—	637,962	5,249,815
1932	—	—	677,354	5,200,889
1933	16	111,848,900	888,913	6,703,910
1934	21	121,186,700	1,196,647	9,119,161
1935	26	39,606,170 (tsubo)	1,515,647	11,475,813
1936	31	41,853,657 ( " )	2,075,157	15,375,128
1937	83	82,549,205 ( " )	2,535,574	—
1938	90	88,650,929 ( " )	—	—
1939	113	117,504,907 ( " )	—	—
1940	111	143,582,417 ( " )	—	—

Note: Figures for production are not made public since 1937.

Of all the coal mines that of Kawakami used to be the most productive, though now superseded by O-hira mine. Its annual output coming up to 175,875 metric tons in 1932 and 190,210 tons in 1933. The O-hira mine had an annual production of 204,277 tons in 1932 and 290,901 tons in 1933. The Kawakami mine extends over about 800 hectares located at a distance of 32 km. from Toyohara and is owned and operated by the Mitsui Mining Company, Ltd. The O-hira mine is operated by the Oji Paper Mills, Ltd. The mine is located at a point 15 km. northeast of Esudori. Other large coal mines are the Shiratoru, Osakayé, Higashi-Shiraura, Kashiho, Amauchi, Naloro, Esutoru, Chitose, Mita and Tokal.

**Petroleum** Petroleum was first discovered at a point on the south-western coast of Karafuto in 1907 when an official investigation was conducted, after which oil strata were discovered in the neighborhood of Hontocho, Konotoro, Karabutsu, Maruyama and several other places. In 1934 digging operations were conducted by the Japan Petroleum Co., Ltd., on Well No. 2 of Maruyama of Ochiai-machi while such operations were carried over a total area of 23,204,106 square meters in 1930 and over 13,344,900 square meters in 1929 and 10,000,800 square meters in 1925.

#### Fishery Products

The chief fishery products of Karafuto are herrings, salmon, codfish, trout, crabs, whales and fur-seals, the average yearly fishery products reaching as much as ¥10,000,000 to ¥20,000,000 in value. Of these varieties the herring comes first in importance, the 1940 catch being figured at 290,076,450 kilograms. Most of these fishery products are canned in the distributing centers

in the island. Of all the canning centers Maoka ranks first, followed by Shisuka and Tomarioru. Edible seaweed is obtained along all parts of the coast, but principally along the western coast and Aniwa Gulf. The island located on the north-eastern edge of Taraka Bay is the only breeding spot of fur-seals in Japan. When the southern half of Saghalien came into Japan's possession in 1905, seal hunting in this small island was prohibited, and every possible protection was given to their breeding. In 1911 the hunting ban was alleviated, the annual number to be killed being limited to 550. In 1913 it became apparent to the supervisors that the number of landing fur-seals was decreasing, so in 1915 the ban was again imposed and was maintained until 1917. It was then withdrawn, with an annual permit to kill up to 550 head. In 1924 the hunting of old, non-breeding fur-seals was started. This increased the production in the year to 824 head and that in the following year to 942. In 1938 the total reached 2,100. In accordance with the Fur-Seal Treaty concluded by Japan with the United States and Russia in 1911, Japan is paying 10 per cent annually of the profit from this fur-sealing to the governments of these two countries. Whales are principally hunted by the ships of the Oriental Whale-Hunting Company which has a base for that purpose in Aniwa Gulf. The following shows the money value of the chief fishery products:

#### VALUE OF FISHERY PRODUCTS

Kind	(In yen)	
	1939	1940
Herring	—	—
and manufactures	19,374,523	27,109,951
Trout	2,942,324	1,512,502

Kind	1939	1940
Salmon	1,020,851	1,200,913
Codfish	—	—
and manufactures	1,903,157	2,933,263
Flatfish	—	—
and manufactures	416,195	1,241,988
Crabs	761,306	2,508,541
Tangle	6,133,240	2,872,240
Sardine	—	—
and manufactures	207,591	26,054
Shell-fishes	278,388	—
Agar-agar	1,375,018	—
Others	4,149,950	10,711,415
Total	38,962,088	47,122,807

#### Timber Production

The island is so thickly and extensively covered with primeval forests that, according to an authoritative estimate, about 2,939,000 hectares, i.e., about 80 per cent of the entire area of the territory, is forest land. In this estimate is included 833,333 hectares reserved for future growth and 79,365 hectares in use for the field work of the Imperial Universities of Tokyo, Kyoto, Hokkaido and Kyushu. There are about 49 species of trees and 73 of shrubs growing on the island, but those that have any commercial value are the Ezo-matsu (*Picea ajanensis*, Fisch), todo-matsu (*Abies sachalinensis*, Mast), gum-matsu, ichii (the yew, *Taxus baccata*), shirakaba (the silver birch, *Betula alba*), doroyanagi (a willow), hannoki (the black alder) tamo, and a few others. Their distribution is regular, according to districts. In the low coastwise districts we find the yanagi, hannoki, tamo, etc.; on the higher levels grow the todo-matsu and Ezo-matsu, and as we climb the slopes forests of the graceful silver birch mix with and replace the pines (matsu), growing thicker and thicker as the mountain peaks are approached. The gum-matsu (a pine species) grows principally in the lower, damper land. But the todo-matsu and Ezo-matsu are the species which predominate in nearly all parts of the island, occupying as much as 80 per cent of the total forest land. The revenue from the forestry amounted to ¥25,568,000 in 1937.

**Forest Administration** In ancient times the entire island of Karafuto was nothing but thick forest and the natives seem to have no rules to prevent them from felling trees whenever or wherever they chose; but they apparently felt no need to fell any large amount

of standing trees. The land was almost as primeval as could be imagined when it was ceded by Russia to Japan in 1905. Moreover, during the earlier period of the new régime, devastation by fire was not infrequent. On the other hand, the increased number of population in the island had the effect of increasing the demand for timber in various ways. The first task which confronted the Karafuto government in their forest administration was therefore how to protect the forests from devastation, how best to fell and how to re-stock. As a tentative re-stocking measure large amounts of seeds of todo-matsu, Ezo-matsu, Kara-matsu, and silver birch were sown on a wide burnt patch of mountain-side in the neighborhood of Ochiai in June 1920. As the experiment was satisfactory, seedlings were carried on a tract of 15.47 hectares and 50.01 hectares in 1921 and 1922 respectively. Then in 1923, the seeding work was carried on over a total tract of 4,285.09 hectares, then it was carried in the same way in 1926 and 1927 until in the latter year seedlings were carried on over a tract of 10,460.74 hectares and the supplementary sowings made on a tract of 2,569.68 hectares. The total area of seeding up to 1940 reached 50,379.13 hectares.

**Planting Work** With the increased need of re-forestation with saplings, the seeding work has become quite important. Since the first sapling plantation was established at Toyohara in 1912 its number began to increase, and now there are 17 sapling-plantations established throughout Karafuto producing annually about 6 million saplings. Details follow:

Location	Acreage (Hectares)	Date of Establishment
Toyohara	15,2110	5/1912
Shimizu	4,9500	5/1920
Tokobo	13,0485	5/1920
Tominaigishi	7,9467	"
Tomarioru	4,6761	"
Takarazawa	4,9839	"
Kawakami	6,7287	"
Otomari	4,9893	5/1926
Tamagawa	69,4040	5/1927
Yamashitagawa	6,1684	5/1927
Minaminazuki	5,3328	5/1929
Obara	6,8878	5/1929
Kitakotami	13,8217	5/1929
Towada	0,1530	5/1920
Contoro	1,2500	5/1930



Location	Acreage (Hectares)	Date of Establishment
Nayori	7,4250	4/1931
Kamishisuka	14,9100	4/1931
Total	137,8869	—

The total area of planting up to 1940 reached 36,714.64 hectares.

**Felling Work** The present Government's felling work was started in May 1927, on the estimated basis of annual production of 535,743 cubic meters of timber. But, in view of the difficulty felt in marketing, the annual aggregate felling was reduced to the basis of 166,370 cubic meters. The business plan for the year 1941 is as follows:

	(In yen)
Receipts	10,001,199
Expenses	3,249,188

#### TIMBER PRODUCTION DURING 1927-1938

Year	(In cubic meters)		
	Felling	Shipment	Delivery
1927	541,630	25,429	7,137
1928	459,340	494,156	509,218
1929	492,061	497,863	504,930
1930	198,742	455,250	455,250
1931	205,587	202,115	202,115
1932	201,020	196,532	196,532
1933	199,555	200,371	200,371
1935	202,413	169,751	173,367
1937	212,507	208,303	208,303
1938	218,018	209,698	208,698

**Forests for University Field Work** It was in April 1914, that a forest tract of 20,000 hectares along the basins of the Ai-kawa (Ri River) and Odasamukawa (Odasamu River) was given to the Tokyo Imperial University for the field work of forestry students of its College of Agriculture.

Before or after that year the forests totalling 94,502 hectares for the field work of the Hokkaido, Kyushu and Kyoto Imperial Universities were established. The amount of standing timbers of these forests at the end of March of 1938 were 12,758,445 cubic meters for the coniferous trees and 892,185 cubic meters for the broad leaved trees.

**Fire Prevention Work** The work of fire prevention was initiated in 1922 over a stretch of 13,495 meters of forest area, mostly of the area artificially replanted. But in recent years the prevention work was extended over natural forests, the work consisting in making

opening or glades, so that in 1940 the total length of these openings for protection from fire reached 1,164,526.

#### FIRE-PREVENTION OPENINGS

Year	Extension (meters)
1920-30	811,131
1931	27,982
1932	82,840
1933	55,444
1934	28,568
1935	24,039
1936	5,380
1937	50,086
1938	70,644
1939	2,875
1940	5,557
Total	1,164,526

**Re-foresting Work** The forest-restocking work is now attained by encouraging the natural recruiting process and in 1929 over an area of 173.36 hectares and then in 1930 over an area of 47.90 hectares have been recruited. In 1940 the same work was carried on over an area of 10,195.83 hectares, bringing the total area accorded this treatment to 49,199.95 hectares.

#### Development of Various Kinds of Industries

With the growth of railway facilities the population began to increase, and, with it, various trade and industrial opportunities became more promising. Ohtomari and Maoka are the two ports with the best future outlook, being connected by railways at Toyohara, the seat of government of the island. Paper-pulp manufacturing, canning, brewing, starch manufacturing and butter-making. In 1940 products of various industries amounted to ¥401,675,182 of which products of manufacturing industries aggregated ¥207,497,018 which is compared with ¥37,569,366 of the products of all kinds and ¥17,987,842 of manufacturing industries in 1920, they show tremendous improvements. Various experiments for industrial purposes were conducted and are being continued at the Industrial Experimental Laboratory at Toyohara.

**Pulp** In 1913 the first pulp factory was opened at Ohtomari by the Oji Paper Manufacturing Company; then another was opened at Tomarioru by the Karafuto Kogyo Kabushiki Kaisha, both starting operations in 1915. Soon the World War gave an opportune stimulus

to the speedy development of the industry. In 1933 all the existing companies were amalgamated with the Oji P.M. Company and the 8 factories of the

company monopolized the pulp industry in the islands up to 1935 when a factory of the Japan Rayon Pulp Company was established at Shikuka.

#### PULP FACTORIES IN KARAFUTO

Company	Location	Date of Establishment
Oji Paper Manufacturing Company <sup>1</sup>	Ohtomari	Dec. 1914
" " " "	Toyohara	Jan. 1917
" " " "	Noda	Nov. 1921
" " " "	Tomarioru	Dec. 1913
" " " "	Maoka	Jan. 1918
" " " "	Esutoru	Nov. 1925
" " " "	Ochiai	Apr. 1917
" " " "	Shirutoru	May 1924
Japan Rayon Pulp Company "	Shikuka	June 1935

**Brewing** Early attempts to brew sake on the island were unsuccessful. The local demand for saké was so pressing, that it led enterprisers to improve all defects in equipment and to procure water of better quality. The result proved promising, and today the island-brewed saké is as good as any produced in Japan proper. There are at present about 49 breweries. The productive value for 1940 amounted to ¥12,666,618.

#### PRODUCTION OF SAKE

Year	Production	
	Quantity (Thousand deci-liter)	Value (In yen)
1930	45,614	1,926,964
1931	41,316	1,839,171
1932	42,748	1,800,285
1933	58,876	2,662,936
1934	70,423	3,205,850
1935	72,382	3,257,035
1936	72,906	3,731,377
1937	81,988	4,536,485
1938	108,971	6,691,804
1939	88,144	9,173,555
1940	115,066	12,666,618

**Canning Industry** The canning industry in this island goes back to 1909, and in 1917 the canneries numbered 111, with a total production of ¥3,370,558. Crab-canning heads the list; but the reckless catching following that year caused a falling-off in the production, which was reduced to ¥1,458,000

in 1920. The canneries were also reduced in number to 14 and amalgamated. As a result both the number of mills and products decreased. But the industry has been for a while consolidated and is developing steadily. The number of canneries and their products during the years 1933-38 follow:

Year	No. of canneries	Qty. prod'd	Value (In yen)
1933	29	38,979	1,660,643
1934	38	54,985	2,268,286
1935	28	—	3,380,000
1936	20	—	1,170,000
1937	16	—	2,185,000
1938	—	—	2,250,953

#### Legal System and Status

Karafuto is different from other dependencies of the country in that more laws of the home land are applied there than in any of the other dependencies. But in the sense that the legal administration is different from that of Japan proper it resembles Taiwan, Chosen, Kwantung Leased Territory and the South Sea Islands. The chief point of difference is that all the laws concerning the judicial system, such as the civil law, criminal law, the laws of civil and criminal procedures, and the law of the constitution of the courts of justice are equally enforced in Karafuto and Japan proper. At present there are 181 laws of the land

<sup>1</sup> The Oji, Karafuto Kogyo and Fuji were amalgamated in May 1933, into one concern which retains the name of Oji Paper Manufacturing Co., with a capitalization of ¥300,000,000.



applied or made applicable in Karafuto, of which 27 laws are operative only partially.

There are one district court, 3 local courts, and 9 detached offices of the 3 local courts in Karafuto.

#### Education

In 1905 Japan found the island a vast primitive desert with practically nothing done toward bringing the inhabitants to a civilized way of life. But as the immigrants settled down there arose the necessity for schooling their children. It was in August 1906, that the first elementary school was opened at Toyohara, and in October of the same year 2 other elementary schools were opened, one at Ohtomari and the other at Maoka. At the same time, private educationists started simpler elementary schools. In 1908 all elementary schools were brought under the Karafuto government. A middle school was opened at Ohtomari in 1912, a girls' high school at Toyohara in 1916, a middle school at Toyohara in 1925 and another middle school at Maoka in 1927. Meantime, girls' high schools were opened at Ohtomari, Maoka and Tomarigishi. The following tables give the main educational statistics of Karafuto:

#### NUMBER OF SCHOOLS, TEACHERS AND PUPILS

(April 1941)

	No. of Teachers		Pupils
	Schools		
Elementary schools	271	1,680	67,576
Middle schools	5	102	2,738
Girls' High schools	8	123	2,541
Takushoku (colonization) school	1	18	216
Industrial school	1	11	139

Fishery school	1	13	104
Commercial schools	8	76	670

**Education of the Natives** There are some 2,000 natives in Karafuto including Ainu, Gilyaks, Orochones and Tunguses. The Karafuto government is undertaking to educate the children of these backward natives. At the educational institution established at Shisukamachi, about 35 children of the natives are taught along the line of the primary school.

#### Religion

The three principal religions, i. e., Shinto, Buddhism and Christianity, are competing with one another in this promising field of labor. There are 59 propagating centers for Shintoism representing five sects, viz., Shinto proper, Kurosumi, Tenri, Konko and Taisha. There are three governmental shrines and these are (1) Karafuto Shrine, (2) Toyohara Shrine and (3) Ani Shrine, all of which are dedicated to Imperial ancestors. August 23 is the day set for annual festival of the Karafuto Shrine, which is also the Inauguration Day of Japanese administration in Karafuto. The shrine is located at Asahigaoka in a quiet western hilly suburb of Toyohara, and strikes the chance visitor with a sense of admiration for its grave beauty. The anniversary of the Toyohara Shrine falls on June 16. Buddhism is represented by the Shin, Nichiren, Soto, Shingon, Jodo and other sects. There are 89 temples and 120 preaching houses. Christianity is being preached by missionaries of seven denominations, i. e., Episcopal, Methodist, Presbyterian, Roman Catholic, the Salvation Corps, the Holiness Church and Japan Union Church. The number of Christian churches in Karafuto is 13.

## CHAPTER XLIII

### SOUTH SEA ISLANDS UNDER JAPAN'S MANDATE



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## CHAPTER XLIII SOUTH SEA ISLANDS UNDER JAPAN'S MANDATE

### Geographical Features

The South Sea Islands mandated to Japan, numbering over 1,400, with an aggregate area of 2,148.80 square kilometers, are the Mariana, Marshall and Caroline groups, between 131° 10' and 172° 10' of east longitude and between 1° 15' and 20° 32' of north latitude. The Hawaiian Islands are to the east; the Philippines and Celebes to the west; the Bonin Islands to the north, and New Guinea to the south. Only one island among them, i.e. Guam, belongs to the United States.

The Mariana archipelago starts close to the southern end of the Bonin Islands, stretching toward the equator, and the Marshall and Caroline groups extend to the east and west along the equator, forming an inverted letter "T" with the Marianas. About 740 miles south of the Bonin Islands lies Saipan, the largest of the Marianas, and about 180 miles farther south is Truk, one of the largest of the Carolines, which marking the crossing point of the inverted "T," is the center of the mandated territory. The line of 148° east longitude divides the Carolines into the West Carolines, with Palau and Yap, and the East Carolines, with Truk and Ponape. Because of the distances between the islands and the extensive area covered by them, communications are difficult. The fact that each group of isles uses different words peculiar to itself sufficiently demonstrates the degree to which they are separated.

So small are the individual islands in area that the premier ones, such as Ponape and Babelthiap, cover barely 360 square kilometers. Their topography differs according to geological conditions. The Marshalls, which are made up of coral reefs, rise only 1.5 or 2 meters above sea level, but the Marianas and Carolines, which are composed largely of volcanic rocks, have peaks rising as high as 758 meters and little level land. There are no navigable rivers, and in

several places good roads are still lacking.

With the exception of Yap, practically all of the islands are composed of volcanic rocks and coral reefs. There are three kinds of coral reefs, though no clear demarcation can be drawn; and the volcanic rocks are of two kinds, basalt and andesite, the former being found in Truk, Ponape and Kusale, of the Carolines, and the latter in Palau and Saipan. Everywhere in the islands, sea-birds nest and deposit phosphate, principally on Angaur, Peleliu, Togobel and Fais. The soil also contains some amount of phosphoric acid, which helps vegetables and trees to grow. The narrowness of each islet, the volcanic topography and the dearth of rainfall, however, are handicaps to agriculture.

### Groups of Islands

**The Marianas** The Marianas, the northernmost part of the territory, consist of 14 islands covering 639 square kilometers. At the southern extremity is Saipan, the seat of the Saipan Branch Office, with jurisdiction over the whole of the Mariana archipelago. The Saipan group, 185.00 square kilometers in area, extends over 64.36 km. to the northeast of Guam and stretches 104.59 km. to the southwest. Being nearest to Japan proper, the group forms the gateway to the South Sea Islands. It not only enjoys favorable communication with the mainland of Japan, but is endowed with fertile soil adapted to the cultivation of sugar cane, which has drawn no small number of immigrants. Here the South Sea Islands Development Company engages in the refining of sugar.

**The Carolines** The Carolines, lying along the equator, are divided into the four administrative groups of Palau, Yap, Truk and Ponape. On the island of Corrol in the Palau group are located both the South Sea government and its Palau branch office. The number of



isles under the jurisdiction of this branch office is 109, covering an area of 80.29 square kilometers. Babelthuap, commonly called the Main Island of the Palaus, has 370.37 square kilometers. Angaur, about 64.36 km. southwest of Corrol, is called the treasure island of the archipelago, being buried under phosphate mounds. A regular steamship line connects it with Menado of Celebes and Davao of Mindanao, in the Philippine Islands. The Palaus are not only the administrative pivot, but are important geographically.

The Yap group lies 418.34 km. to the northeast of Palau and consists of 85 islets covering 228.91 square kilometers and extending over 804.50 km. from north to east. The four main islands, with an area of 36.26 square kilometers, form the nerve center of communication as the submarine cables from different directions meet here. Here also is located the Yap branch office.

The Truk group lies 1,383.74 km. east of Yap, dotting the surface of the sea like a nebula. The Truk branch office, located on Natsu Island, controls 245 islets, which total in area only 124.16 square kilometers. As Natsu Island was formerly the seat of the German local government and later the headquarters of the Japanese defense corps for the entire mandated territory, it is fairly well known to the outside world.

The Ponape group is located 627.51 km. due east of Truk and consists of 138 islets covering more than 492.10 square kilometers. The island of Ponape, with 380.73 square kilometers in area, ranks first among all the islands of the territory. It is full of hills and is lacking in level land. Textile manufacturing and sugar refining were once started here by the Japanese, but later discontinued. Hope is still retained for some industrial undertaking, and a branch laboratory of the Industrial Experiment Station of the islands was established here in 1925 to make trial plantings of rice and medical herbs.

**The Marshalls** The Marshalls are located 1,222.84 km. east of Ponape. At the southern tip is Jaluit, on which is located the Jaluit branch office, which has control over the main portion of the archipelago, 32 islets, made up of more than 860 coral reefs comprising an area of 150.94 square kilometers. The soil being quite suited to the

growth of coconut palms, they flourish everywhere. The copra industry of the islands is chiefly dependent on the material produced in this group.

#### Atmospheric Conditions

All the islands being within the tropical zone, they have one season instead of the four of the temperate zone. Cool sea breezes sweep over them day and night, contributing much toward balancing the temperature, and the inhabitants are favored with a mild maritime climate rarely found in tropical countries and free from the danger of attack by venomous snakes, wild animals and miasma peculiar to the tropics.

There is an observatory established by the South Sea Government, where all sorts of atmospheric observations are conducted, and four hyetographical observatories. In addition, each branch office of the government has its own observation station. Thorough study of the insular climate is now being planned.

Atmospheric pressure in the neighborhood of Truk and Ponape is generally low; in the vicinity of the Carolines and western Marianas, it is high in February and March and low from October to December; in the eastern islets of the Carolines, high from May to September and low in other months. The temperature is about the same all over the islands and shows little change through the year, the highest in the daytime ranging from 29° to 31° C. It seldom rises above 31°, and the difference during 24 hours is only 4 or 5 degrees. Humidity averages 82% and rarely falls lower than 60%.

From November to April, the wind generally comes from between the east and northeast. This is the trade wind. From May to October, the direction differs according to the position of the islands. The velocity averages 5 meters in the Marianas, being weak in August and September and strong between October and February; in the western part of the Carolines, it is weak in April, May, June and September and strong in November, December, January, February and March.

The mean annual rainfall is more than 3,000 mm., and at Ponape it reaches even 4,000 mm. The rain comes in sudden torrents and passes away with the same suddenness. By this the unbearable tropic heat is greatly mitigated. The rainfall is greatest during

July, August and September and least in January, February and March.

The Islands are, as it were, the hotbed of the typhoons that devastate Taiwan and Japan proper, but locally the wind rarely gathers hurricane strength. If a typhoon does strike, it leaves the islands in a miserable condition, and the natives fear typhoons as they do their gods. When Ponape was struck in 1906, nearly all the coconut palms fell. Jaluit suffered in 1918 and Yap in 1920 and 1923.

A third tempest at Yap caused tidal waves to sweep over the coast, considerably damaging houses, woods and farms. A typhoon at Palau in May, 1927, swept away practically all dwellings in Peleliu and caused no small damage to other islets far and near.

#### History

The discovery of the islands dates back to the 16th century, when Spain and Portugal were vying with each other for discovery of untrodden soil in any corner of the world. As they are scattered and insignificant, not all of the groups were found at the same time. The Marianas were found first and the Carolines at about the same time, though exploration of the latter was neglected for a long time until about 1885, when the Marshalls were discovered.

Found by the Portuguese, the Marianas came into the possession of Spain. Toward the close of the 19th century, Germany took possession of the Marshalls and threatened to encroach on the Carolines, then under Spanish control. Spain protested, and arbitration by the Pope in 1886 terminated the dispute amicably, the whole of the Carolines remaining under Spanish rule. Assiduous efforts by the Spanish to exploit and govern the islands continued until 1898, when, financially straitened due to the war with the United States, they sold the Marianas and Carolines to Germany. The whole of the present South Sea Islands mandated by Japan was thus shifted to the possession of Germany. The German reign lasted until 1914, when a Japanese squadron occupied the islands, which were later juridically placed under Japanese mandate, following the conclusion of the Paris Peace Treaty and other relevant agreements.

**German Administration** It is gener-

ally agreed that the establishment of sovereignty over the Marianas and Carolines by Spain in 1886 and the complete domination by Germany of the Marshalls in 1885 should be made the starting point in a historical study of the archipelagos. Until purchased by Germany, the Marianas and Carolines had no government worthy of mention, and nothing now remains to recall the Spanish administration except the defense work on Yap and Ponape and a few buildings standing here and there. After the transfer to Germany, a complete change was effected. In the manner of the British East India Company, Germany started the Jaluit Company shortly after acquiring the Marshalls. The Government took over the business in 1906, when the company's contract expired, and tried to put all the island industries under its monopoly. Thus Jaluit has naturally flourished as the business center of the territory, reinforced by communications with Singapore, Hongkong, Australia and the United States.

In looking back upon the German program in the South Sea Islands, we are struck above everything else with the largeness of its scale. A general government was first established in New Guinea, which sought to implant German authority in the Orient by embracing the numberless islets between New Guinea and Tsingtao. A step to this end was the laying in 1904 of a submarine cable connecting Yap with Shanghai, Guam and Menado, and in 1913 a radio telegraph station of gigantic size was erected on the same island. To make a scientific study of the South Sea Islands, the German Government dispatched a number of experts. One of their discoveries was phosphate, of which a deposit of 3,000,000 tons was found on Angaur. The German Phosphate Company, founded in Bremen in 1908, conducted mining operations until the Japanese occupation. Other deposits, though less valuable, were located at Peleliu, Togobel and Fais.

Germany exercised special efforts in diffusing culture among the natives, and to this end it dispatched no less than 100 missionaries, who opened churches in all the principal villages of the islands. The older natives still keep the German style of Roman letters to this day. Besides paying attention to educational advancement within the



territory, the authorities sent men of talent to Tsingtao for further study.

**Relations with Japan** It is presumed that there must have been some early intercourse between Japan and the archipelagos because of their geographical position, but there is no reliable evidence for it. The Japanese training cruiser *Ryujo* in 1884 touched at Kusale, an islet belonging to the Ponape group, where the chief of the natives enthusiastically welcomed the crew, declaring that his people were descendants of the Japanese race. In the same year, the Japanese Government, informed of the massacre of a Japanese on Raye Island, of the Marshalls, dispatched Taketaro Goto, who succeeded in settling the matter with the local chieftain. Early commercial relations were initiated by the South Island Company (Nanto Shokai), established at Ponape with the capital of ¥44,000, but its business was soon transferred to the Ichlya Shokai, which failed in 1895. In the year following the appearance of the Nanto Shokai, two other trading firms, the Kaltau Sha and Koshin Sha, came into existence; the former lasted only two years, but the latter carried on business until the Japanese occupation of the islands. The Hloki South Sea Trading Company was founded in 1893 with branches at Ponape, Truk, Saipan and Guam. Since amalgamation with the Murayama Shokai in 1906, it has been operating as the South Sea Trading Company and doing an extensive business.

#### Population

At the end of December 1940, the total population of the mandated territory was 135,708 comprising 51,106 natives, 84,478 Japanese and 124 foreigners. Of the natives, there are 46,893 Kanaka and 4,213 Chamorro. The Chamorro enjoy high birth rate, but the Kanaka scarcely maintain the status quo. Those within the jurisdiction of the Yap branch office show yearly decrease.

When Japan took over the archipelagos, there were only a few scores of Japanese dwellers. Gradually increasing, there are now 47,805 males and 33,206 females, most of them dwelling within the jurisdiction of the Saipan branch office and being engaged in agricultural pursuits.

When placed under Japanese control, the territory had a hundred Germans, mostly engaged in missionary work and commerce. After they left, there remained fewer than 20 foreigners, chiefly Americans and British. There were, at the end of December 1940, 124 foreigners who are nearly all engaged in missionary service, coconut cultivation or the copra trade.

A census is taken every five years. The village officials and policemen also keep in constant touch with every change. As for Japanese settlers and foreigners, complete investigation is made in accordance with regulations. The first general census was taken in October 1920, when the first national census was taken in Japan proper, attended with great difficulties and at enormous expense. Subsequent census came in 1925, 1930, 1935 and 1940.

#### YEARLY INCREASE OF POPULATION

Period	Japanese	Native	Foreign	Total
1930	19,835	49,695	90	69,620
1933	30,070	50,114	100	80,284
1934	35,328	50,174	103	85,605
1935	47,412	51,050	97	98,559
1936	58,496	50,524	117	109,137
1937	62,305	50,849	123	113,277
1938	70,141	50,868	119	121,128
1939	77,257	51,723	124	129,104
1940	84,478	51,106	124	135,708

#### Tribes, Customs and Manners

**Tribes** Opinions differ as to the tribes residing in the mandated South Sea Islands. Some say that they immigrated from the Malay Peninsula, while others maintain that they are of the Polynesian stock. Though anthropologically named the Micronesian race, it is evident that they are a hybrid. Separate groups are clearly discernible, each with its own language and customs and manners. Roughly they are divided into the Kanaka and Chamorro. The former belong to the Micronesian race, and the latter are said to be of mixed White and Kanaka extraction, though other explanations are sometimes given.

The Chamorro are supposed to have settled first in Guam, later removing to the neighboring isles, and the fact that they now flourish largely in the Marianas, Yap and Palau seems to endorse the supposition. Though the tribe thrived fairly well under the Spanish régime, it has gradually dwindled, due mainly

to massacres, until today it numbers only 4,213. The characteristic features are yellowish brown skin and black hair. The Chamorro, unlike the Kanaka, are industrious and mild in nature. Their mode of living is advanced, and some even reside in foreign-style houses with modern improvements. Their present culture owes much to religious influences in the time of Spanish control.

Kanaka is the general term for the natives of the Pacific Islands. Most of those dwelling in the mandated islands belong to this group. They have dark brown or yellowish brown skin, black hair, heavy eyebrows and a big mouth. They are not hairy, and are simple and mild in nature. Though generally of medium stature, some are fairly tall. The Kanaka are cheerful in disposition, but extremely lazy. Their cultural standards are very low, and the mode of living lingers in the primitive stage. Of the total of 51,106 natives in the islands, those belonging to the Kanaka number 46,893.

**Customs and Manners** Because of the warm climate, it was originally the custom of the natives to wear nothing except a piece of cloth around the waist. Contact with advanced people, however, has brought a change, and some now use foreign clothing. In Saipan and the Marshalls, the natives are clad after the fashion of Europeans, but those in Ponape, Truk, Palau and especially Yap are almost stark naked. The natives are not indifferent to personal adornment. Tattooing is an outstanding example. The more complicated the tattoo marks and the larger the space they cover, the more respected is the owner. There is also the strange ornamentation of scars deliberately cut into the flesh, which has more influence in Ponape than in the other islands. The custom of driving a hole through the ear-lobe for an earring or other dangling ornaments has been becoming less common of late years, due principally to the diffusion of education.

The staple foods of the natives are fruits, fish and meat. Nature bountifully supplies coconuts and tubers, which are mainly relied on, and tapoca, bananas, pineapples, mangoes, lemons and oranges, all of which are used as subsidiary food. Under such circumstances, it is but natural that little attention is given to agriculture. Fishing has made but little advance, but the supply of beef

and pork is fairly sufficient. Wine and tobacco are greatly sought after, though the use of the former is almost completely prohibited. The habit of chewing areca still prevails.

The structure and appearance of dwellings vary in accordance with the cultural standard of each group of isles. In Saipan there is a street that looks like one in Europe, but in Yap one is reminded of how people lived in prehistoric ages. The dwellings in Truk and Jalut are far inferior to those in Palau and Ponape, having not even floors. A general lack of windows leaves the interiors somber and damp. "All-men-houses" are found everywhere in the archipelagos, which serve as a sort of rendezvous for the male villagers or as inns for travellers. On Yap there are one or two houses to every village where women live when ailing.

#### Social Conditions

As the natives are not yet far removed from the primitive stage, their knowledge is very limited. They adhere to the traditions handed down from their forefathers and seem incapable of assimilating with any rapidity the cultural attainments of the outside world with which they come in contact. Only a few can count correctly. Yet they have been progressing in education since primary education has been introduced. Whatever their intellectual deficiencies, they are fit for manual work.

There are two main social classes, superior and common, and between them there are several transition levels. Every village has its own chief, at whose mercy formerly were the life and property of the villagers. Among the chiefs there used to be ceaseless fighting. Under the German administration, their powers were greatly diminished, and at present they collect taxes and transfer government orders besides attending to the welfare of the people.

As has already been said, their mode of living is very simple, requiring little clothing and no farming for food. They are content to live in any miserable structure which affords shelter from wind and rain. Save for a handful of Chamorro and a very small number of wealthy people, they live from hand to mouth in perfect contentment and have no thought of providing for posterity. They see no need of taxing their otherwise simple existence by us-



ing money. What money they obtain is invariably spent for such luxuries as soap, perfume, tobacco and canned food, for their daily necessities are freely provided by nature. Of late years, however, a desire to own coconut trees and land has become discernible. They have aversion to anything that requires systematic labor. This is because they are little accustomed to it, there being no need for hard work where food is plentiful without it. In former times they were absorbed in subdividing neighboring villages, but in recent years their barbaric temperament has greatly abated in consequence of appropriate measures taken toward this end by the Japanese Government.

Each group uses its own language or dialect, and there are many instances of different languages in a single group of islets. Between the main island of Yap and the islets within its orbit, there is no common language. Since Japan took charge of the educational work, Japanese has been taught, increasingly meeting the daily needs of the natives.

#### Administration

Following severance of diplomatic relations with Germany, the Japanese navy occupied in October 1914, the German territory of the South Sea Islands and established a military government. In December 1915, when military headquarters were instituted at Truk, the islands were divided into six administrative districts, each governed by a resident garrison commander. In June 1918, subsequent to the issuance of an Imperial Ordinance, a civil administration was created under the commander of the Provisional South Sea Defense Corps, and civil officials took over the functions formerly entrusted to the commanders.

Under the terms of the peace treaty concluded in January 1920, the islands were placed under Japanese mandate. Realizing the need of effecting fundamental renovation in the administration, the Japanese Government, upon withdrawing the troops, established the present Nanyo Cho, or South Sea Government in April 1922. This was in accordance with an Imperial Ordinance of March 1922, parts of which were later revised in 1924, 1927, 1930 and 1935. The Governor, who presides over the entire administration, is under the control and supervision of the Overseas Minister. Communications affairs are

supervised by the Communications Minister, and currency, banking and customs matters by the Finance Minister. In emergencies, however, the Governor is authorized to act upon his own discretion and if necessary to request the commander of the naval station or the nearest responsible naval commander to take military action. The Government Office is composed of Governor's Secretariat and 2 Departments of Home Affairs and Development. The Governor's Secretariat is divided into 2 sections of Secretariat and Archives, the Department of Home Affairs into 6 sections of Local Affairs, Investigation, Finance, Engineering, Tax and Police; and the Department for Development into 5 sections of Agriculture and Forestry, Commerce and Industry, Fisheries, Transportation and Communications. Under the government there are branch offices at Salpan, Yap, Palau, Truk, Ponape and Jaluit. All such general administrative business as census-taking, alms-giving, salvation, policing, hygiene, tax collection, education, religion, industry, engineering and harbor work are conducted by these local branches.

Besides the afore-mentioned, there are, under the control of the Governor, 31 elementary schools, 26 public schools, a woodwork training institute, a high court of justice with a public procurator's office, 3 local courts of justice, each with a public procurator's office, 1 industrial experimentation station with its two sub-stations, 7 hospitals, 1 mine, 11 post offices, 1 meteorological observatory and its 12 branches, 1 industrial school and 2 girls' high schools.

The branch offices are assisted by *so-soncho*, *kucho*, *son-cho* and *Joyaku*, who are mostly native chiefs. Those in charge of the *Kanaka* are called *so-soncho* and *son-cho*, and those among the *Chamorro* are named *kucho* and *Joyaku*. The *so-soncho* and *kucho* act under the control and instructions of the branch office to which they belong, and the *son-cho* and *Joyaku* assist them. The duties entrusted to these officials are (1) thorough diffusion of knowledge of the law and regulations, (2) the making of applications and reports to the branch office, and (3) the conveyance of official instructions and their fulfillment.

**Police Administration** Under the Police Section of the government there is a branch section at each of the six branch offices of the government. In

addition, there are a police officer's detached station at Tinian, another at Rota, assistant police inspector's detached stations at Kusale and Angaur and policemen's offices at 43 less important villages. The distribution of these stations was determined more by special local conditions than by the density of population, for each branch office of the government has its own peculiar geographical and cultural conditions. On June 30, 1940, the number of police officials was 246.

The regulations for control of the islanders established in 1916 to guard against immigration of persons without property and criminals were amplified and revised in 1917 and 1925. Special consideration is given to firearms and gunpowder, the possession and use of which are strictly prohibited to the insular inhabitants. Beverages of more than 3 per cent alcoholic content are forbidden except for medical use and religious rites. The possession and consumption of dangerous narcotics, save for medical purposes, are prohibited. Other regulations cover game hunting, publications, social gatherings and the formation of associations, collection of donations, fisheries and the employment of *geisha* and waitresses.

#### Finance

The expenditure for insular administ-

ration had been met by the military special account until an independent account of the South Sea Government was established in March 1922. Since then the South Sea Government Special Account has been arranged and expenditures of the Government have been met by taxes, other revenues and the sum advanced from General Account. But its own revenue has increased so much that since 1932 the Islands have been receiving no budgetary assistance from Japan proper and have thus virtually become independent financially. The budgetary estimate for 1941-1942 is ¥15,707,931.

Clearance charges on shipments, income tax and tobacco tax constitute the premier taxes. A poll tax not exceeding ¥10 was levied on every male native aged 16 or more and from ¥2 to ¥50 on Japanese and foreigners, but it was changed to a local tax to be collected by offices in the islands since 1938. Present taxes are the Income Tax, Corporation Profits Tax, Mining Tax, Tobacco Tax, Clearance Dues and Customs Duties. The revenue from these taxes represent 80 per cent of the total revenue of the South Sea Government. The financial conditions of the government are most encouraging as evidenced by the following table:

#### ACTUAL REVENUE AND EXPENDITURE OF THE NANYO CHO

Fiscal Year	Revenue			Total	Expenditure Total
	From Taxes and Enterprises	Aid from Tokyo Gov.	Balance of the Previous Year		
1922	1,300,548	5,239,960	—	6,540,508	5,393,475
1935	6,571,582	—	2,704,533	9,276,115	5,825,649
1936	6,707,277	—	3,450,465	10,157,742	6,606,539
1937	7,188,802	—	3,551,203	10,740,005	8,671,966
1938	11,349,535	—	2,068,038	13,417,574	8,921,817
1939	11,751,045	—	4,495,327	16,246,372	9,793,548
1940	12,746,911	—	6,452,824	19,199,735	11,114,342

#### Land and Agriculture

All transactions in real estate owned by natives are subject to approval by the government, a practice initiated by the German administration to safeguard the interests of those whose concepts of property are rudimentary. Total acreage is put at 215,000 hectares, of which about 50,000 hectares are thought fit for coconut plantation and general farming.

The land already cultivated is calculated at 54,200 hectares for paddy fields, dry lands, and coconut plantations, leaving more than 27,500 hectares for future development. Engaged in agriculture are 0.5 per cent of the entire native population, viz., 2,412 natives and 21,210 Japanese at the end of 1940. There being little need of depending for their daily necessities upon farming,



the agricultural technique of the natives is still in a primitive stage, but the rapid increase in the number of Japanese, who are setting good examples, will sooner or later bring about some improvement. Live-stock farming is also undeveloped, though the natives raise cattle, hogs, goats, hens and ducks, the cattle for transportation and farming purposes and the hogs and hens for food.

Sugar-cane cultivation dates as far back as the beginning of the 16th century, but until the arrival of the Japanese there was no sugar refinery and the inhabitants ate the cane raw. The island of Saipan being found fully qualified in both climate and soil, there was established there by the Japanese a sugar industry, which has made a healthy development. From 20 hectares in 1916, cultivation increased to 455 hectares in 1919 and to 6,140 hectares in 1933. In 1940, the crop of sugar-cane amounted to 845,614,700 kin. There were two companies, with eight factories, in 1919, but in view of the inadvisability of continuing business on so small a scale, the South Sea Development Company, Ltd., capitalized at ¥20,000,000, was established, taking over the Nishimura Colonial Company, Ltd., and purchasing the South Sea Industrial Company, Ltd. Factories of this company are now located on the islands of Saipan and Tinian, the two principal sources of the raw materials. Each has a pressing efficiency of 1,200 English tons, but completion of new factories in Tinian and Rota increased the capacity by 2,950 English tons. The total value of agricultural products in 1938 amounted to ¥5,828,216.

#### Industry

The lack of communication facilities greatly handicaps commercial and industrial advancement, and inadequate supplies of coal, water and iron impedes manufacturing. The natives have little purchasing power, and the Japanese settlers, numbering 47,000 and possessing superior purchasing power, are scattered all over the isles.

The value of the annual production of the principal industries for 1940 amounted to ¥30,901,731, of which the following are principal products:

Sugar	¥24,545,302
Syrup	1,795,336
Alcohol	1,179,424
Canned foods	782,378

Starch	547,508
Ice	284,914
Cocconut oil	172,908
Others	1,590,903
Total	30,901,731

#### Forestry

All of the islands may appear to casual travellers to have good forests, but inspection would disclose that most of the trees are of no practical use. The natives have been careless in removing timber and have disregarded the necessity of reforestation. The only trees receiving attention are the cocconut palms growing on the island coasts. But this does not mean that forestry enterprises are hopeless. Various kinds of useful trees are seen thriving among the bushes, and the natural benefits here are the very conditions required for the growth of plants.

The cocconut trees have long been depended on by the islanders for food, and practically every island is shaded by their long trunks and broad fronds of pinnate leaves. According to statistics for 1939, all the cocconut plantations total 31,000 hectares in area, and the copra produced therefrom amounted to 15,000 metric tons, valued at ¥1,732,000.

#### Fisheries

There are no records available of fisheries in the islands before the Japanese occupation. A few Japanese made a start shortly after 1914, but unfortunately they all failed, due principally to unpreparedness to cope with the peculiar geographical and climatic conditions of the region. Only recently have profitable undertakings been established. The lack of transportation facilities, the unique conditions and the limited island market make it imperative that the industry be reorganized.

Bonito, lunny, mackerel, sardine, horse-mackerel and shark are found in abundance in neighboring waters. In shallow waters near the coasts there are seen everywhere shoals of polychromatic small fish and all sorts of shellfish. The crocodile, hawk's-bill turtle and sponge of good quality are also plentiful.

The manufacturing side of the fishing industry is still in its infancy and is still limited to the drying of horse-mackerel, bonito and mackerel.

Bonito fishing has, however, advanced to a considerable extent. At present 135 motor boats are all engaged in bonito fishery. Catches of fishes in 1940

amounted to ¥4,887,026 in value. In addition, some pearls and sponges are cultivated, chiefly at Palau. The total value of fishes and shell-fishes caught in 1940 amounted to ¥6,178,729, while that of canned and other manufactures amounted to ¥6,815,968. The grand total, therefore, amounted to ¥12,994,897 in 1940.

#### Mining

The only mining is for phosphate on the island of Angaur, south of the main island of the Palau group in the Carolines. The island is 15.54 square kilometers in area. The thickness of the phosphate deposit varies from about 3 meters to 7 meters, and the amount available was estimated in 1935 at 1,600,000 tons. For some time after the Japanese occupation of the territory, the mining was carried on by the Navy, but it is now an enterprise of the government. Yearly production is put at 60,000-90,000 tons. In addition to the superintendent, who is an expert, there were in 1935 five assistant experts, 16 clerks, 440 mine workers, 13 laborers and 5 other employees.

The production of phosphate rocks and the value since 1931 follow:

Year	Quantity in m. t.	Value in yen
1931	60,203	1,125,769
1932	85,610	1,205,172
1933	70,336	1,308,840
1934	72,148	1,778,750
1935	74,541	1,775,460
1936	85,823	2,121,118
1937	134,098	3,533,606

Note: Figures are not made public since 1937.

**Encouragement of Enterprises** Encouragement and financial assistance are given to a number of undertakings, including truck farming; coffee-growing, which have been receiving subsidies since 1927; the breeding of cows, pigs and oxen; the growing of sugar-cane and the manufacture of sugar, which were subsidized to the extent of ¥11,830 in 1938; laundry, barber, shoe-repair and hotel businesses; the cultivation of pearls; and the preparation of dried bonito. As the raising of cocconut trees is recognized as one of the most promising industries in the islands, regulations were issued in 1922 stipulating that to those who seriously undertake the planting of cocconut palms a subsidy is to be given at a rate not

exceeding ¥20 per 2½ acres of newly planted land and not exceeding ¥10 per 2½ acres of old cocconut groves put in order. Furthermore, the regulations were revised in 1931 to provide a subsidy of one-fourth of the cost of constructing factories for drying copra.

Since 1924, Saipan and Palau have held competitive fairs of the local agricultural produce and handmade articles, supported by the government. In addition, representative products of the islands are exhibited at various shows and exhibitions in Japan proper through the good offices of the government. The South Sea Government Products Museum was established and opened at the beginning of 1930 for the exhibition of all sorts of insular products and geographical and historic studies.

An official investigation is being made in places sparsely inhabited by the natives to see whether there is land for additional immigrants, and wherever land is found and designated suitable for colonization every care is taken to assure comforts for settlers. A survey made in October 1932, showed the existence of land for 393 families. Another investigation is seeking to distinguish lands owned by the government from those possessed by private citizens. Although no accurate figures are yet available, government-owned cocconut groves are estimated at about 3,200 hectares, with 670,000 trees. From these figures, however, it is difficult to calculate the approximate amount of copra obtainable, for some of the groves are unproductive. A comprehensive survey is in progress.

**Experimental Stations** The Industrial Experimental Station in the islands, where all kinds of experiments and investigations connected with agriculture and stock-breeding are conducted, utilizes farms totalling 145 acres. The Aquatic Products Experimental Station, initiated in 1931 under the control of the Colonial Section of the government, experiments, among other things, with the preservation of bonito and mackerel and the breeding of sponges, turtles and shellfish. Since the islands, though small in area, extend over vast expanse of sea, it was considered that the natural resources hidden therein deserved a careful investigation. Having found that small experiment boats would not serve for the purpose the Government has built a ship having a displacement of



183 tons with 360 h.p. This vessel is now engaged in investigation of the resources of the sea.

#### Trade

The staple exports are copra, sugar, dried bonito and alcohol, which account for 96 per cent of all exports. As to imports, 61 per cent of the total consists of cereals and other provisions and drinks, tobacco, cotton textile and manufactures, clothing and fittings, metal goods, lumber and various wooden articles.

The open ports are Saipan, Palau, Angaur, Truk, Ponape and Jaluit. Almost the entire overseas trade of the archipelago is done with the Japanese mainland save for sundry goods exchanged between Saipan and Guam, and between Jaluit and the Gilbert Islands, and for a nominal amount of sugar from Hawaii and copra and sundry goods from Guam, the Gilbert Islands and Manila.

The total exports in 1938 were ¥46,923,180, of which exports to the Japanese mainland were ¥45,262,546. Among exports to Japan, sugar represented ¥24,852,111. The total imports in the same period were valued at ¥31,658,828, of which ¥29,213,319 were from Japan. With countries other than Japan, exports amounted to ¥1,060,634 and imports ¥1,445,509.

In 1939, the value of exports to foreign countries amounted to ¥3,451,000 and that of imports to ¥1,357,000.

#### Companies

In 1940, there were 53 companies in the islands with an aggregate paid-up capital of ¥75,077,817. Details follow:

#### NUMBER AND CAPITAL OF COMPANIES (1940)

Business	Number	Paid-up Capital (In yen)
Agriculture and Forestry	14	7,385,000

#### NUMBER OF VARIOUS VEHICLES, Dec. 31, 1936

Branch office	Motor car	Motorcycle	Bicycle	Cart	Wagons	Others	Total
Salpan	159	25	9,351	11	3,242	—	12,788
Yap	1	4	131	9	5	—	150
Palau	30	23	2,270	58	13	—	2,394
Truk	7	3	416	22	2	—	450
Ponape	7	7	514	5	2	—	535
Jaluit	1	—	346	115	—	—	462
Total	205	62	13,028	220	3,264	—	16,779

Note: Publication of figures was ceased since 1937.

Commerce	11	10,972,817
Transportation	5	1,580,000
Fisheries	9	7,435,000
Mining and Industry	12	32,376,000
Development	2	15,323,000
Total	53	75,077,817

Representative companies are the Nanyo Kohatsu Company and the South Sea Development Company. (See p. 972, the Japan Year Book, 1939-40.)

#### Transportation and Communications

There are no roads worthy of the name on the islands, though the Government realizes that they are the first requisite for industrial development. As large appropriations will be needed, their construction will have to wait for some years to come. Nor are there railways for public use. The short one at Angaur extending for 12 miles to the phosphate mine, and that at Saipan and Tinian which extends for 93 miles are exclusively used for the hauling of freight belonging to the South Sea Development Company.

Land transportation is now principally carried through the help of motor cars and other vehicles imported from Japan. The character of the roads, length of each and the number of vehicles are shown in the following tables:

#### EXTENSION OF ROADS, DEC. 31, 1937

Branch office	Width of Roads (In km.)			Total
	Less than 4 m	Less than 7 m	Over 7 m	
Salpan	39	104	28	171
Yap	—	118	—	118
Palau	66	35	6	107
Truk	64	2	—	67
Ponape	24	13	3	40
Jaluit	43	—	—	43
Total	236	272	38	546

Improvement of transportation facilities is now being concentrated on harbors. Generally speaking, the ports are favorable for mooring of steamers with displacements of 3,000 tons, but the long distance between vessels lying at anchor and the landing places, as well as coral rocks extending far into the sea, handicaps their healthful growth as modern commercial ports. The construction of modern harbors depends upon magnanimous appropriations and years of labor. The first real harbor, started in 1926 and completed in 1932 at a cost of more than ¥1,073,000, was at Saipan. In 1933-1935 an enlargement of the wharf was completed with an expenditure of ¥579,000. The third improvement plan which is to be completed within 6 years beginning with 1938 is now carried on. The estimated expenses will reach ¥1,870,000. A second project was launched in 1927 at Corrol, where, between the vessels at anchor and the landing place, lies a coral-reef. The work came to the completion after the expenditure of ¥108,992 in 1930, as the result of which the route has been reduced to one-third of what it used to be. A new wharf was constructed then with an expenditure of ¥84,000, and in 1934-35 another improvement work was completed. For the construction of the port of Palau ¥2,710,000 was appropriated for a 6-year plan beginning with 1936.

**Shipping Routes** Upon the creation of the South Sea Government, all government-controlled shipping routes were placed under the Nippon Yusen Kaisha, Ltd. The chief schedule for these lines in 1941 follows:

(1) West Round Line: Plying between Japan and the Philippines, the ships touch at Kobe, Osaka, Moji, Sakido, Yokohama, Hachijo Islands, Futami, Naha, Saipan, Tinian, Rota, Yap, Palau, Angaur, Menado and Davao, making 37 voyages in a year.

(2) East Round Line: Plying between Kobe and Jaluit, the ships of the line call at Osaka, Moji, Sakido, Yokohama, Saipan, Rota, Palau, Truk, Ponape, Kusale and Jaluit, making 20 voyages yearly.

(3) Saipan Line: The ports of call are Kobe, Moji, Sakido, Yokohama, Keelung, Naha, Hachijo Islands, Futami, Saipan, Tinian, Rota, and Osaka, making 13 round-trips.

The number of vessels on these lines is 20.

Since 1938, the ships of the South Sea Marine Transportation Company are ordered to make 12 visits a year at Palau on their voyages between Japan and Java. At present, the Company's ship is making monthly visit to Palau on its way from Japan to Sumatra.

Shipping among the islands has been entrusted to the South Sea Trading Company, Ltd., which is subsidized by the Government. The services now available are: the Mariana line, connecting scattered islets within the Mariana Archipelago, available 12 times a year; the Yap, Palau, Truk and Ponape lines, each with 5 and 4 trips a year, and the Marshall line, which makes 20 trips a year. In addition there are Ponape, Truk and Palau lines. Five vessels are used, ranging from 195 to 340 tons.

Since 1938, a ship of the South Sea Development Company has been ordered to run between Palau, Yap, Truk and their islets.

During 1938, vessels that entered and cleared the 10 ports of the territory numbered 1,275 and 1,231 respectively—657 steamships and 574 sailing vessels clearing, and 658 steamships and 617 sailing vessels entering. The number of passengers landing and embarking were 65,083 and 29,697 respectively.

**Airway** In April 1939, an air route was opened by the Dai-Nippon Airways Company. The seaplanes of the company ply twice a month, running from Yokohama to Saipan, 2,610 kilometers and from Saipan to Palau, 1,570 kilometers.

**Communications** All means of communication were placed under the control of the local government when it was established. The Communication Section thus takes care of (1) post, telegraph, telephone, exchange and deposit services, (2) postal insurances, and (3) sea-routes, vessels and nautical markings. There are 11 post offices, situated at Saipan, Jaluit, Tinian, Rota, Palau, Yap, Ponape, Truk, Kusale, Fals and Angaur. Each handles wireless messages. The cable and wireless lines now operated are as follows:

(1) Between Yap and Bonin Islands: dispatched by the Chichi-Jima Wireless, relayed at Saipan.

(2) Between Yap and all except the Bonin Islands: dispatched on the sub-



marine cable through Naha, Ryukyu (Loochoo).

(3) Between the South Sea Islands, except Yap, and Ryukyu and Taiwan: sent by submarine cable.

(4) Between the South Sea Islands, except Yap, and the Bonin Islands: sent by the Chichi-jima Wireless, relayed at Saipan.

(5) Between the South Sea Islands and all outside points except the Bonin Islands, Taiwan and Ryukyu: dispatched by the Tokyo Wireless, relayed at Palau.

Telephone facilities are still limited, switch-boards being installed at only Palau and Saipan.

#### Judicial System

The judicial branch of the South Sea Government employs the double trial system, the court for the first trial being one of the Local Courts of Justice and for the second trial the High Court of Justice. To each court is attached a public procurator's office. In remote places, minor irregularities, both civil and criminal, are disposed of by the judgment of the branch office heads.

The South Sea Government's High Court of Justice is located in Palau. The Palau Local Court of Justice has jurisdiction in the Palau and Yap groups; the Saipan Local Court of Justice, in the Saipan group; and the Ponape Local Court of Justice, in the Ponape, Truk and Jaluit groups. In 1941 there were three judges, two procurators and four secretaries in the judicial system.

Most of the legal regulations are the same as those in Japan, but due consideration is given to the customs and conditions peculiar to the natives. Their civil affairs are handled quite independently of those settlers from outside; hereditary practices in land ownership are preserved, none but government officials being permitted to sell, purchase or mortgage their land; legal proceedings are made as simple as possible, and natives sentenced to less than one year of penal servitude may be subjected to labor instead of being sent to a prison.

#### Education

Besides 34 elementary schools for the Japanese, there are 26 for natives throughout the insular territory. Though education is not compulsory, schools are provided, clothing and food

being supplied in particular cases and pupils from remote places being received into dormitories. At the schools for native children, natives are employed as assistant instructors. The Japanese instructors must have the full qualifications of elementary school teachers in Japan proper.

There are schools for Japanese children in Saipan, Palau, Truk, Jaluit, Yap and Ponape, and where there is no nearby Japanese school, a Japanese class is attached to the native elementary school. The course of instruction covers six years, and the textbooks are the same as in Japan proper. The natives' elementary education takes three years, and after that they are free to study a supplementary course of two years. The lessons are about the same as those taught in the Japanese schools, save for the stress placed on ethics, calculation and the Japanese language. To teach carpentry, a special institute is attached to the Corrol Public School in Palau for natives.

With the object of popularizing education, a scholarship society was formed on the foundation of an imperial donation of ¥2,000, in February 1924. The society is headed by the Governor, who, with the interest accruing to the original and yearly scholarship grants by the government, does everything possible to encourage deserving students. There is also the South Sea Islands Educational Society, headed by the Governor and with branches at the seats of branch offices of the government. Its sole object is elevation of the educational standard of the islanders. On April 30, 1939 it had funds amounting to ¥27,988.

The elementary schools for the Japanese, according to statistics taken at the end of April 1941, have 257 instructors and 11,217 pupils including the continuation course. The schools for natives have 68 Japanese teachers and 27 native assistant teachers, 1,541 boys and 1,208 girls attending elementary school course, and 450 boys and 234 girls in the continuation course.

There are some private institutions, mostly kindergartens, for Japanese children. At the end of April 1941, kindergartens in Saipan, Yap, Palau, Truk and Ponape, had in all 24 teachers and 785 children.

As there were not very many Japanese children, no middle school was in

existence in the archipelago prior to 1933. But owing to the industrial development and the increase of Japanese residents, it became necessary to establish one, and in accordance with the prefectural ordinance of March 1933, an industrial school was established in the island of Saipan.

The South Seas Government enacted the Girls' High School Order in 1939, in view of increasing number of graduates of elementary school girls, and at the same time established the Saipan Girls' High School, and afterwards the Palau Girls' High School was established in 1941.

#### Religion

Among the native inhabitants there is no religion worthy of the name, but they have a sort of religion. Christianity was first introduced and propagated by Spaniards in 1686. A Jesuit missionary worked enthusiastically in Guam until banished in 1766 by Charles III and he is said to have initiated the islanders into the methods of cultivating corn, tobacco, cocoa and potatoes.

#### CHURCHES, MISSIONARIES AND BELIEVERS, April 1941

Religion	Catholic	Protestant	Buddhist	Tenrikyo	Total	
Churches	10	7	11	2	30	
Mission halls	37	70	2	—	115	
Preachers	12	10	10	2	40	
Inmates of Monasteries	14	20	—	—	34	
Native Preachers	23	82	—	—	105	
Believers	Japanese	140	10	53,779	130	54,059
	Foreign	13	5	—	—	13
	Native	20,984	21,170	50	1	42,214
	Total	21,023	21,180	53,829	131	96,286

The Charitable Society, founded on an Imperial donation of ¥1,000, was organized in May 1927, in commemoration of the demise of the late Emperor Taisho. It is financed by the interest accruing to the foundation and contributions, and its principal mission is salvation of the poor and afflicted. So far its main accomplishment has been caring for lepers, 68 of whom were accommodated in the fiscal year 1940 in a sanatoria.

#### Medical and Hygienic Services

In general, there are fewer malignant diseases in the islands than in other tropical lands. But the fact that most of them are coral reefs and small in area

in more recent times, an American missionary group gained influence, though it finally abandoned work in Ponape and Truk, as did a Protestant missionary group from Germany in the former island. Catholicism went on evangelizing side by side with Protestantism and is said to have had more funds. Priests of the Otani branch of the Shinshu Sect of Buddhism established themselves in Saipan for religious propaganda in 1919, and in 1926 a Tenrikyo church was opened in Palau.

Soon after the evacuation of the German Protestant missionaries, the Japanese Congregational Church dispatched four missionaries of Ponape and Truk. American missionaries in Kusale and Jaluit are engaged in educational as well as religious work, and Catholic missionaries, who came in 1921 from Spain, are also active. It is generally accepted that the natives' mild temperament is the result of the long and untiring efforts of the missionaries. Generally speaking, Christianity seems to have placed the entire population under its influence, but very few of the churchgoers understand its tenets.

makes it difficult to obtain water supply. Rain-water tanks are the usual source, and they often prove an agency for spreading sickness. When the trade wind begins and ends, bringing changes in the climate, influenza occasionally rages. The natives are unsanitary and hesitate to consult a doctor even when taken ill. Despite untiring efforts by the authorities to better hygienic conditions, long-established customs have impeded progress.

The principal endemic diseases peculiar to the islands are amebic dysentery, framboesia and dengue. Dysentery breaks out at places all the year round, but the symptoms are generally slight. Framboesia, rampant among the natives,



afflicts but few Japanese. In recent years, in consequence of injecting salvarsan as a remedy, the number of those contracting it has decreased.

Dengue is at times so prevalent that nearly every inhabitant has it, but few cases prove fatal. Fortunately, the islanders have never been attacked by malaris fever, cholera, pest, yellow fever or sleeping sickness. Typhus, paratyphus, dysentery and a few other infectious diseases, however, are common. One suspected case of small-pox was reported in 1926, but it was agreed that the patient had contracted it while travelling in China and Japan.

**Medical Facilities** Medical practitioner's offices are maintained by the government, and for the benefit of those living in remote places visiting doctors are dispatched several times a year. The entire territory is divided into three classes, A, B and C, according to the standard of living, and medical charges are fixed differently: class A, for instance, paying from a third to half as much as the resident Japanese. The task of health protection lies heavily upon the shoulders of the government, for the number of private medical prac-

tititioners within the territory is still far from sufficient. According to statistics taken at the end of June 1939, officials in the government medical service throughout the insular territory include 25 doctors, 7 pharmacists, 3 secretaries, 9 employees, 8 assistants, 8 midwives and 30 nurses.

Special precautions are exercised against the outbreak of epidemics, and all arriving vessels are subjected to strict quarantine inspection. Compulsory vaccination is being practised, as in Japan proper. Geisha and waitresses undergo examination at least once a month. Lepers are found in several places, though the exact number is not yet available. The government opened a sanatorium in Saipan in 1926 and added others in Jaluit and Palau.

The health inspection is conducted in the schools once a year. The results indicate that though the physical growth of the native children generally surpasses that of the Japanese, cases of malnutrition and disease are much more numerous among the former. Inspection of water and investigation of the causes of death are carried out to aid health and hygienic improvement.







**MAP OF JAPAN**

Scale 1:7,500,000

- Seat of Prefectural Government
- Boundary of Countries
- Boundary of Prefectures
- National Park

120° 125° 130° 135°

140° 144° 148°

138° 140° 142°

120° 125°

140°

130° 132° 134° 136°

120° 124° 128°

1:2,350,000

1:1,500,000

1:1,300,000

MANCHOUKURO

OKHOTSK SEA

JAPAN SEA

JAPAN SEA

YELLOW SEA

EAST CHINA SEA

NORTH PACIFIC OCEAN

SHIMANE

TOTTORI

OKAYAMA

HIROSHIMA

YAMAGUCHI

HIROSHIMA

KAGAWA

TOKUSHIMA

WAKAYAMA

GASAGO

SAGA

ŌTA

KUMAMOTO

MIVAZAKI

KAGOSHIMA

SHIZUOKA

TAICHI

SHIZUOKA

YAMANASHI

TOKYO

CHIBA

SAITAMA

BARAKI

GUMMA

TOCHIGI

NIIGATA

FUKUSHIMA

YAMAGATA

ARITA

IWATE

AOMORI

ARITA

YAMAGATA

TOYAMA

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ISHIKAWA

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THE CENTRAL BANK

MANCHOUKŪO

ESTABLISHED 1932

Head Office: Harbin, Manchoukuo

Branches: Changchun, Qiqihar, etc.

Capital: 100,000,000 Yen

Reserve: 20,000,000 Yen

Assets: 120,000,000 Yen

Liabilities: 100,000,000 Yen

Surplus: 20,000,000 Yen

Profit: 1,000,000 Yen

Loss: 500,000 Yen

Dividend: 5%

Interest: 4%

Exchange: 1:1

Notes: 10,000,000 Yen

Coins: 10,000,000 Yen

Reserve: 20,000,000 Yen

Assets: 120,000,000 Yen

Liabilities: 100,000,000 Yen

Surplus: 20,000,000 Yen

Profit: 1,000,000 Yen





# THE CENTRAL BANK OF MANCHOU

ESTABLISHED 1932

The Sole Bank of Issue in Manchoukuo

Governor:

KAN CHAO HSI

Directors:

Susumu Abe, Enzo Kasai,  
Kanenori Suzuki,  
Wang Te-en, Ho Chih-an

Vice-Governor:

KIKUTARO OSAWA

Auditors:

Mitsugi Irobe  
(Special Auditor)  
Ting Shih-yuan,  
Cheng Ting-hou



HEAD OFFICE: Hsinking, Manchoukuo

## BRANCHES:

Mukden, Kirin, Harbin, Tsitsihar, Dairen, Yingkow,  
Antung, Tokyo and 140 Other Locations

## FOREIGN CORRESPONDENTS:

New York, London, Paris, Berlin, Shanghai, Tientsin,  
Peking, Tokyo, Osaka, Kobe and All Other  
Principal Cities in Japan

## MANCHOUKUO

### Geography

**Position** Extending between 38°43' and 53°30' North latitude and 117°50' and 135°20' East longitude Manchoukuo is bordered on the north by Siberia and on the east by Chosen and the Maritime Province of Siberia.

On the west its borders touch Outer Mongolia, Eastern Inner Mongolia and China proper, while on the south its shores are washed by the waters of the Yellow Sea and the Gulf of Pechili, the coast line extending over 855 nautical miles.

**Topography** Topographically, Manchoukuo is a vast expanse of plains, traversed from north to south by the Great and Little Hsingan (Khinyan or Khingan) mountain ranges in the north-western section, and by the Changpai mountains near the south-eastern boundary.

Several great rivers with many tributaries run through Manchoukuo, irrigating the plains which they pass. The most notable of these rivers are the Heilungkiang (Amur), Sungari, Ussuri, Hei, Tumen and Liao rivers.

**Climate** The climate of Manchoukuo is typically continental, despite the fact that this country lies within about the same latitudes as Japan, Chosen, France and England.

Almost unaffected by ocean currents, Manchoukuo has a dry, cold climate with long severe winters and short hot summers. The spring season is windy, strong winds often carrying yellow dusts from the west.

The temperature falls as low as 49° C. below zero in winter and goes up as high as 40° C. in some localities in summer.

### Area and Population

The area of Manchoukuo is put at 1,303,143 square kilometers and is about twice as large as the combined areas of Japan proper, Chosen, Taiwan, and Karafuto. Prior to 1932 little effort was made to obtain reliable census. In that year the population of Manchoukuo was estimated at 30,000,000 people. Rapid increase immediately followed with the great influx chiefly of Chinese, Chosenese and Japanese.

According to the first census taken on October 1, 1940, the population of Manchoukuo reached 43,202,880, consisting of 23,908,082 men and 19,294,798 women. (These figures differ from those given in p.925, the Japan Year Book, 1941-42, because they were based on a tentative reports of the authorities at the end of 1940, while the new figures are based on the final reports published on September 10, 1942.)

The density of population is 33.2 per square kilometer. The ratio of men to 100 women is 123.9, clearly indicating the fact that the country is still in the making as compared with Japan where it is 101.0.

Of the total 40,858,473 or 94.57 per cent were Manchurians (Hans representing 90.24 per cent of it), 2,271,495 were Japanese (Chosenese representing 63.85 per cent of it), and 72,912 were Westerners and others.

### POPULATION OF MANCHOUKUO BY PROVINCES

(Census of October 1, 1940)

(Revised)

Provinces	Area (Sq. km.)	Population
Hsinking Spe. Municipality	428	555,009
Kirin	88,925	5,608,922
Lungkiang	67,483	3,093,500
Pelian	76,183	2,318,957
Heiho	118,899	149,987
Sankiang	90,418	1,415,633
Tungan	41,397	512,240
Mutankiang	32,975	688,424
Pingkiang	63,860	4,234,206
Chientao	30,134	848,197
Tunghua	31,705	982,387
Antung	26,506	2,231,507
Fengtien	74,860	7,565,599
Szuping		2,031,970
Chinchou	40,162	4,317,822
Jehol	103,062	4,553,228
West Hsingan	73,934	736,701
South Hsingan	76,866	1,026,635
East Hsingan	109,107	199,530
North Hsingan	156,230	132,426
<b>Total</b>	<b>1,303,143</b>	<b>43,202,880</b>



## POPULATION OF KWANTUNG LEASED TERRITORY

(As of December 31 each year)

Year	Manchurians	Japanese	Chosenese	Others	Total
1937	1,009,870	174,587	3,917	1,629	1,190,003
1938	1,038,613	180,689	4,496	1,772	1,225,570
1939 (July)	1,058,900	184,500	4,800	1,900	1,250,100
1940 (Nov.)	1,171,154	202,324	5,668	1,675	1,380,821
1941	1,270,119	215,267	6,405	1,700	1,493,491

Note: The 1941 population consisted of 855,799 men and 637,692 women or 134.2 men to 100 women.

## POPULATION OF PRINCIPAL CITIES

(October 1, 1940)

Mukden	1,135,801	Mutankiang	179,217
Harbin	661,984	Chiamussu	138,667
Hsinking	554,202	Fushun	269,910
Antung	315,242	Anshan	231,866
Yingkou	180,871	Hailar	39,877
Kirin	173,624	Liaoyang	100,185
Chinchou	142,606	Penhsihu	100,087
Tsitsihar	133,495	Dairen (1941)	715,781

## Government

A historical survey concerning the founding of Manchoukuo and the development of her governmental system has been given on pp. 931-933, the Japan Year Book, 1940-41.

The present Government organization of Manchoukuo is as follows:

- H. I. M. The Emperor
- Imperial Household Dept.
- Committee on Imperial House Law
- Office of the Privy Seal
- Office of Aldes-de-Camp
- Legislative Council
- Privy Council
- State Council
  - Bureau of Audit
  - Council on Decorations
  - Board of Decorations
  - Office of Foreign Affairs
    - Secretariat
    - Bureau of Political Affairs
    - Bureau of Investigation
- General Affairs Board
  - Council on Planning
    - Secretariat
    - Bureau of Planning
    - Bureau of Accounts
    - Bureau of Legislation
    - Bureau of Personnel
    - Bureau of Statistics
    - Bureau of Information
    - Cadastre Adjustment Bureau
    - Bureau of Supplies and Repairs

## Office of Home Affairs

- Secretariat
- Bureau of Management
- Bureau of Supervision
- Office of Hsingan Affairs

## Dept. of Public Peace

- Secretariat
- Bureau of General Staff
- Bureau of Military Affairs
- Bureau of Police Affairs

## Dept. of People's Welfare

- Institute of Cultural Research
- Secretariat
- Bureau of Education
- Bureau of Social Affairs
- Bureau of Public Health
- Health Equipment Dept.

## Dept. of Agriculture

- Secretariat
- Bureau of Agricultural Affairs
- Bureau of Agricultural Production
- Bureau of Live-Stock Farming
- Bureau of Colonial Administration
- Forestry Bureau
- Special Products Bureau

## Dept. of Finance and Commerce

- Secretariat
- Bureau of Revenue
- Bureau of Finance
- Bureau of Industry
- Bureau of Mining
- Bureau of Commercial Affairs
- General Monopoly Office
- Patent Bureau

## Hydro-electric Power Construction Bureau

Dept. of Communications  
General Postal Administration Bureau

- Secretariat
- Bureau of Railways
- Bureau of Roads
- Bureau of Navigation

Dept. of Justice

- Secretariat
- Bureau of Civil Affairs
- Bureau of Criminal Affairs
- Bureau of Penal Administration

Courts

- Procurator's Offices
- Offices of Special Municipalities
- Provincial Government Offices
- Hsingan Provincial Government Offices
- Metropolitan Police Board
- Capital Construction Bureau

The Concordia Association in most constitutional states, parliaments and congresses are the chief organs of government which reflect popular sentiment, but in Manchoukuo, the Hsieh-ho-hui or the Concordia Association has performed this function ever since the foundation of the State.

The Government strives to put Wangtaoism, the fundamental principle underlying the State's foundation into practice while the Concordia Association is entrusted with the task of diffusing the principle throughout the nation. For this reason the Concordia Association is regarded as the mother of the Government. At the present time, there are in the country more than 3,200 sub-organizations with a total membership of about 1,320,000. A national conference is held once each year and various proposals are submitted to the Government.

## National Defense

History The Manchurian army has its origin in the Lilian army which rendered great services in founding the Ching dynasty. The soldiers of this army were since then hereditary and were garrisoned in various important points. After the Chinese Revolution of 1911 the army was modernized, and in Manchuria, there were stationed two divisions of the 27th and 28th numbering from 30,000 to 40,000. When Chang Tso-lin came into power, he increased it to 200,000, which was again increased by his son to 280,000 regulars with an additional 100,000 held as provisional forces. There was kept also a small

fleet of 7 gunboats to protect trade carried on the rivers. These were the military forces in service under Chang Hsueh-liang at the time of the outbreak of the Manchurian Incident.

Present Status The army and navy of the empire is under the supreme command of the Emperor, and is garrisoned in defense of particular districts prescribed by the Emperor.

The Bureau of Military Affairs combines both services of army and navy having the following bureaux and sections:

- (1) Staff Bureau, (2) Supplies Bureau, (3) General Affairs Section, (4) Justice Section, (5) Personnel Section, (6) Survey Section, (7) Accounting Section, (8) Auditing, (9) Naval Administration, and (10) Armaments Section.

Besides there are the Military Advisory Board, where a number of Japanese officers are engaged who direct the military administration and the Investigation Board which engage in the investigations into the subjects of military affairs and also in propaganda.

The conscription system recommended by the Investigation Board was sanctioned by the State Council and the Conscription Law was promulgated on April 11, 1940 and enforced on the 15th of the same month.

## Foreign Relations

The establishment of the new Chinese Government in Nanking in 1940 has given chance for a final readjustment of the relations between the two nations, and the joint declaration of the two governments on November 30, 1940, when the Treaty concerning the Basic Relations between Japan and China was concluded, made it clear that Manchoukuo and China will recognize sovereignty and territorial integrity each other.

Recognition of Manchoukuo Manchoukuo has been formally recognized by 11 countries of Japan, Germany, Italy, China, Dominica, Salvador, Spain, Hungary, Poland, Slovakia and Rumania by the end of 1940, and by Bulgaria on May 14, 1941, by Finland on July 19, 1941, and by Thailand on August 1, 1941, the number of countries which recognized Manchoukuo reaching 14.

## Finance

While the finance under Chang Tso-lin was comparatively sound in his



early administration, the expenditure commenced to increase steadily due to his army being enlarged in the latter days. Thus in 1920, the total expenditure was ¥120,000,000 and showed a budgetary deficit of ¥12,000,000. When he was succeeded by his son, Chang Hsueh-liang, the deficit was further increased. The recklessness of his finance was evidenced by the fact that, of the total expenditure of ¥142,500,000, the sum defrayed for the military purpose amounted to ¥114,720,000. The deficit thus created was met by increased taxes

and inflation of currency, thereby causing the people great misery.

In view of the deplorable state of affairs, as above stated, the leaders of Manchoukuo directed their efforts for the stabilization of the financial conditions of the country without increasing tax economic pressure on the people. It is much to the credit of the new state that such a rapid and sound development has been made in finance and currency in so short a time.

Manchoukuo's national budgets since its foundation follow:

#### MANCHOUKUO'S NATIONAL BUDGET

	(In MY1,000)					
	Ordinary	Revenue Extra-ordinary	Total	Ordinary	Expenditure Extra-ordinary	Total
1932	108,441	44,492	152,923	89,937	39,698	129,635
1933	151,145	43,429	194,574	105,143	60,339	165,482
1934	180,439	34,460	214,899	113,831	73,411	187,242
1935	93,386	39,382	132,768	54,714	45,121	99,835
1936	223,719	39,891	263,610	130,741	90,049	220,790
1937	211,631	36,467	248,098	119,112	128,986	248,098
1938	240,335	64,219	304,555	143,659	160,875	304,534
1939	299,837	103,540	403,377	182,033	221,344	403,377
1940	417,770	155,785	573,555	240,319	333,236	573,555
1941	498,799	154,420	649,220	281,166	368,054	649,220
1942	610,152	213,247	823,400	258,225	465,174	823,400

Note: Figures for 1932-1936 represent settled accounts.

#### Characteristics of Manchoukuo's 1942 Budget

The budget of Manchoukuo was noted to have undergone a drastic change in 1937 (the fourth year of Kangte) when the national policy of the State shifted from military reorganization to industrial development on the basis of the giant five-year industrial plan. Due to the outbreak of the China Affair, however, the five-year industrial plan was subjected to a large-scale revision with the resultant remarkable expansion of State economy. The prolongation of the China Affair and the outbreak of the European War, however, brought about many new phases in the financial situation domestically as well as internationally. To cope with the situation, therefore, the State Government exercised the strictest scrutiny over various administrative expenditures in an effort to check non-urgent and unnecessary enterprises while continuing to pursue the positive industrial development scheme. On the basis of the 1942 in-

dustrial capital adjustment plan, therefore, the State Government retrenched many Government enterprises, and curtailed the 1942 flotation of Government bonds by about ¥104,000,000 from the original schedule to ¥404,000,000 in both ordinary and special accounts. Similar curtailment policy was applied to the industrial capital of special companies. The special feature of the 1942 budget of Manchoukuo is its high flexibility sufficient to cope with any international development by means of a special reserve fund. A special financial measure has also been adopted to enable the State to execute its task of contributing to Japan through the supply of cardinal materials while maintaining its own self-sufficiency. For this purpose, the pivot of the national expenditures in 1942 was placed on the various defense measures, the second five-year industrial plan, increase of production of soya beans and other farm products, dairy products, ferrous and non-ferrous products as well as liquid fuel, maintenance of peace and order as well as proper

guidance for economic control measures. On the revenue side, an increase in taxes was effected, particularly national taxes as a principal source of revenue for meeting wartime expenditures. As a result, the revenue from taxes in 1942 came to total ¥380,000,000 or 60 per cent of the total national revenue, representing an 80 per cent gain compared with the corresponding revenue in 1941. On the other hand, the flotation of deficit-covering bonds was curtailed to the minimum from the standpoint of checking the expansion of currency, being reduced by ¥60,000,000 to ¥430,000,000 as compared with the 1941 fiscal year.

Ever since its founding, Manchoukuo depended upon Japan for its economy. In 1940, the fourth year of the five-year industrial plan, Japan's materials mobilization plan grew extremely stringent due to the prolongation of the China

Affair and the aggravation of the European War. Naturally, the acquisition of raw materials as well as labor became difficult and the supply of funds and transportation facilities became disturbed. To cope with the situation, the State Government adopted the strengthened priority system, the utilization of existing facilities, the promotion of efficiency and the curtailment of expenditures. All those steps were reflected in the curtailment of the budget in 1940. The retrenchment of the State budget in that year was also attributable to the stringency of Japan's monetary conditions in the first half of that year. It is noteworthy that the 1942 budget of Manchoukuo is so compiled as to contribute materially to Japan in the course of the execution of the Greater East Asia War through the self-sufficiency of the State finance itself. Relative figures follow:

#### 1942 BUDGET OF MANCHOUKUO

	(In ¥1,000)		
	Ordinary Accounts	Extraordinary Accounts	Total
<b>Revenue:</b>			
General Affairs Board	15,176	858	16,034
Peace Department	188	357	545
Welfare Department	5,198	16,050	21,248
Justice Department	662	139	801
Agriculture Department	346	23,376	23,722
Economic Department	588,503	171,390	759,893
Communications Department	78	1,075	1,153
<b>Total</b>	<b>610,152</b>	<b>213,247</b>	<b>823,400</b>
<b>Expenditures:</b>			
Civil List	—	—	3,060
General Affairs Board	148,245	98,258	46,504
Peace Department	122,138	114,080	36,219
Welfare Department	24,564	21,272	45,837
Justice Department	13,836	235	14,071
Agriculture Department	15,552	64,446	79,999
Economic Department	21,604	93,290	114,894
Communications Department	9,223	73,590	82,814
<b>Total</b>	<b>358,225</b>	<b>465,174</b>	<b>823,400</b>

#### 1942 BUDGET OF MANCHOUKUO: SPECIAL ACCOUNTS

Items	(Value in ¥1,000)					
	Ordinary Accounts	Revenue Extraor- dinary Accounts	Total	Ordinary Accounts	Extraor- dinary Accounts	Total
<b>General Affairs Board:</b>						
Local Finance Adjustment Funds	—	—	57,925	—	—	57,925
Pensions	14,468	72	14,541	9,647	—	9,647
Welfare for Govt. Officials	12,073	—	12,073	9,662	500	10,162
Scientific Research	6,760	348	7,108	6,218	889	7,108
Supplies	89,000	154	89,154	88,038	1,115	89,154



Items	Revenue			Expenditures		
	Ordinary Accounts	Extraordinary Accounts	Total	Ordinary Accounts	Extraordinary Accounts	Total
Peace Department:						
War Supply Department	13,715	84	13,800	13,471	329	13,800
Munitions Depot	17,085	—	17,085	16,861	—	17,085
Welfare Department:						
Anti-Tobacco	94,216	—	94,216	57,223	22,223	79,446
Justice Department:						
Prisons	25,169	1,060	26,229	24,962	1,267	26,229
Agriculture Department:						
State Forests	87,682	5,822	93,504	64,651	98,852	98,504
Colonial	—	69,100	69,100	—	69,100	69,100
Horse-Raising	18,404	—	18,404	3,482	503	3,985
Economic Department:						
Government Bonds	—	—	432,112	—	—	422,112
Govt. Bonds Redemption Funds	—	—	138,978	—	—	138,978
Investments	—	—	202,726	—	—	202,726
Funds for Adjustment of State Assets	5,266	12,268	17,535	625	16,626	19,321
Monopoly	323,546	—	323,546	275,836	978	276,814
Water-Power Construction	—	37,444	37,444	—	37,444	37,444
Communications Department:						
Postal Service	39,080	2,168	41,248	38,290	2,417	40,707
Life Insurance	17,368	—	17,368	7,865	—	7,865
Water Works	—	4,101	4,101	—	4,101	4,101
Tatung Port Construction	—	11,500	11,500	—	11,500	11,500

### Banking

**Central Bank of Manchou** This bank was established on July 1, 1932, and it opened business on the same day. In it were included four old banks of issue, the Three Eastern Provinces and the Frontier Bank. It has its head office at Hsinking, and branch offices at Mukden, Kirin, Tsitsihar and Harbin. It is capitalized at MY45,000,000, and the Manchoukuo Government holds more than 50,000 shares of MY100 each. It is authorized to mint coins (to the amount of 100 million yen) and issue notes.

#### REPORT OF THE CENTRAL BANK OF MANCHOU

For the Second Half of 1940

ASSETS	(In yen)
Cash and deposits	75,952,325
Cash on hand	10,568,566
Deposits and bullion	65,108,581
Deposits in agencies	163,427
Foreign currency	111,749
Negotiable papers	850,687,018
Bills discounted	386,382,827
Commercial bills	385,560,634
Bills of exchange	822,193
Loans	486,078,340
Advances to the Government	98,335,400

Advances	59,359,870
Advances on current accounts	328,383,269
Exchange bills purchased	16,680
Loans to other banks	4,132,802
Fund for payments	359,027
Suspense payments	14,490,840
Fixed assets	19,514,050
Capital unpaid	15,000,000
Total	1,852,614,414

#### LIABILITIES

Deposits	525,254,372
Current deposits	238,939,803
Special current deposits	74,547,473
Deposits at notice	32,092,394
Fixed deposits	17,500,608
Special deposits	17,068,266
Government deposits	145,099,964
Loans	156,752,490
Exchange bill accounts	14,427,386
Remittances paid	14,421,960
Exchange bills sold	5,425
Due to other banks	58,185,690
Payments due	359,027
Suspense receipts	81,931,341
Notes issued	947,050,782
Reserves for retiring allowances	2,105,312
Replenishments	3,800,351
Capital subscribed	30,000,000
Reserve fund	16,030,000

Profit brought forward from last half-year	4,081,379
Net profit for the current half-year	12,636,078
Total	1,852,614,414

#### PROFIT AND LOSS ACCOUNT

Gross profits for the current half-year	40,258,552
Gross losses for the current half-year	27,622,472
Net profits for the current half-year	12,636,078
Balance brought forward from last half-year	4,081,379
Total	16,717,459
Reserves for deficits	1,210,000
Reserves for dividends	260,000
Special reserves	1,800,000
Other reserves	1,300,000
Payment to the Government	6,033,052
Bonus and allowances	53,000
Dividend at the rate of 6 per cent per annum	450,000
Balance carried forward	4,611,406

**Currency Problem** The currency in Manchoukuo has been in an extremely complicated condition, native and Japanese and other notes and coins being in circulation. But in the newly regulated system of Manchoukuo currency 23.91 grams of pure silver is taken as the unit called the yuan, there being 100 fen or 1,000 li in one yuan. The new paper notes are issued in five different denominations of 100 yuan, 10 yuan, 5 yuan, one yuan and chian, or 30 fen, circulated together with 1-chiao and 5 fen nickles and 1-fen and 5-li coppers. The amount of coins issued by the end of October 1941 reached MY53,592,000.

**Note Issue** Before opening for business on July 1, 1932, the Central Bank of Manchou took over old notes of 15 different kinds and 136 denominations amounting to MY142,234,881 calculated in the new currency at the exchange rate fixed officially. This figure was gradually reduced and by the end of June 1935 a total of MY138,200,000 or 87.2% had been redeemed by the Bank. The amount of the notes issued by the end of 1941 reached MY1,275,991,000.

**Industrial Bank of Manchou** This bank was founded in accordance with the Industrial Bank of Manchou Law issued by the Manchoukuo Government on December 3, 1936. Its capitalization

is ¥30,000,000, a half of which is invested by that Government. Its object is to supply capital necessary for industrial development of Manchoukuo, and the domain of its business is not only limited to supply of capital to commerce, but to large and small industries on a basis of long term and low interest rate. The bank is vested with authority to issue industrial debentures 15 times its paid-up capitalization. The Manchoukuo Government will guarantee for payment of principal and interest of loans for the bank, when the latter intends to raise necessary loans by floatation of its debentures abroad.

**Other Banking Institutions** Though the Central Bank of Manchou occupies the controlling position in the monetary market as the note issuing bank, there are other banks which do substantial banking business. The names and capitalizations of the principal banks follow:

Name	Authorized Capital
(1) Manchoukuo Banks	
Fengtien Commercial & Industrial Bank	MY2,200,000
Fengtien Commercial Bank	1,000,000
Yingkow Bank	1,000,000
Kung Cheng "Yu Bank"	500,000
Tungpien Industrial Bank	1,500,000
I Fa Bank	1,000,000
I Tung Commercial Bank	1,000,000
Hui Hua Bank	250,000
(2) Japanese Banks	
Yokohama Specie Bank	¥100,000,000
Bank of Chosen	400,000,000
Shoryu Bank	12,000,000
Manshu Bank	10,000,000
(3) Chinese Banks	
Central Bank of China	25,000,000
Bank of Communications	10,000,000
Chin Cheng Bank	10,000,000
Ta Chung Bank	4,000,000
(4) Other Foreign Banks	
Russo-Asiatic Bank	R65,000,000
The Far Eastern Bank	\$5,000,000

To aid the sound development and proper control of banking, the Government promulgated a new Banking Law in November 1933.

Encouraged by the favorable results of



the two credit associations which were created in 1932 in Fengtien province the Finance authorities in 1933 inaugurated eight similar associations in

Fengtien, two in Kirin and one in Heilungkiang province. The number has been increased year by year, and it reached 126 in 1938.

### DEPOSITS AND LOANS OF BANKS IN MANCHOUKUO

(As outstanding at the end of each year)

(In ¥1,000)

	Deposits						
	Central Bank	Industrial Bank	Other Manchurian Banks	Chinese Banks	Western Banks	Japanese Banks	Total
1935	151,934	—	11,364	34,411	14,568	382,157	594,434
1936	225,582	—	13,042	25,918	12,447	444,249	721,238
1937	265,580	244,270	32,676	20,184	16,233	132,785	711,728
1938	386,849	388,150	47,912	15,338	16,528	132,584	987,361
1939	752,349	568,692	101,901	17,068	20,114	202,674	1,662,797
1940	429,138	789,411	201,958	18,410	19,154	273,533	1,681,604
1941	657,276	985,038	303,854	19,263	9,939	376,655	2,344,025
1942							
(June)	544,557	1,007,755	944,776	6,349	4,371	450,113	2,957,964
	Loans						
1935	171,000	—	33,800	25,428	30,277	296,779	532,784
1936	197,360	—	36,586	23,540	24,457	363,012	649,954
1937	212,569	258,995	57,288	17,866	30,070	162,917	739,705
1938	419,997	412,419	71,800	14,901	22,247	290,223	1,231,588
1939	871,190	790,373	98,685	14,754	11,154	513,173	2,299,329
1940	872,318	1,294,574	168,141	12,880	4,584	770,494	3,122,991
1941	757,577	1,091,984	281,327	15,929	2,255	883,260	3,032,332
1942							
(June)	698,617	987,273	623,522	8,685	1,163	781,179	3,100,454

### ADVANCES BY BANKS TO VARIOUS INDUSTRIES

At the end of each year

(Unit: ¥1,000)

Industry	1938		1939		1940	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Mining	48,148	4.57%	79,365	5.26%	108,496	5.71%
Manufacturing	256,891	24.38%	405,550	26.92%	537,035	28.28%
Agricultural	197,442	18.74%	235,538	15.63%	271,823	14.31%
Fishery	20,979	1.99%	29,491	1.90%	43,898	2.31%
Traffic	28,231	2.68%	46,729	3.10%	71,268	3.75%
Commerce	308,381	29.27%	475,412	31.55%	511,514	26.93%
Miscel. industries	30,113	2.85%	28,728	1.90%	51,557	2.71%
Others	163,164	15.49%	205,628	13.64%	303,359	16.50%
Total	1,053,349	100.00%	1,506,451	100.00%	1,898,950	100.00%

### DEPOSITS AND LOANS OF CREDIT ASSOCIATIONS IN 1939 AND 1940

(In yen)

	1939		1940	
	Deposits	Loans	Deposits	Loans
Cooperative credit associations	39,762,000	60,064,000		
Credit societies	5,793,000	11,222,000		
Mutual loan societies in city area	22,972,000	13,179,000		
Mutual loan societies in rural districts	3,504,000	5,890,000		
All associations and societies	372,278,000	368,154,000		

### POSTAL SAVINGS IN MANCHOUKUO (1935-39)

Manchurian Savings

(In yuan)

Year	Deposits	Withdrawals	At End of Year		Average Amount per Depositor
			No. of Depositors	Amount	
1935	4,005,435	2,300,485	72,675	2,336,089	32.14
1936	11,210,783	6,438,153	103,909	7,106,826	68.39
1937	22,627,976	13,145,569	204,634	17,304,209	84.50
1938	77,030,860	42,721,938	638,003	51,613,139	80.80
1939	139,896,600	88,879,300	1,152,922	102,730,800	89.10

Japanese Savings

(In yuan)

Year	Deposits	Withdrawals	At End of Year		Average Amount per Depositor
			No. of Depositors	Amount	
1935	45,160,779	38,622,080	522,879	44,771,451	85.62
1936	47,918,224	42,318,518	595,031	50,018,738	84.06
1937	47,480,040	41,032,499	658,718	57,735,875	87.65
1938	49,003,964	49,316,382	625,965	57,941,469	92.56
1939	50,545,100	49,689,500	596,048	58,799,900	98.65

### Industrial Development Plan

The first five-year industrial development plan has been carried out last five years ending March 31, 1942, to enter into the second five-year plan beginning April 1, 1942. According to the report of the Government on the results of the five years, the increase of some agricultural products could not reach the proposed level, but that of the products of mining and manufacturing industries excelled the goals, especially in cases of lead, copper, pig iron, steel and chemicals. The amount of funds to be obtained during the five years was first set as 2,500 million yen and later as 6,100 million yen, but the actual amount raised reached 7,600 million yen. It is a wonderful result reaped in the years of the most complicated international affairs which heavily affected the execution of the plan all through the entire period. Relative figures follow:

### RESULTS OF THE FIVE-YEAR PLAN

(In index numbers, taking 1936 as normal)

Agricultural Products	Index Number
Kaoliang	116
Millet	115
Soya beans	85
Maize	148

	Index Number
Rice (paddy)	330
Rice (upland)	88
Wheat	100
Barley	53
Oat	383
Cotton	156
Hemp	2,327
Flax	546
Cocoon	129
Tobacco	1,083
	(1939=100)
Beet	456
Live-stock	
Horse	105
Cattle	120
Pig	109
Sheep	120
Wool	130
Mining and Manufacturing	
Pig iron	219
Steel ingot	154
Steel	264
Asbestos	4,828
	(1937=100)
Copper	517
	(1938=100)
Lead	1,223
Zinc	398
Coal	178
Ammonium sulphate	104
Salt	150
Soda ash	545
	(1937=100)



	Index Number (1939=100)
Caustic soda	3,500
Aluminium	1,666 (1938=100)
Pulp	790
Liquid fuel	160
Electricity	241
Transportation	
State railways	215
Private railways	208
Highways	281
Colonization	
Japanese houses	1,532
Chosenese houses	451

#### Manchuria Industrial Development Corporation

The Manchuria Industrial Development Corporation was established in December 1937 with an authorized capital of 450 million yuan. The authorized capital was increased to 758 million yuan by the end of June 1941, of which 663,061,000 yuan is paid up, one-half is

furnished by the Manchoukuo Government and one-half by private interests. Its object is defined in the Administration Act as expediting the coordinated establishment of heavy industries and controlling those industries. For this purpose the Corporation is authorized "to invest in any or all of the following industries and to direct the management thereof in this country: (1) iron and steel industry; (2) light metal industry; (3) automobile manufacturing industry; (4) aeroplane manufacturing industry; and (5) coal industry." It is authorized also that the Corporation "may invest in the business of mining gold, zinc, lead, copper, and other metals or other enterprises" by obtaining governmental permission for businesses other than the mining.

#### Companies in Manchoukuo

The number and capital of companies in Manchoukuo and the position of governmental and semi-governmental companies among them are indicated by the following tables.

#### NUMBER AND CAPITAL OF BANKS AND COMPANIES AT THE END OF JULY 1941

(Compiled by the Commercial Bureau, Department of Finance and Commerce)

(In ¥1,000)

Kinds	Joint-stock Companies			Unlimited Partnerships	
	Number	Authorized Capital	Paid-up Capital	Number	Capital
Banks	133	656,285	562,962	15	684
Insurance	4	8,150	2,825	—	—
Warehousing	19	6,680	2,768	1	85
Markets and bourses	19	12,542	6,393	—	—
Commerce and trade	388	881,898	369,131	898	58,903
Transportation	90	1,707,374	1,113,652	34	3,046
Colonization, real estate and building	99	208,380	118,761	34	15,906
Engineering	102	92,376	65,960	52	5,012
Agriculture	32	26,620	13,305	9	686
Lumber and wood work	47	64,153	43,399	9	519
Live-stock	25	12,408	5,145	4	36
Fisheries	10	32,700	21,400	1	30
Mining	79	988,780	881,788	21	1,334
Metallic industries	67	475,007	445,165	14	1,399
Machine industries	168	596,491	360,728	31	2,393
Electric and gas	25	245,450	235,707	3	149
Chemical industries	169	635,248	428,346	36	1,378
Kiln industries	71	95,781	71,491	13	720
Spinning and dyeing factories	62	169,618	115,226	21	1,465
Foodstuff industries	122	136,985	95,152	75	7,579
Miscellaneous	163	171,081	138,319	68	3,483
Others	84	37,396	27,367	47	2,232
Total	2,177	7,261,399	5,124,988	1,386	107,043

Kinds	Joint-stock Companies			Unlimited Partnerships	
	Number	Authorized Capital	Paid-up Capital	Number	Capital
Companies under Manchurian Law	1,794	5,473,663	4,000,000	1,258	93,068
Companies under Japanese Law	383	1,787,736	1,124,968	128	13,975
Kinds	Limited Partnership		Total		
	Number	Capital	Number	Capital	
Banks	42	1,301	189	658,271	
Insurance	—	—	4	8,150	
Warehousing	8	538	28	7,301	
Markets and bourses	2	30	21	12,572	
Commerce and trade	1,138	54,321	2,624	995,121	
Transportation	72	4,191	196	1,714,612	
Colonization, real estate and building	71	5,172	204	229,459	
Engineering	239	23,540	393	120,928	
Agriculture	27	1,668	68	28,975	
Lumber and wood work	26	3,199	82	67,871	
Live-stock	12	733	41	13,177	
Fisheries	7	426	18	33,156	
Mining	63	7,416	163	997,530	
Metallic industries	30	3,199	111	479,605	
Machine industries	80	22,318	279	621,202	
Electric and gas	5	366	33	245,963	
Chemical industries	64	7,374	269	644,001	
Kiln industries	70	3,062	154	99,563	
Spinning and dyeing factories	13	777	96	171,855	
Foodstuff industries	124	4,138	321	148,703	
Miscellaneous	177	9,951	408	184,516	
Others	139	4,706	270	44,335	
Total	2,409	158,432	5,972	7,526,876	
Companies under Manchurian Law	1,725	134,138	4,797	5,700,869	
Companies under Japanese Law	684	24,294	1,195	1,826,005	

#### YEARLY COMPARISON OF JOINT-STOCK COMPANIES AND GOVERNMENTAL COMPANIES

(Amount in ¥1,000)

End of	(A) Total of Joint-stock Companies		(B) Governmental and Semi-governmental Companies in (A)		Percentage of (B) to (A)	
	No.	Paid-up Capital	No.	Paid-up Capital	No.	Paid-up Capital
1932	437	693,704	4	483,850	0.9	70
1933	477	943,508	6	711,178	1.3	75
1934	573	1,116,465	12	840,640	2.1	75
1935	674	1,197,014	15	808,528	2.2	78
1936	794	1,337,041	26	956,704	3.3	72
1937	959	2,123,826	35	1,549,984	3.6	73
1938	1,146	2,495,335	41	1,746,899	3.6	70
1939 (June)	1,290	3,790,787	45	1,951,382	3.5	70
1941 (July)	2,177	5,124,988	70	2,633,917	3.2	51



	Index Number (1939=100)
Caustic soda	3,500
Aluminium	1,666 (1938=100)
Pulp	790
Liquid fuel	160
Electricity	241
Transportation	
State railways	215
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(Compiled by the Commercial Bureau, Department of Finance and Commerce)

(In ¥1,000)

Kinds	Joint-stock Companies			Unlimited Partnerships	
	Number	Authorized Capital	Paid-up Capital	Number	Capital
Banks	133	656,285	562,962	15	684
Insurance	4	8,150	2,825	—	—
Warehousing	19	6,680	2,768	1	85
Markets and bourses	19	12,542	6,393	—	—
Commerce and trade	588	881,898	369,131	898	59,903
Transportation	90	1,707,374	1,113,652	34	3,046
Colonization, real estate and building	99	208,380	118,761	34	15,906
Engineering	102	92,376	65,960	52	5,012
Agriculture	32	26,620	13,305	9	686
Lumber and wood work	47	64,153	43,399	9	519
Live-stock	25	12,408	5,145	4	36
Fisheries	10	32,700	21,400	1	30
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Machine industries	168	596,491	360,728	31	2,393
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Foodstuff industries	122	136,985	95,152	75	7,579
Miscellaneous	163	171,081	138,319	68	3,483
Others	84	37,396	27,367	47	2,232
<b>Total</b>	<b>2,177</b>	<b>7,261,399</b>	<b>5,124,988</b>	<b>1,386</b>	<b>107,043</b>

Kinds	Joint-stock Companies			Unlimited Partnerships	
	Number	Authorized Capital	Paid-up Capital	Number	Capital
Companies under Manchurian Law	1,794	5,473,663	4,000,000	1,258	93,068
Companies under Japanese Law	383	1,787,736	1,124,968	128	13,975
				<b>Total</b>	
Kinds	Limited Partnership Number	Capital	Number	Capital	
Banks	42	1,301	189	658,271	
Insurance	—	—	4	8,150	
Warehousing	8	538	28	7,301	
Markets and bourses	2	30	21	12,572	
Commerce and trade	1,138	54,321	2,624	995,121	
Transportation	72	4,191	196	1,714,612	
Colonization, real estate and building	71	5,172	204	229,459	
Engineering	239	23,540	393	120,928	
Agriculture	27	1,668	68	28,975	
Lumber and wood work	26	3,199	82	67,871	
Live-stock	12	733	41	13,177	
Fisheries	7	426	18	33,156	
Mining	63	7,416	163	997,530	
Metallic industries	30	3,199	111	479,605	
Machine industries	80	22,318	279	621,202	
Electric and gas	5	366	33	245,963	
Chemical industries	64	7,374	269	644,001	
Kiln industries	70	3,062	154	99,563	
Spinning and dyeing factories	13	777	96	171,855	
Foodstuff industries	124	4,138	321	148,703	
Miscellaneous	177	9,951	408	184,516	
Others	136	4,706	270	44,335	
<b>Total</b>	<b>2,409</b>	<b>158,432</b>	<b>5,972</b>	<b>7,526,876</b>	
Companies under Manchurian Law	1,725	134,138	4,797	5,700,869	
Companies under Japanese Law	684	24,294	1,195	1,826,005	

#### YEARLY COMPARISON OF JOINT-STOCK COMPANIES AND GOVERNMENTAL COMPANIES

(Amount in ¥1,000)

End of	(A) Total of Joint-stock Companies		(B) Governmental and Semi-governmental Companies in (A)		Percentage of (B) to (A)	
	No.	Paid-up Capital	No.	Paid-up Capital	No.	Paid-up Capital
1932	437	693,704	4	483,850	0.9	70
1933	477	943,508	6	711,178	1.3	75
1934	573	1,116,465	12	840,640	2.1	75
1935	674	1,197,014	15	808,528	2.2	78
1936	794	1,337,041	26	956,704	3.3	72
1937	959	2,123,826	35	1,549,984	3.6	73
1938	1,146	2,495,335	41	1,746,899	3.6	70
1939 (June)	1,290	3,790,787	45	1,951,382	3.5	70
1941 (July)	2,177	5,124,988	70	2,633,917	3.2	51



## INDEX NUMBER OF HSINKING WHOLESALE PRICES

(1933=100)

	1939	1940	1941	1942 (June)
Staple products	202.9	271.4	294.8	342.0
Cereals	141.6	195.8	298.8	235.1
Foodstuff & delicacies	124.9	155.4	204.2	204.3
Textiles	151.6	191.9	218.6	249.1
Fuels	106.9	129.8	179.0	227.7
Hardware	211.6	155.7	162.3	174.0
Building materials	125.6	166.6	183.9	198.3
Miscellaneous	149.5	198.8	296.2	210.9
Average	149.6	181.3	225.8	248.2

## INDEX NUMBER OF HSINKING COST OF LIVING

(1936=100)

	1939	1940	1941	1942 (June)
Food and drink	160.8	225.0	268.6	307.5
Clothing	205.1	298.3	320.9	341.5
Housing	138.4	166.7	171.2	179.3
Light and fuel	137.3	175.0	214.6	250.5
Miscellaneous	145.7	183.7	223.4	259.0
General index	158.8	213.4	249.8	276.4

**Japan's Investment in Manchoukuo**  
Japan's investment in Manchoukuo was estimated to have amounted to about ¥1,700,000,000 before the Manchurian Incident of 1931. According to the South Manchuria Railway Company, the pre-incident investments were distributed as follows: 30 per cent in transportation; 11.6 per cent in finance; 6.7 per cent in commerce; 16.2 per cent in agriculture, forestry and mining; 9.2 per cent in industry; and 26.3 per cent in other enterprises. It is further classified that out of the ¥1,700,000,000 investments, ¥837,000,000 took the form of investments in securities and the remaining ¥863,000,000 in limited and unlimited partnership companies and private companies.

Investments in securities before the incident consisted of those in debentures and stocks and loans, which may be partially regarded as investments in securities. At the end of 1931, the total

investments of Japan in securities relating to Manchuria amounted to ¥837,536,000, of which ¥710,906,000 was connected with the S.M.R.Co. The latter shows Japan's investments in Manchuria before the incident were almost exclusively limited to the railway company.

To the above huge total were added new investments amounting to ¥900,521,000 during 1932-35 or first four years of the new State, making the total investments up to 1935 around ¥2,600,000,000. During the period under review, according to the reports of the Manchurian Affairs Bureau, ¥262,995,000 were added in 1936, ¥341,273,000 in 1937, ¥430,981,000 in 1938, and ¥1,103,713,000 in 1939. The grand total of Japanese investments in Manchuria at the end of 1939 is thus estimated to be around ¥4,739,483,000. The total amount of Japanese investments in the form of shares and bonds in 1941 reached ¥3,724,697,000.

## JAPANESE INVESTMENTS IN MANCHOUKUO DURING 1941

(In ¥1,000)

	Amount Newly-issued	Conversion	Total	Redemption	Outstanding At the End of the Year
National bonds	220,000	—	220,000	2,397	842,062
Bank bonds	40,000	—	40,000	450	114,550
Company shares	351,500	—	331,500	6,175	1,104,025
Shares of Japanese companies in Manchoukuo	289,000	10,000	299,000	19,545	1,664,060
Total	900,500	10,000	910,500	28,566	3,724,697

## Agriculture

**General** The vast plains of Manchuria consist for the most part of agricultural land, covered with fertile soil or humus, and agriculture has always been the main occupation of the people of Manchuria. The recent development of transport facilities has encouraged the coming of immigrants in large numbers from China, especially from Shantung province. Undeveloped land is being thus brought under cultivation, and every year sees some increase in the total amount of farming products. Unfortunately, these immigrants possess neither scientific knowledge nor capital, and, as they still follow primitive methods of cultivation, the productivity of the land is not yet fully exploited. The wide plains that characterize the country invite the use of machinery for large-scale cultivation.

**Arable Land** The area of arable land in Manchoukuo in 1935 follows:

## AREA OF ARABLE LAND IN MANCHURIA

(Unit: hectare)

Provinces	Total Area	Arable Land
Kirin	11,276,777	4,618,860
Lungkiang	16,042,130	8,223,280
Heiho	2,858,260	872,180

Sankiang	9,685,380	4,090,750
Pinkiang	16,882,840	6,347,340
Chientao	4,629,220	1,853,780
Antung	8,160,250	425,000
Fentien	7,068,350	3,252,560
Chinchow	2,290,330	795,090
Jehol	13,606,060	1,217,930
Total	92,499,590	31,697,870

**Number of Farmers** In 1934, there were 4,008,053 farming households in Manchoukuo. It represents 85.2 per cent of the total number of households in the country. The number of household members of those homes was estimated at 25,867,000 or 84.7 per cent of the total population.

**Agricultural Products and the Area of Cultivated Land** As it is commonly known, the primary crops of Manchuria are soya beans, kaoliang, millet, corn, and wheat. The total land area used for the raising of these products is 80%. The remaining crops are paddy rice, upland rice, beans, green peas, buck wheat, cane, barnyard grass, rye, and barley, which are raised throughout Manchuria, while cotton, tobacco, hemp, flax, perilla, gingelly, etc., are widely raised. Together with cabbage, hop, fruits and lucerne, the entire agricultural products of Manchuria number some 40 or 50 species.

## CULTIVATED AREAS AND PRODUCTION OF CEREALS

## Cultivated Areas

(In 1,000 hectares)

	Soya Beans	Other Legumes	Kaoliang	Millet	Maize	Wheat	Rice	Other Cereals
1936	3,468.4	378.1	2,994.7	2,554.9	1,312.7	1,094.4	289.4	983.0
1937	3,590.8	375.7	3,046.0	2,613.2	1,418.8	1,216.1	315.4	1,036.6
1938	4,034.9	452.2	3,805.3	3,530.9	1,827.7	1,162.5	354.5	1,598.2
1939	4,156.5	521.5	3,928.6	3,690.1	2,006.8	1,282.1	389.1	1,704.9
1940	3,821.5	523.1	4,106.5	3,902.1	2,301.9	1,021.9	429.6	1,756.9

## Production

(In 1,000 metric tons)

	Soya Beans	Other Legumes	Kaoliang	Millet	Maize	Wheat	Rice	Other Cereals
1936	4,147.2	340.7	4,240.7	3,187.3	2,072.0	959.0	597.6	1,093.1
1937	4,352.4	326.7	4,314.6	3,226.1	2,239.6	1,125.9	689.3	1,069.4
1938	4,624.9	365.3	4,803.0	3,726.5	2,602.5	904.1	723.0	1,410.9
1939	3,955.9	343.5	4,618.7	3,526.5	2,463.6	949.0	790.9	1,294.1
1940	3,799.2	377.5	4,739.3	3,897.5	3,070.7	870.6	647.6	1,370.0



## INDEX NUMBER OF HSINKING WHOLESALE PRICES

(1933=100)

	1939	1940	1941	1942 (June)
Staple products	202.9	271.4	294.8	342.0
Cereals	141.6	195.8	298.8	235.1
Foodstuff & delicacies	124.9	155.4	204.2	204.3
Textiles	151.6	191.9	218.6	249.1
Fuels	106.9	129.8	179.0	227.7
Hardware	211.6	155.7	162.3	174.0
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**Immigration of Japanese and Chosenese Farmers** As a result of the Manchurian Incident the various obstacles brought to bear upon the Japanese, were effectively eradicated in 1931. The Japanese settlers were now entitled to hold land and to carry on commerce, and contrary to the previous situation, received much encouragement from the Manchoukuo Government, under whose efficient administration, peace, order and safety replaced the chaotic conditions prevalent in the past years. Consequently, the Overseas Ministry of the Japanese Government drew up definite plans in 1932 to promote the immigration of Japanese farmers into Manchuria seeking to send as many individuals or families that desired or were capable of cultivating farm lands. Great care was taken by the above authorities to pursue a different immigration policy from that followed heretofore in sending contract laborers or employees destined for settlement in the Kwantung Leased Territory or the South Manchuria Railway Zone.

Thus, the Overseas Ministry decided to carry out its initial experimental immigration program which called for the sending of approximately 2,800 families in five stages during the years beginning with 1932 and ending in 1936. The results of this program were carefully studied from all angles.

Simultaneously with the above program, other immigration projects were carried out, some of them being private undertakings. The main ones included the immigration sponsored by the Tenrikyo Sect, Tenshoen, and the railway guard settlements sponsored by the South Manchuria Railway's General Directorate of Railways.

The experimental immigration projects were generally successful. On the one hand, the Government of Manchoukuo passed a law to protect and aid Japanese agricultural immigrants coming into the country. In 1935, the Manchuria Immigration Association was formed, and carried on advertisements, recruiting of prospective immigrants, and looked after preliminary training of the recruits. Then in the earlier part of 1936, the Manchuria Colonization Joint-stock Company capitalized at ¥15,000,000, was formally inaugurated, and authorized to handle immigration affairs in behalf of settlers such as negotiation for land leases, jurisdiction and distribution of land, to create es-

tablishments and institutions for immigrants, and to handle financial matters. Finally, in July of the same year, the Overseas Ministry in Tokyo adopted concrete plans to send a total of 1,000,000 families (5,000,000 persons) to Manchuria over a period 20 years, as a result of careful deliberation in the Japanese Cabinet supported mainly by the success of the Fifth Experimental Immigration. The first five years of the plan ended in March, 1942, with 80,000 families immigrated to Manchoukuo. Encouraged by this result the Japanese Government decided in 1942 to send 220,000 families as settlers during coming five years, while 130,000 volunteers are to be sent for temporary works.

In conformity with the mass immigration plan, the Manchuria-Chosen Development Company, which took over the Chosenese immigrant farmers' encouragement work in the new State, conducted formerly by the Toa Kangyo Company, upon its establishment toward the end of 1936, has purchased suitable lands in various parts of the country for the settlement of Chosenese farmers, and is making every effort to stabilize their livelihood. For this purpose, it is establishing various facilities necessary for their settlement, is advancing loans to them to engage in independent farming, and is planning to transfer the ownership of farms to the settlers on an annual instalment payment plan.

The Colonization Law of May 1940 was revised and the new Colonial Plantation Law was promulgated on November 12, 1941 to be enforced from April 1, 1942. The law provides the status of Japanese farmers who are welcomed to the land, the conditions of acquiring lands and cultivation and management of the farms, with the purpose of holding the settlers permanently as an important element in the nation.

**Chosenese in Manchuria** The Chosenese population of Manchuria at present is put at 1,000,000, of which approximately 90 per cent is engaged in rice growing on flooded fields. The Chosenese have advanced well over the land with Chientao Province and the Tungpian-Tao region as the center, even into the deepest interiors.

The road the Chosenese have traversed in the past, however, has not been rosy. The history of Chosenese immigration to Manchuria shows what pres-

sure and persecution Chosenese immigrants to Manchuria have suffered in the past at the hands of Chinese officials.

But, fortunately for them, the state of Manchoukuo has been founded with perfect harmony between the five races and fair distribution of state benefits to all of them as its fundamental national principles. With its establishment, the Chosenese too have been enabled to take a free and resolute step into a new life. This is now evident from the actual situation of the old Chosenese agricultural settlers whose forefathers had first settled in the areas, which are now called Chientao Province, the Tungpian-Tao region and the Antung-Mukden Railway zone, as early as several hundred years ago. This is also true of the group immigrants who have come to settle of late by the agency of the Manchuria-Chosen Development Company in conformity with the national policy.

According to an announcement made by the Japanese Embassy toward the end of 1937, the number of Chosenese households in Manchuria was 193,554 with a population of 988,959.

But it is apparent that their real number is far greater than that checked up. Moreover, it is already several years back that the Chosenese population of Manchuria was stated to be one million. It is thus quite possible that their population at present has reached 1,200,000 or 1,300,000, or even the two-million mark.

Below is shown the state of increase in Chosenese population before and after the Manchurian Incident:

	1927	1930
Population	558,280	607,119
Increase	48,839	16,279
Population	673,794	888,181
Increase	214,387	71,462

#### STANDING TIMBER IN MANCHOUKUO

Districts	Estimated Standing Timber in 1,000 koku	Principal Species of Timber
Right bank of the Yalu and the Hunho valley	276,635	Chosen pine, Chosen fir, Chosen larch, silver-fir, maple, birch, oak, ash, doronoki.
Sungari valley	874,036	
Tumen valley	420,401	
Harka valley	420,951	Chosen pine, fir, spruce, larch, lime, oak, elm, ash, birch.

The above figures show that the Chosenese who have entered Manchuria after the Incident are more than four times as many as those who entered before it. It is even conjectured that during the last few years quite a large number of them, indeed several times as many as those shown in the above statistics, must have immigrated from Chosen into Manchuria.

Several score years of endurance and perseverance by the Chosenese have at last brought a laurel of success to them. This is in evidence in every part of the land of peace and happiness of Manchoukuo. The credit is due especially to the Chosenese farmers, who are actually playing a very important part in agricultural industry in Manchuria, besides acting as a leading factor for the propulsion of Chosenese life.

#### CHOSENESE IMMIGRANTS IN 1938-1940

	Households	House Members
1938	7,309	29,437
1939	7,595	36,631
1940	8,824	48,501

#### Forestry

**General** The total forest area in Manchoukuo is estimated at 358,684 sq. km. which is equal to about 36 per cent of the entire area of the country. Some 350 species of timber are found in the forest regions located in the Yalu Valley, Tumen Valley, Mutan Valley, Lalin Valley, Sanhsing District, Great Hsingan Range and Small Hsingan Range. The volume of standing timber is estimated at 15,000,000,000 koku. Investigation conducted by the Manchoukuo Government, however, shows that the deforestation seems to have been done in a reckless manner in the past and the real volume of the standing timber may perhaps be about 9,000,000,000 koku.



Districts	Estimated Standing Timber in 1,000 koku	Principal Species of Timber
Lalin valley	300,490	
North Manchuria Railway eastern line district	898,296	Chosen pine, fir, spruce, maple, birch, doronoki, Siberian cork-tree, Manchurian walnut.
Sansing district	2,615,302	Chosen pine, fir, spruce, Siberian cork-tree, ash, birch, oak, lime.
Great Khingan range	5,600,000	Larch, Japanese birch, Siberian red pine, willow, alder.
Little Khingan "	3,500,000	
Total	14,906,111	

Species of Timber In Manchuria there are as many as 350 species of timber, but the more common species are the following:

Evergreen: Chosen pine, silver fir, Chosen fir, spruce, larch.

Deciduous: Chosen oaks, birch, Amur lime tree, ash, elm, willow.

The proportion of evergreen to deciduous is 4 to 6, and in the evergreen the Chosen pine constitutes more than half of the total.

**Lumber Industry** Lumber industry is carried on in the districts of Antung, Kirin and Harbin, but that in Antung district is best known. Production of lumber in Manchoukuo in 1939 reached over 4,000,000 cubic meters.

The industry in Eastern Manchuria. There has been a boom recently in the timber industry due to bustling building activities in the principal cities and the construction of additional railways throughout the country. At present there are 13 large lumber-mills in this region working at full capacity. If timber sawn by coolies in a primitive method is taken into consideration, the annual amount of timber sawn in this region may even reach 1,500,000 koku (1 koku—10 cu. feet). The 13 large lumber-mills capitalized at MY12,600,000 produced 2,700,000 koku; 1,300,000 koku of sleepers and 1,400,000 koku of others in 1936.

**Pulp Industry** With abundant timber resources, Eastern Manchuria is also expected to occupy an important position in the pulp industry. Four companies, the East Manchuria Rayon Co. (Kaishantun), Manchuria Pulp Co. (Hualin), Oriental Pulp Co. (Shihhsien), Japan-Manchuria Pulp Co. (Shihhsien), Japan-Manchuria Pulp Co.

(Tunhua), capitalized at MY7,500,000, started operation in 1938. The demand for timber by these companies will amount to no less than 880,000 koku. The production of pulp for paper in Manchoukuo in recent years was as follows:

	In metric tons
1934	13,787
1935	13,718
1936	13,171
1937	15,011
1938	23,484
1939	33,682

#### Fisheries and Mining Industry

(See pp. 960-964, the Japan Year Book, 1940-41.)

#### Manufacturing Industries

In regard to the general expansion of industry in Manchoukuo, mention has been made in foregoing paragraphs. The conditions of individual branches of the manufacturing industry are briefly explained here.

**Bean Oil Industry** Making of soya bean oil and bean cake by pressing the soya beans early developed in Manchoukuo. With almost limitless supplies of soya beans, the industry advanced from mere handcraft work into the modern advanced industry as soon as the real worth of bean oil and bean cake was recognized. The bean oil and bean cake produced in this way constitute the most important items of Manchoukuo for export. The annual output of soya bean oil amounts to 150,000 metric tons. In 1939, the exports reached 72,508 metric tons valued at ¥23,051,000.

**Textile Industry** Tusser silk is another export article next only to bean

and bean manufactures in importance. With the increased demand for pongees in Europe and America, the Japanese silk weavers in Fukui, Gifu and Kyoto prefectures began weaving them and the demand for this silk comes from these prefectures in Japan. The reeling is carried on by the Chinese farmers as a side line, and necessarily on the household basis. The production is largest in Antung and Fengtien provinces. There are 540 factories with 35,000 reels in Manchoukuo, and the annual amount of exports reaches ¥13,000,000, 80 per cent of which goes to Japan.

Of the total population of 30,000,000 in Manchoukuo, about 90 per cent wear cotton clothes. Therefore, from ancient times, there existed in Manchoukuo small, primitive plants for cotton weaving, but no large modern factories rose before the Great War. The establishment of the Cotton Spinning and Weaving Plant by Chinese at Mukden was followed by the establishment of three companies by Japanese, viz.: the Manchurian Cotton Spinning Company, the Chinchou Factory of the Naigai Spinning Company, and the Manchuria Fufang Company. At present, there are 10 companies engaged in the business including the three companies aforementioned, with an aggregate number of ring spindles of 484,000, doubling spindles 71,000 and looms 9,000. The production of course cannot keep pace with the demand, and cotton cloth constitutes one of the principal imports for Manchoukuo, the amount reaching from ¥40,000,000 to ¥84,000,000.

Production of cotton yarns in 1937 amounted to 24,453,700 kg. and that of cotton textiles to 2,278,700 tan.

**Flour Milling** Flour milling industry is one of the three main industries of Manchoukuo. It is carried on either by the old-fashioned native mills or the modern mills run by machinery. Harbin is the center of flour milling and there are over 90 mills in Manchoukuo with a daily producing capacity of 20,000 bags. The consumption in 1930 was only about 24,000,000 bags a year, which included both domestic and imported products. This increased in 1934 to 23,000,000 bags, exclusive of domestic product. If, therefore, the domestic product amounted in the year to 15,000,000 bags, the amount

of consumption totalled 38,000,000 bags. Even this per capita consumption in Manchoukuo was a little over one bag, so that there is still a vast room left for further consumption. Imports in 1939 amounted to 298,942 metric tons valued at ¥68,300,000.

**Paper Industry** The demand for paper in Manchoukuo has been on the increase for years. However, the rise in production has failed to keep pace with the advance in demand. As a result, Manchoukuo imports a greater quantity of paper from foreign countries, principally from Japan. Imports of paper by Manchoukuo in 1938 totalled ¥42,000,000, up by ¥12,000,000 or 42.0 per cent over 1937 imports. The gain was chiefly caused by the increase in market prices of paper, the advance in quantity amounting to only about 14 per cent. On the basis of the total paper consumption within Manchoukuo as compiled by the Yalu River Paper Manufacturing Company, the paper production in Manchoukuo is estimated as follows:

#### SUPPLY AND DEMAND OF PAPER IN MANCHOUKUO

(In 1,000 Kins)

Year	Consumption	Domestic Production	Imports
1936	180,503	39,666	140,837
1937	220,578	43,764	176,814
1938	257,286	57,693	199,593

It is thus seen that the domestic production corresponds to only 23 per cent of the total consumption. This situation is attributable to various factors such as the short supply of raw material, coal, power and chemicals and the consequent shortage of enterprise in this line. The capacity operation of paper mills throughout Manchoukuo is not sufficient to meet the consumption of paper in Manchoukuo. Specially of late the mills in the State are operating at 63 per cent of the capacity because of the production curtailment caused by the shortage of materials. Due to the increasing stringency of the supply of materials with the progress of the China Affair, a further cut in production is believed likely. In 1938, the paper production stood at 63 per cent of the full capacity, as shown in the following table:



PAPER MILLS IN MANCHOUKUO: THEIR PRODUCTION CAPACITY AND ACTUAL PRODUCTION IN 1938

Mills	Kinds of Paper Produced	Production Capacity (In 10,000 kins)	1938 Production	Percentage
Manchuria Paper Industrial	Paper board	1,200	625	52%
Sungpu Paper Mfg.	Joss paper			
Selhatsugo Paper	Joss paper	1,300	1,140	88%
Bokudo Paper	Joss paper			
Fushun Paper	Joss paper			
Kangte Paper	Joss paper			
Laho Paper Manufactory	Foreign-style paper & joss paper	1,700	1,388	82%
Antung Paper Manufactory	Cigarette paper	270	188	70%
Yalu River Paper	Ordinary paper & pulp	6,494	3,570	55%
Total		10,964	6,991	63%

It is reported that Manchoukuo will not be self-supplied in paper unless 12 paper mills of the Yalu River Paper Mill capacity are additionally constructed even though all paper mills in Manchoukuo, with raw materials sufficiently supplied, may alleviate the shortage to some extent by operating at full capacity.

According to available statistics, the paper production in Manchoukuo is said to have increased by a little more than 20 per cent annually in the past. Even admitting that the production will gain at the same rate in the future, the supply will not keep pace with the demand, unless more than three mills of the capacity of the Yalu River Paper Company are built every year.

**Chemical Industry in Manchoukuo**  
With an extensive territory extending over 1,300,000 square kilometers holding ample underground resources such as coal and iron and favored with rich agricultural products as well as low-costing water-power, the chemical industry in Manchoukuo is destined to make a good and steady progress. Despite the fact that the chemical industry in Manchoukuo is more or less an old origin, however, it failed to make any noticeable progress in the past, except the low-temperature carbonization of coal and the oil-shale industry at the Fushun Coal Mine. It was after the founding of the State of Manchoukuo in 1932 that the so-called newly-rising chemical industrial enterprises have come into the limelight in Manchoukuo.

The first chemical industry which rose in Manchoukuo was the soya bean oil industry. This industry was followed by the Mond gas industry, petroleum indus-

try with oil-shale as material, explosive industry, sulphuric acid industry, acetic acid industry and oxygen industry. However, with the exception of a few undertakings under the charge of the South Manchuria Railway Company, little progress was noted in those chemical enterprises. After the founding of the State of Manchoukuo, however, many industrialists proceeded to a new field in Manchoukuo in pursuit of new undertakings. At the same time, already-existing industrial plants either expanded their premises or improved their facilities by means of capital expansion or other measures. Thus, the chemical industry in Manchoukuo received a fresh impetus. Amidst such activities, the Manchuria Chemical Industrial Company was first established for the purpose of manufacturing ammonium sulphate. This concern, created in May, 1933, was capitalized at ¥25,000,000, and is producing 180,000 tons of ammonium sulphate annually as well as a number of by-products such as sulphuric acid, ammonium nitrate, nitric acid, benzol, tar, creosote, pitch, coke, etc. As raw materials, this company consumes 220,000 metric tons of Fushun coal and 108,000 metric tons of pyrite. The birth of this company, manufacturing materials for other chemical industries, accelerated the rise of many other chemical undertakings in the State. In July 1934, the Central Laboratory of the South Manchuria Railway Company succeeded in industrializing the extraction of soya-bean oil by the alcohol extraction process. This was followed by the creation of the Manchuria Soya Bean Industrial Company with ¥1,500,000 capital. The product of this process, known as "soyalex flake" is oil-extracted and refined

soya bean and may be used extensively as raw material for many chemical industries. As by-products are also produced "soyalex oil" and others. In September 1934, the Kwantung Industrial Company was established for the purpose of manufacturing alcohol with kaoliang and Indian corn as raw materials with ¥1,000,000 capital. Later, the Manchuria Oil Company and the Manchuria Soda Company was organized. The latter concern was established in May, 1936 by the joint promotion of the Kwantung Army, the Manchoukuo Government and the South Manchuria Railway Company. All those concerns were created within the Kwantung Leased Territory. Due to the steady return of peace and order in Manchoukuo as well as the progress of industrial development and economic reconstruction activities, many and various chemical enterprises rose within the State. Representative of those companies were the Manchuria Oil Chemical Industrial Company, Manchuria Synthetic Fuel Company, Kirin Artificial Oil Company, Fushun Colliery Coal Liquefaction Plant, Manchurian Coal Liquefaction Works and Showa Steel Works Gas Synthesis Plant in the artificial oil division. As

pulp industrial enterprises, the Manchuria Pulp Industrial Company, East Manchuria Rayon Pulp Company, Nichinan Pulp Manufacturing Company, Kangte Reed Pulp Company and Manchuria Bean-Husk Pulp Company came into existence. Many other companies were also created for the production of vegetable oils, industrial chemicals, paints, hides and leathers, paper and rubber. In Manchoukuo, coal, iron, light-metal raw materials, salt and agricultural products are produced in abundance, although in small varieties, thus affording a special feature to the chemical industry of Manchoukuo. Coal deposits within Manchoukuo are estimated to total 20,000,000,000 metric tons while arrangements are being made for acquiring several millions of kilowatts of electric power from the Sungari River as well as Yalu River.

In order to further bolster the chemical industry of Manchoukuo, which has not yet reached a stage of sufficient maturity, the Manchurian Chemical Industrial Association was created recently.

Details of the chemical industry undertakings in Manchoukuo follows:

STATUS QUO OF LEADING INDUSTRIAL COMPANIES IN MANCHOUKUO

Names of Companies	Location	Established	Capital (¥1,000)	Principal Lines
<b>1. Pharmaceuticals:</b>				
Tatung Pharmaceutical Industrial Co.	Mukden	Dec., 1933	1,500	Medicines
Manchurian-Takeda Pharmaceutical Co.	Mukden	Nov., 1939	3,000	Medicines, Ind. Chemicals
Shionoyoshi Pharmaceutical Co.	Mukden	June, 1940	1,000	Medicines
Wakaso Pharmaceutical Co.	Mukden	July, 1940	1,500	Medicines
<b>2. Industrial Chemicals:</b>				
Manchurian Soda Co., Dalren Plant	Dalren	May, 1936	10,000	Soda Ash, Caustic Soda, Bleaching Powder, Hydrochloric Acid
Kwantung Industrial Co.	Dalren	Sept., 1934	2,000	Alcohol
Manchurian Staples Industrial Co.	Mukden	June, 1935	3,000	Alcohol
Tatung Alcohol Co.	Harbin	Nov., 1933	1,670	Alcohol, Buthanol, Acetone
Manchurian Chemical Industrial Co.	Dalren	Sept., 1933	25,000	Sulphuric Acid, Nitric Acid.



Names of Companies	Location	Established	Capital (¥1,000)	Principal Lines
Kwantung Potassium Industrial Co.	Dairen	May, 1939	4,000	Potassium Hydrochloride, Brittern chloride, Bromine
3. Dyes and Paints:				
Yamato Dyes Co.	Mukden	Nov., 1937	1,000	Dyes
Manchurian Kwansai Paints Co.	Mukden	July, 1938	1,500	Dyes
Manchurian Shentung Paints Co.	Mukden	Sept., 1938	1,000	Dyes
Japan Paints Co.	Mukden	July, 1939	4,000	Dyes
4. Soap:				
Tungho Arsenal	Mukden	Apr., 1938	500	Soap
5. Explosives:				
Manchurian Explosives Industrial Co.	Mukden	Feb., 1941	8,500	Explosives
6. Petroleum:				
Dairen refinery, Manchuria Oil Co.	Dairen	Feb., 1932	40,000	Petroleum products
Manshuria Synthetic Fuel Co.	Chinchow	Aug., 1937	50,000	Artificial petroleum
Manchuria Oil Chemical Industrial Co.	Szepingkal	Feb., 1938	20,000	Artificial petroleum
Kirin Artificial Oil Co.	Yung-chihhsien	Sept., 1939	100,000	Artificial petroleum
Manchuria Coal Liquefaction Laboratory	Mukden	Aug., 1939	6,000	Artificial petroleum
7. Vegetable Oil:				
Manchuria Oil & Fat Co.	Mukden	June, 1938	5,000	Fatty Acid
Manchuria Cotton Seed Industrial Co.	Liaoyang	Oct., 1939	5,000	Cotton Seed Oil
Kangte Oil Co.	Yingkow	Sept., 1940	2,000	Soya Bean Oil
Manchuria Oil and Fat Industrial Co.	Harbin	Feb., 1939	1,500	Soya Bean Oil
8. Paper:				
Lluho Paper Mill	Antung	July, 1935	1,500	Japanese-style and Foreign-style paper
Manchuria Paper Industrial Co.	Mukden	Oct., 1936	2,000	Paper Board
Antung Paper Co.	Antung	Sept., 1936	3,000	Cigarette paper
Manchuria Paper Manufacturing Co.	Mukden	Apr., 1939	1,000	Japanese & foreign style paper
Manchuria Special Paper Manufacturing Co.	Hsinking	Mar., 1939	2,500	Japanese and Foreign style paper
9. Pulp:				
Manchuria Pulp Industrial Co.	Mutanchlang	May, 1936	10,000	Paper & Rayon Pulp

Names of Companies	Location	Established	Capital (¥1,000)	Principal Lines
Nichiman Pulp Mfg. Co.	Tunhua	Sept., 1936	10,000	Paper & Rayon Pulp
Toyo Pulp Co.	Wang-ching-hsien	Sept., 1936	10,000	" "
Kangte Reed Pulp Co.	Yingkow	Nov., 1936	5,000	" "
Manchuria Bean Husk Pulp Co.	Yingkow	Sept., 1936	10,000	" "
Chinchow Pulp Co.	Chinchow	June, 1939	30,000	" "
10. Artificial Fertilizers:				
Manchuria Chemical Industrial Co.	Dairen	May, 1933	25,000	Ammonium Sulphate
Manchuria Ammonium Sulphate Ind. Co.	Hsinking	Feb., 1939	50,000	"
11. Hides and Leathers:				
Taitung Leather Co.	Dairen	Sept., 1939	1,000	Leather Tanning
Toa Leathers Co.	Mukden	Sept., 1937	2,000	"
Manchuria Leathers Co.	Mukden	July, 1934	1,500	"
12. Rubber, Manufactures Thereof:				
Taiyo Rubber Co.	Liaoyang	Nov., 1937	5,000	Rubber Shoes, Tabi
Asia Rubber Industrial Co.	Liaoyang	June, 1940	5,000	Tires, Tubes
Manchuria Rubber Co.	Mukden	Oct., 1937	1,000	Rubber Shoes
Kokka Rubber Industrial Co.	Mukden	Feb., 1938	2,000	Rubber Manufactures
Toyo Tire Industrial Co.	Mukden	June, 1938	10,000	Tires
Shenyang Rubber Plant	Mukden	Oct., 1938	1,000	Tires
Manchuria-Bando Belt Co.	Mukden	Jan., 1939	1,000	Rubber Belts
Manchuria Re-Manufactured Rubber Industrial Co.	Mukden	Dec., 1940	4,000	Rubber Goods
Manchuria Synthetic Rubber Co.	Hsinking	Apr., 1939	5,000	Synthetic Rubber
13. Others:				
Toyo Staple Fiber Co.	Hsinking	Sept., 1939	10,000	Staple Fiber
Manchuria Electro-Chemical Industrial Co.	Hsinking	Oct., 1939	30,000	Carbide

## OILS AND FATS COMPANIES IN MANCHOUKUO

Names of Companies	Location	Established	Capital (¥1,000)	Principal Lines
Nisshin Oils Co.	Dairen	Apr., 1907	6,000	Soya Bean Oil, Peanut Oil
Sanshin Oil Plant	Dairen	May, 1907	5,000	Soya Bean Oil, Perilla Oil
Fuchang Chemical Industrial Co.	Dairen	Oct., 1939	400	Lubricating Oil, Machine Oil
Manchurian-Mongolian Development Co.	Dairen	Mar., 1920	500	Bone Fat, Lard Oil



Names of Companies	Location	Established	Capital (¥1,000)	Principal Lines
Tatung Pharmaceutical Industrial Co.	Mukden	Dec., 1933	1,500	Perilla Oil, Castor Oil
Manchuria Oils & Fats Co.	Mukden	June, 1938	5,000	Soap, Glycerin
Manchuria Cotton Seed Industrial Co.	Liaoyang	Oct., 1939	5,000	Cotton Seed Oil, Materials for Soap
Kangte Oils Co.	Yingkow	Sept., 1940	2,000	Rapeseed Oil, Peanut Oil
Antung Oil Co.	Antung	Feb., 1940	150	Chrysalis Oil
Manchuria Oils and Fat Industrial Co.	Harbin	Nov., 1939	1,500	Soya Bean Products

## BUSINESS RESULTS OF MANCHURIA CHEMICAL INDUSTRIAL COMPANY

(In ¥1,000)

Years	Authorized Capital	Paid-Up Capital	Reserves	Profits	Profit Rates (Per cent)	Dividend Rates
1935:						
1st half	25,000	12,500	363	1,344	21.5%	8.0%
2nd half	25,000	18,740	1,233	2,907	42.7%	8.0%
1936:						
1st half	25,000	18,750	1,423	1,615	17.2%	7.0%
2nd half	25,000	18,750	1,673	1,652	17.6%	7.0%
1937:						
1st half	25,000	18,750	2,163	2,366	25.2%	8.0%
2nd half	25,000	18,750	2,783	2,561	27.3%	8.0%
1938:						
1st half	25,000	25,000	3,463	3,100	24.8%	8.0%
2nd half	25,000	25,000	3,933	2,522	20.1%	8.0%
1939:						
1st half	25,000	25,000	3,858	299	2.3%	6.0%
2nd half	25,000	25,000	3,865	138	1.1%	—
1940:						
1st half	25,000	25,000	3,936	1,420	11.3%	5.0%
2nd half	25,000	25,000	3,939	1,281	10.2%	5.0%

## BUSINESS RESULTS OF MANCHURIA SODA COMPANY

(In ¥1,000)

Years	Authorized Capital	Paid-Up Capital	Reserves	Profits	Profit Rates	Dividend Rates
1937:						
2nd half	8,000	4,000	9	84	3.9%	—
1938:						
1st half	8,000	4,000	159	473	23.6%	8.0%
2nd half	8,000	6,000	415	591	19.7%	8.0%
1939:						
1st half	8,000	8,000	568	454	12.2%	8.0%
2nd half	8,000	8,000	726	510	12.7%	8.0%
1940:						
1st half	16,000	11,000	893	576	13.1%	8.0%
2nd half	16,000	11,000	1,050	404	7.3%	7.0%

## BUSINESS RESULTS OF MANCHURIA OIL COMPANY

(In ¥1,000)

Years	Authorized Capital	Paid-Up Capital	Reserves	Profits	Profit Rates	Dividend Rates
1934	5,000	5,000	66	289	6.7%	3.0%
1935	5,000	5,000	590	1,541	30.8%	6.0%
1936	10,000	7,500	810	962	36.7%	6.0%
1937	10,000	10,000	1,360	1,925	26.9%	7.0%
1938	20,000	15,000	2,310	3,161	25.0%	7.0%
1939	20,000	20,000	3,820	4,326	27.3%	7.0%
1940	20,000	20,000	5,170	3,488	17.4%	7.0%

## BUSINESS RESULTS OF MANCHURIA-TATUNG ALCOHOL COMPANY

(In ¥1,000)

Years	Authorized Capital	Paid-Up Capital	Reserves (Yen)	Profits (Yen)	Profit Rates	Dividend Rates
1934:						
1st half	1,670	1,670	1,805	40,518	—	—
2nd half	1,670	1,670	6,987	109,091	13.1%	—
1935:						
1st half	1,670	1,670	18,398	121,707	14.3%	6.0%
2nd half	1,670	1,670	30,537	119,553	14.3%	6.0%
1936:						
1st half	1,670	1,670	40,846	71,935	8.6%	5.0%
2nd half	1,670	1,670	56,897	121,274	14.5%	6.0%
1937:						
1st half	1,670	1,670	67,141	61,612	7.3%	—
2nd half	1,670	1,670	75,553	126,467	15.1%	8.0%
1938:						
1st half	1,670	1,670	98,825	190,114	22.4%	8.0%
2nd half	1,670	1,670	98,825	190,114	22.7%	8.0%
1939:						
1st half	1,670	1,670	185,524	220,307	26.3%	8.0%
2nd half	1,670	1,670	201,926	183,130	21.9%	8.0%
1940:						
1st half	1,670	1,670	241,776	177,290	21.2%	7.0%

## Foreign Trade

In parallel with the expansion of productive power brought about by world-wide rearmament, the trade policy of the Powers is aimed at closer economic relationship within their economic spheres of influence on the one hand, and on the other, efforts for the development of international trade are being made not in accordance with free trade policy but within the sphere of controlled economy. Manchoukuo's foreign trade of 1937, too, moved in the direction of a closer Japan-Manchoukuo economic bloc on the basis of the Five-Year Industrial Development Plan. This tendency became stronger with the outbreak of the China Incident, and, with the strengthening of Manchoukuo's international position, her trade policy for the regulation and extension of foreign

trade developed along the line of controlled trade. This policy of controlled trade took concrete forms upon revision of the Manchoukuo-Germany Trade Agreement in May, upon the establishment of the Otto Wolf Credit in September, and upon the revision and enforcement of Exchange Control Law in October.

With the expansion of the Five-Year Industrial Development Plan the Manchoukuo-Germany Trade Agreement which was extended for another three years and the Two Million Pound Otto Wolf Credit, gained in importance with the expansion of the Five-Year Plan. The revision of the Exchange Control Law and the Trade Control Law were aimed at the regulation of international balance of payment on the basis of Japan-Manchoukuo economic bloc in con-







## PRINCIPAL COMMODITIES OF EXPORT

(In Yuan)

Commodities	1937	1938	1939	1940 (Jan.-Sept.)
Soya beans	222,932,539	234,263,340	206,584,000	11,964,000
Other beans	15,685,474	15,286,626	23,722,000	67,104,000
Bean cakes	62,335,743	70,575,007	125,253,000	58,163,000
Bean oil	25,342,855	14,099,414	23,051,000	8,915,000
Kaollang	9,843,121	18,845,746	27,063,900	6,235,000
Millet	14,196,991	20,260,226	33,694,000	15,742,000
Maize	8,525,859	18,328,435	29,072,000	11,491,000
Groundnuts	16,369,566	12,115,315	6,271,000	8,920,000
Seeds	18,821,883	17,867,980	—	—
Coal	35,610,491	28,198,127	25,807,000	—
Ammonium sulphate	9,675,958	16,571,204	11,777,000	—

## PRINCIPAL COMMODITIES OF IMPORT

(In yuan)

Commodities	1937	1938	1939	1940 (Jan.-Sept.)
Cotton goods	104,644,996	88,224,678	10,377,000	9,383,000
Raw cotton	32,202,253	42,689,883	9,043,000	—
Silk and rayon goods	30,460,702	61,344,988	107,612,000	333,000
Woollen goods	35,900,864	23,345,191	36,232,000	—
Iron & steel	71,428,998	122,074,161	104,525,000	—
Vehicles, vessels	44,724,290	81,733,603	124,294,000	400,000
Machinery, tools	65,900,611	121,500,810	—	300,379,000
Electrical equipments	34,014,327	39,767,207	—	—
Gunny bags	19,273,736	20,909,887	33,313,000	—
Sugar	22,426,980	35,778,943	42,396,000	19,551,000
Paper	25,055,858	37,230,078	49,589,000	—
Wheat flour	13,827,593	47,088,571	68,300,000	—
Timber	13,127,193	26,347,896	76,151,000	—

## Transportation

(See pp. 967-970, the Japan Year Book, 1940-41.)

## South Manchuria Railway Company

The South Manchuria Railway was acquired by Japan as a result of the Portsmouth Treaty of September 1905, and the Sino-Japanese Treaty of December 1905. The rights Japan secured in respect to the railway line between Dairen and Hsinking, and branch lines, were those originally held by Russia. The paid-up capital of the company amounts to ¥696,208,000 as outstanding in 1939. The company is entrusted with the management as mentioned elsewhere. The number of regular employees is about 125,000.

The president and vice-president of the company are appointed by the Japanese Government with Imperial sanction, while the directors are also appointed by the Government, though without Imperial sanction. The auditors are elected from among the shareholders.

(1) Business Conditions in 1940. Total railway revenue for 1940 amounted to ¥799,228,000 and expenditure to ¥722,510,000 which left a favorable balance of ¥76,718,000. It was decided that a 4.4 per cent dividend would be paid on Government shares and 8 per cent on shares held by the general public, out of the profits realized. The dividend rates were identical to those of the previous year.

## REVENUE AND EXPENDITURE OF S.M.R.

During 1940-41  
(In ¥1,000)

Items	Revenue	Expenditure
Railways	609,979	465,034
Ports	26,173	24,503
Sea transportation	6,125	9,197
Buses	20,098	24,322
Mining	81,646	68,158
Oil extraction	11,426	10,407
Miscellaneous	25,272	48,831
Interest	18,505	72,062
Total	799,228	722,517

## DISPOSITION OF PROFIT

Profit

	(In yen)
Net profit for the year ending on March 31, 1941	76,711,000
Balance from previous year	33,552,000
Total	110,263,000
Disposition	
Legal reserve	9,540,000
Dividend on Japanese Government shares	10,889,000
Dividend on Manchoukuo Government shares	220,000
Dividend on shares other than those held by the Governments	25,495,000
Second dividend on the same	8,498,000
Special reserve	15,000,000
Bonuses to officials and social expenses	500,000
Balance carried forward	34,119,000

When comparing the business revenue and expenditure of 1940 with those of the previous year, income for 1940 increased by ¥67,000,000 and expenditure by ¥68,000,000 over the previous year. There was a decrease by ¥1,130,000 in the net profit.

The total length of South Manchuria Railway lines open to business at the end of October 1939 was 1,237 kilometers, an increase of 108 kilometers over the previous year.

## Communications

(See pp. 972-975, the Japan Year Book, 1940-41.)

## Justice and Police

(See pp. 975-979, the Japan Year Book, 1940-41.)

## Education

(See pp. 979 and 980, the Japan Year Book, 1940-41.)

## Religion

(See pp. 980-982, the Japan Year Book, 1940-41.)

## Medicine and Sanitation

(See pp. 983-985, the Japan Year Book, 1940-41.)

## Kwantung Leased Territory

**General and Historical** The Kwantung Leased Territory under Japanese rule which was ceded to Japan by Russia and the lease of which lasts till 1997 forms the most civilized area of Manchuria with all kinds of modern facilities introduced by the Japanese.

Occupying a small southern portion of Liaotung Peninsula, the Leased Territory covers an area of 3,462.45 square kilometers with a population of 1,033,091 at the end of 1941. (See the second page of this chapter.)

**Government** The government of the Kwantung Leased Territory at Dairen is in charge of the civil administration office under the supervision of the Kanto Bureau, which is again placed under the Embassy at Hsinking.

In the beginning the territory was under military rule with an army officer as governor-general. This system was changed in 1919, and since then a civilian officer was appointed governor of

the territory by the Emperor of Japan. A drastic change was made in this system on December 26, 1934, in which the Kanto Bureau was established at Hsinking under the control of the Ambassador at Hsinking, and most of the administrative powers formerly vested in the governor of the Leased Territory were transferred to the president of the newly created Bureau. The president takes charge of the civil administration within the territory and supervises the business of the South Manchuria Railway Co. The Bureau is sub-divided into the president's secretariat, home affairs, police, and controller's divisions. At the same time a separate office was created for administration of the Peninsula. Under this office, which is at Dairen, falls the administration of civil affairs in the Peninsula, the prisons, the Ryojun Engineering College, the middle schools, the girls' high schools, the normal school for natives, the commercial school for natives, the



agricultural schools for natives, the Police Training School, the Meteorological Observatory, the government hospitals, the Agricultural Experimental Station, the Sericultural Experimental Station and several other institutions in the territory.

Finance Taxes are regularly collected, but due to a large expenditure required for improvement in hygiene, strengthening of police force, extension of educational facilities, development of industries, etc. The budgets for the financial years of 1940-41 and 1941-42 are as follows:

BUDGET OF KWANTUNG LEASED TERRITORY FOR THE FISCAL YEAR:  
1941 AND 1942

(In yen)

Revenue			
	1941	1942	
<b>Ordinary</b>			
Taxes	28,342,201	43,762,842	
Receipts from Government undertakings and properties	11,726,129	12,985,757	
Stamp receipts	1,812,870	1,931,601	
Miscellaneous receipts	2,435,328	2,852,478	
Total including others	44,508,130	61,532,688	
<b>Extraordinary</b>			
Proceeds of sale of State property	1,083,217	1,145,880	
Special profits tax	9,512,345	12,894,772	
Surplus of the preceding year transferred	10,593,427	7,981,372	
Total including others	39,544,900	38,401,477	
Grand total	84,053,030	100,189,771	
<b>Expenditure</b>			
<b>Ordinary</b>			
Expenditure of the Kwantung Government	2,793,788	3,104,549	
Expenses of law-courts and prisons	810,608	1,123,280	
Police expenses	2,633,997	2,750,938	
Education expenses	4,404,781	4,896,743	
Expenses for encouragement of industries	715,837	743,878	
Expenses for Monopoly Bureau	4,116,033	4,087,090	
Communications expenses	3,216,102	3,413,590	
Expenses for Marine Bureau	275,820	317,386	
Expenses for hospital & sanatorium for opium addicts	239,226	236,254	
Expenses for the prevention of infectious disease	129,672	137,680	
Transferred to National Debt Consolidation Fund			
Special Accounts	3,319,016	7,337,800	
Contribution under the Pension Law	2,630,009	2,023,000	
Miscellaneous expenses	280,013	284,080	
Reserve funds	600,000	700,000	
Total including others	37,906,012	45,219,509	
<b>Extraordinary</b>			
Expenses for undertakings	13,019,094	7,839,136	
Subsidies	717,683	515,793	
Expenses for encouraging Chinese language	8,728	8,728	
Expenses for special guard	219,418	490,178	
Total including others	46,147,018	54,970,206	
Grand total	84,053,030	100,189,771	

**Banking and Currency** The first Japanese currency in Manchuria consisted of the silver certificates issued during the Russo-Japanese War in connection with war expenses. These certificates were displaced by the silver notes issued by the Yokohama Specie Bank in 1910. Gold notes were also issued in 1913 by this institution, but the issue of gold notes has since 1916 been entrusted exclusively to the Bank of Chosen. From the point of view of the unification of currencies in Manchuria, however, the Japanese Government reached a decision to ban, as from October 1, 1936, the issue of silver notes by the Yokohama Specie Bank in Kwantung Leased Territory, the South Manchuria Railway's leased districts and Manchoukuo. It may also be noted that steps were already taken by the Kwantung Government to prohibit, from April 1936 onward, the use of the local currency, namely, coins of small denominations circulating for many years among the natives. Since the business carried on by the branches in Manchoukuo of the Bank of Chosen was turned over to the Industrial Bank of Manchoukuo in December 1936, no Japanese currency has been issued in Manchoukuo. In Kwantung Leased Territory, however, there are now 2 branches of the Bank of Chosen issuing gold notes.

On June 30 1939, the banks having head offices in Kwantung Province numbered only 1, while there were many branches and agencies totalling 25, consisting of 8 of Japanese nationality, 11 of Manchoukuo, 4 of Chinese, 1 of the United States, and 1 of British nationality. Apart from these banking institutions, 11 associations called credit associations have been established in Kwantung Leased Territory under the assistance of the Kwantung Government for the purpose of facilitating the supply of agricultural credit and the funds for the lower class merchants and manufacturers. A federation of these associa-

tions was further established in 1929. In the Territory, furthermore, there are 3 mutual loan companies, called mujin kaisha.

**Agriculture** The total area of land under cultivation in Kwantung Leased Territory at the end of June 1942 was about 146,217 hectares; and the largest in yield of the cereals and pulse are the maize, kaoliang (Indian millet), Italian millet, soya beans, peanut, green peas, millet, green gram, wheat, black beans and buckwheat, and among vegetables, the largest in yield are the oriental radish, Pei-tsai, Welsh onion, fragrant-flowered garlic, cucumber, musk melon, and sweet potato.

Among the live-stock raised in the Territory, the largest in number are swine, cattle, horses, mules, asses, goats, sheep and poultry.

**Industry** The most promising of the manufacturing industries is the manufacture of bean-oil, bean-cake, paint, glass, portland cement, brick, lime, dye-stuff, cotton thread, hemp-sack, instruments, implements, locomotives, railway-carriages, machinery, etc. The total of all value came up to about 484 million yen in 1937.

The most prosperous of marine products is salt. The total area of salt-fields was 8,575 hectares at the end of 1936, and 9,082 hectares at the end of 1937, their aggregate output reaching 413,084 and 429,188 metric tons respectively.

The fishing industry is also prosperous; the principal fishes caught are the tai (pagrus cardinalis), cod, tachinouwo (trichurus lepturus), guchi (Sciæna sina), ei (Raja Kenojel), ebi (shrimps), etc. The total value of the catch in the year came up to about 6 million yen.

**Trade** The value of various commodities exported from and imported into Kwantung Leased Territory in 1938 was as follows:—

	Exports Yen	Imports Yen	Total Yen
Japan proper	248,699,637	691,395,574	935,095,211
Chosen	10,503,209	16,888,729	27,391,938
Taiwan	22,316,730	17,796,641	40,113,371
Manchoukuo	13,433,322	3,871,201	17,304,523
China	74,659,027	37,889,198	112,548,225
Hongkong	3,445,185	6,610,666	10,055,851
British India & Straits Settlements	253,582	28,044,420	28,298,002
Netherlands India	988,453	3,235,105	9,223,558



Great Britain	5,143,084	6,235,350	11,378,434
France	1,579,592	1,248,687	2,828,279
Germany	15,048,787	31,700,685	76,749,472
Belgium	994,863	11,450,180	12,445,043
Italy	2,363,319	3,785,503	6,148,822
Netherlands	10,287,038	4,311,484	14,598,522
United States of America	11,921,919	66,603,709	78,525,628
Other countries	37,968,626	4,443,682	42,412,308
<b>Total</b>	<b>484,606,373</b>	<b>940,510,814</b>	<b>1,425,117,187</b>

**1940 Trade** The value of exports reached ¥600,360,000 and imports ¥1,036,724,000 during 1940, making a total of ¥1,637,084,000.

**Justice and Communications** In regard to the administration of justice in the Leased Territory, a judicial system was established in 1906 whereby the courts of justice were empowered to adjudicate in all civil and criminal cases, irrespective of the nationalities of

the persons involved.

The defence of the Leased Territory is secured by a neutral zone along the northern frontier.

The communication system and educational, hygienic and other modern institutions are well organized in the territory. In matters concerning hygiene and sanitation, the Kwantung government is collaborating with the South Manchuria Railway Company.

# CHINA





**CHINA**

Scale 1:15,000,000





# CHINA

(Mentions are limited to those subjects in which Japan has special interest.)

## Area and Population

Owing to the lack of scientifically compiled statistics it is difficult to grasp the actual size of the territory and the population of China. The ambiguity of the international position is also in some way responsible, for in many cases, the Chinese made their calculations with Manchuria and Outer Mongolia considering as integral parts of China while both of them have been clearly independent of the Chinese Republic. As regards the various divisions and separations which have occurred from the political viewpoint following the outbreak of the China Affair, however, it would be more convenient to keep them out of consideration because the events closely associated with the occurrence are still in progress.

### Area

The following figures are those available showing the area of the provinces included in China proper and the border regions:

#### North China

Name of Province	Area in Square Kilometers
Hopei	140,526 ( 153,682)
Shantung	153,711 ( 179,269)
Honan	169,782 ( 172,736)
Shansi	161,842 ( 155,935)
Shensi	195,076 ( 187,394)
Kansu	380,863 ( 378,059)
Total	1,201,800 (1,227,075)

#### Central China

Name of Province	Area in Square Kilometers
Kiangsu	108,605 ( 108,339)
Chekiang	101,061 ( 103,058)
Anhui	143,447 ( 134,426)
Kiangsi	168,326 ( 200,209)
Hupeh	183,724 ( 207,692)
Hunan	215,457 ( 273,231)

### Location

French Concession	Tientsin
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Name of Province	Area in Square Kilometers
Szechwan	403,634 ( 431,309)
Total	1,321,165 (1,458,264)

#### South China

Name of Province	Area in Square Kilometers
Fukien	121,050 ( 158,702)
Kwangtung	223,844 ( 217,404)
Kwangsi	219,876 ( 217,578)
Kweichow	176,480 ( 179,478)
Yunnan	398,583 ( 320,051)
Total	1,139,833 (1,093,213)

#### Border Regions

Name of Province	Area in Square Kilometers
Chahar	258,815 ( 278,957)
Suiyuan	304,058 ( 291,432)
Ninghsia	302,451 ( 274,910)
Chinghai	
(Kokonor)	728,198 ( 697,194)
Sikang	472,704 ( 371,599)
Tibet	994,999 (1,215,788)
Sinkiang	1,641,554 (1,828,418)
Total	4,612,779 (4,958,298)
Grand total	8,275,577 (8,736,850)

(Note: The figures in parentheses were published by the Ministry of the Interior of the National Government on March 17, 1937, and do not cover the cities of Nanking, Shanghai, Peking (then Peiping), Tientsin, Tsingtao and Weihaiwei.)

In passing, it may be noted that the area of Outer Mongolia is given as 1,612,912 square kilometers (the figures published by the Ministry of the Interior of the National Government on March 17, 1937, being 1,621,201 square kilometers).

**Foreign Concessions** Following is a list of the foreign concessions, international settlements and leased territories in China:

Location	Date of Creation	Area
French Concession	1896	About 2,360 sq



Location	Date of Creation	Area
Italian Concession	Tientsin 1902	About 771 sq
Japanese	" 1895	" 2,150 "
"	Hankow 1898	" 186 "
French	" 1896	" 360 "
Japanese	Shasi 1897	" — "
"	Chungking 1899	" — "
"	Soochow 1897	" 484 "
"	Hangchow 1897	" 1,689 "
"	Amoy 1896	" 40 "
"	Foochow 1842 (opened)	" — "
French	" 1861 (opened)	" 54 "
"	Shanghai 1844 ( " )	14,900 "
International Settlement	Wuhu 1905	689 "
"	Kulangsu 1902	" — "
"	Yantai 1866	309 "
"	Shanghai (dating from 1863 when the British concession created in 1845 and the American concession created in 1847 were merged)	32,504 "
Territory leased to France	Kwangchow Bay 1899	" — "
Territory leased to Portugal	Macao 1887	" — "

(Note: One "sq" corresponds to 160 square feet.)

### Population

The inhabitants of China are generally divided into six tribes, the Hans, Tibetans, Miaos, Manchus, Mongols and Turks. The Hans, found all over China, account for more than 90 per cent of the total population. They are prolific, highly civilized and have great economic power. The total number of Tibetans is estimated at approximately 2,000,000, all living in Tibet. Their standard of civilization is low. The Miaos are aborigines of China and at present inhabit the two provinces of Kweichow and Yunnan, having been gradually driven to these southwestern provinces by the Hans. The Manchus, who were the founders of the now defunct Ching (or Manchu) Dynasty, migrated, during the time they were in power to various parts of China proper, where they were assimilated with the Hans. At present they are estimated to number some 5-

000,000 persons. The Mongols, of whom there are probably about 800,000, inhabit chiefly Inner and Outer Mongolia, though some of them are found in Sinkiang and Chinghai (Kokonor). The Turks live in Kansu, Shensi and Sinkiang their number being estimated at about 10,000,000.

Figures for the total population of China vary according to estimates from different sources. The Ministry of the Interior of the National Government reported in 1928 that the country had a total population of 474,787,386 persons. The Year Book published by the Shen Pao gives the total population as 433,077,785 persons. The average density of population in the 18 purely Chinese provinces is given as 110 persons to each one square kilometer. Details of the figures compiled by the Shen Pao, excluding those for Manchuria and Outer Mongolia, are tabulated as follows:

	Number of Households	Population	Density of Population (per square kilometer)
Kiangsu Province	6,998,389	35,102,524	330.77
Chekiang "	4,737,223	20,663,754	204.89
Hangchow City	117,674	574,439	259.54
Anhui Province	3,832,813	22,020,591	153.51
Kiangsi "	2,988,709	15,746,765	93.59
Hupel "	4,759,559	25,137,732	139.67
Hunan "	4,059,938	22,329,658	103.63

	Number of Households	Population	Density of Population (per square kilometer)
Honan Province	6,099,427	33,658,673	198.24
Hupel "	5,018,500	28,466,530	203.74
Shantung "	6,782,114	37,214,088	244.03
Shansi "	2,155,856	11,610,778	71.74
Kwangtung "	5,894,177	32,023,496	143.06
Kwangsi "	2,556,051	12,882,532	58.58
Kukien "	1,814,133	11,987,986	99.03
Szechwan "	7,671,412	37,427,593	92.73
Yunnan "	2,338,272	11,795,486	29.59
Kweichow "	1,600,817	6,906,361	39.13
Shensi "	1,975,379	9,752,015	49.99
Kansu "	1,061,784	6,360,075	16.69
Ningsia "	74,100	417,751	1.38
Suiyuan "	402,216	2,321,879	7.64
Chahar "	393,651	1,876,461	7.25
Nanking City	190,953	989,045	2,073.47
Shanghai City	407,721	3,703,430	4,147.55
Peking City	305,636	1,575,606	2,983.33
Tientsin City	240,808	1,209,998	13,296.68
Tsingtao City	94,337	465,912	412.36
Welhaiwei	36,487	199,983	270.91
Sinkiang Province	544,721	2,506,719	1.53
Chinghai "	206,779	1,190,509	1.63
Tibet	141,666	769,249	0.85
Sikang Province	92,527	416,113	0.88
Total	75,594,802	399,303,731	

### The Central Government of the Chinese Republic

Wang Ching-wel, the former President of the Executive Yuan and Foreign Minister of the Chungking Government, who had expressed his ideals for peace, left Chungking on his own accord on December 15, 1938, accompanied by colleagues, and took refuge at Hanoi. On July 10, 1939, Wang publicly renounced all relations with Chiang Kai-shek, and on August 9, broadcasted from Canton a "How to Bring About Peace in China." Later on numerous occasions, he issued statements in regard to his designs to institute peace in China in a firm conviction and belief on Japan's policies enunciated in the Konoe statements in November and December, 1938. Wang Ching-wel's peace movement readily progressed during the latter half of 1939 with the full support of Japanese authorities in China and Tokyo. A seven-day conference (January 23-29, 1940) was held at Tsingtao between Wang and delegates from the provisional governments in Nanking and Peking. The conferees agreed to unite the three elements and organize a new central government at Nanking to save China from destruction and adjust relations with Japan for permanent peace.

Decisions of Central Political Conference The Central Political Conference, charged with the colossal mission of giving birth to a new Central Government of China, was opened in Nanking, the new Capital City of China, for three days from March 20, 1940, the culmination of peace restoration movement sponsored by Wang Ching-wel and his followers. As a result of the opening of this historic central political gathering, the long-waited new Central Government of China was formally brought into existence in Nanking on March 30, 1940. The opening of the Central Political Conference had been decided on at the sixth general meeting of the Kuomintang held in Shanghai, August 1939, as an extraordinary and supreme political organ for forming a new Central Government. Details of the organization and governing regulations together with the list of members of the conference were announced by Lin Pai-sheng, Director of Publicity, on March 19, 1940, and the whole phase of the system, organization and mission of the conference was clarified.

Establishment of the Nanking Govern-



ment. The new Central Government of the Chinese Republic was formally established at Nanking on March 30, 1940, in accordance with the decision of the Central Political Council. The personnel of the administrative departments of the new Nanking Government at its establishment was as follows:

**Chief Executive:** Wang Ching-wei (pro tem; the position was left vacant for Lin Sen should he return from Chungking).

#### Executive Yuan

**President:** Wang Ching-wei  
**Interior (Minister):** Chen Chun  
**Foreign Affairs:** Chu Min-yi (concurrently)  
**Finance:** Chou Fu-hai  
**War:** Pao Wen-yueh (acting)  
**Navy:** Wang Ching-wei (concurrently)  
**Education:** Chao Cheng-ping  
**Justice:** Li Sheng-wu  
**Industry & Commerce:** Mei Sze-ping  
**Agricultural & Mining:** Chao Yu-sung  
**Railways:** Foo Shih-shuh  
**Communications:** Chu Ching-lai  
**Social Affairs:** Ting Mo-chun  
**Publicity:** Lin Pai-sheng  
**Police:** Chou Fu-hai (concurrently)

#### Legislative Yuan

**President:** Chen Kung-po

#### Judicial Yuan

**President:** Wen Chung-yao

#### Control Yuan

**President:** Liang Hung-chih  
**Audit (Minister):** Hsia Chi-feng

The new Government immediately following the inauguration proclaimed its basic policy of national administration, as follows:

- (1) To preserve independence and national sovereignty of China;
- (2) To respect foreign powers' legitimate rights;
- (3) To promote Sino-foreign friendship;
- (4) To counteract subversive activities such as communism;
- (5) To rehabilitate troops; to eradicate military dictatorship;
- (6) To raise level of officials;
- (7) To convene national assembly;
- (8) To invite investment of foreign capital;

- (9) To promote overseas trade;
- (10) To improve taxation system.

**Area under the new Central Government** Out of the 24 provinces of China, 15 are entirely or partially under the rule of the Nanking Government, including the whole of Hopei, Chahar, Shantung, Anhwei and Kiangsu; the greater portions of Shanxi, Suiyuan, Honan, and Hupeh; and lesser sections of Chekiang, Kiangsi, Hunan, Kwangtung; Kwangai and Fukien Provinces. The 15 provinces comprise most of those which are termed wealthy with "vast land and abundant product" as the Chinese phrase goes. In density of population, richness of mineral and agricultural resources, and in respect of communications and trade, they are of far greater importance than the regions remaining under Chungking.

**Movement for Restoring Sovereignty** A marked progress has been made of the movement for restoration of the sovereign rights, which the new National Government initiated. The first step was the repudiation of the lease of Liukungtao. Great Britain coaxed the Chungking régime to renew for 10 more years the expired lease of the island, which right that country had reserved at the time of the retrocession of Weihaiwei. The National Government refused to sanction such an agreement between them and, on September 30, 1940, effected the rendition of the island. Then, the Second District Court in the French Concession in Shanghai was taken over by the Nanking Government early in November. As is well known, some remnants of the Chiang régime, such as a court of justice, survived in the International Settlement of Shanghai. The fact of the matter is that Chinese malefactors in the Settlement might be arrested by agents of the Municipal Council, which is under the British domination, and be brought into its court for trial. The presence in the Settlement of judiciary officials appointed by the Chiang régime would only serve to pervert the Chinese attitude toward the Wang Ching-wei régime. The National Government, therefore, had made the necessary preparations to appoint its own judiciary officials; but the negotiations with the authorities of the French Concession had fallen through. Recently, however, a satisfactory arrangement has been made be-

tween the parties concerned, which may be considered a diplomatic success for the new Government. Further, upon the entry of Italy into the European War, the Government issued in the name of the Foreign Minister, a statement demanding the withdrawal of the belligerent troops and warships in China. The consequence was the wholesale evacuation of the British troops on August 10, 1940. Moreover, a pledge has been made by Japan through the instrument of the Basic Treaty for the abolition of the extraterritoriality and rendition of the concessions, which formed the central issues of the drive for the abolition of unequal treaties, and which China had demanded from time to time, viz. at the Versailles Conference as well as the Washington Conference of 1921. Article 7 of the Treaty referred to stipulates as follows: "According to the development of the new relations between Japan and China under the present Treaty, the Government of Japan shall abolish extraterritorial rights possessed by Japan in China and render to the latter its concessions; and the Government of China shall open its territory for domicile and business of Japanese subjects." In accordance with this provision, extraterritorial rights will be abolished and concessions returned to China; and the domicile of Japanese in the interior will be recognized. No Japanese subject has enjoyed, in the past, the rights of residence and of business, except in the settlements and treaty ports; and he has had to carry his own "huchao" passport when travelling in the interior. Hereafter, the Government at Nanking, will carry out gradually negotiations with other countries for the full restoration of the sovereignty of China.

**Wang Ching-wei President** Another important move forward in the political life of new China was the election of Wang Ching-wei to the Presidency of the Republic of China, a post which remained long vacant. At the sessions of the Executive Yuan and the Central Political Council held on November 28, 1940, a paragraph in Article 11 of the old Organic Law of the National Government, which read "The President shall be held in no way accountable in political affairs," and also the whole of Article 12, which read "The President is not permitted to assume any other office concurrently," were rescinded. And at the same sessions they unanimously

adopted the proposal for electing Wang Ching-wei, the Deputy Chairman, the new President of the Republic of China, thereby establishing the center of political organization of the country.

**Constitutional Government in Preparation** The most pressing issue of Chinese internal politics today is to enforce constitutional government. The fact is that the Kuomintang Party in its development has passed from the military into the tutelage and into the constitutional phase. In anticipation of a successful execution of the national revolution, the Chungking régime had drawn up and published the draft constitution. It had expected to call the National Convention on November 13, 1940, to adopt the constitution. However, under the pretext of a lack of preparation due to the emergency, the convocation of the Convention was indefinitely postponed. The new Government repudiated, from the outset, party government and dictatorship as espoused by the old Kuomintang and proceeded to advance the cause of constitutional government by the cooperation of all parties and factions.

At the 6th plenary session held in August 1939, a proclamation was issued by the Nanking Government "to convene the National Convention, draw up the constitution and to carry out constitutional government within the shortest time." Again on March 30, 1940, it was announced that the major policy of the New Government was to bring about peace and effect constitutional government. In the basic policies formulated by that Government, also, the same measures were prominently included. On July 29, 1940, the Commission for the Execution of Constitutional Government was set up under the leadership of Wang Ching-wei and composed of 27 members elected from among Government and private leaders. The Commission is divided into 4 sections, the first dealing with the outline of the draft constitution and the National Convention, etc.; the second with the local government system; the third with national economy; and the fourth with education. It is expected that the draft constitution passed in 1934 by the Legislative Yuan of the former National Government will be adopted as a basis for discussion.

As for the improvement of administration, it is noted that the new Government has embarked upon the reform



of the local administration structure. The reorganization of the five Provinces of Kiangsu, Chekiang, Anhwei and Hupai and of the three special Municipalities of Canton, Hankow and Nanking was completed early in October 1940. The system of Provincial Governor has been superseded by that of Provincial Chairman placed under the direct control of the Central Government, thereby bringing to an end the past trend toward feudalism.

#### Financial and Banking Reorganization

The finances of the new Government have an important bearing upon its future development. The new régime has taken firm hold on three main sources of revenue, such as customs revenue, salt gabelle and consolidated taxes. Sound as they have been, the finances of the new Government still have to undergo some changes owing to the current wartime situation, which has caused a considerable decrease in customs revenue and consolidated taxes.

The Nanking Government, therefore, in its forward move along various lines, was forced to expedite its financial reorganization. On the one hand, it had to do away with the extortions and miscellaneous taxes of the past in order to stabilize the life of the people and, on the other, to carry out retrenchment in Government expenditures. It was found in this connection, that independence in respect of the right of taxation must be realized in order to effect readjustment of national taxes. With this in view, Article 1 of the Agreed Terms of Understanding concerning the Annexed Protocol of the Basic Treaty has stipulated that "with regard to those various organs for collecting taxes in China, which are at present in a special condition owing to military necessity, an adjustment shall be made promptly in accordance with the spirit of respecting the financial independence in China." As the new Government is located in the rich section of China, there is every reason to believe that the financial adjustment of the country will bring about a steady and sound development of its finances.

An adjustment of the financial machinery is of vital importance to the economic reconstruction of China. Yet, it is indeed a very difficult task. It had to proceed with the utmost caution. As a rule, the urban concentration of financing operation or the preference of investment in Government

bonds, practised in the past, has been replaced by the policy of localized financing. With a view to rehabilitating rural life and to developing commerce and industry, an attempt has been made to reorganize provincial and city banks as well as cooperatives. At the end of August 1940, the Regulations governing the Provincial and City Banks were issued, thereby establishing banking institutions in every province and city, through which institutions local reconstruction will be facilitated and the aid to agricultural and industrial enterprises carried out.

Currency unification is one of the most stupendous tasks allotted to the new Government. The control of provincial and city banks as well as agricultural, commercial and industrial banks through the instrumentality of a central financial organ is indispensable. The most important measure along this line is to work out some means of dealing with the old fapi, which is still in circulation under the financial support of Britain and America, as well as of unifying the monetary system of North and Central China. For this purpose the Central Bank of China was established in Nanking on December 21, 1940.

**New Central Bank of China** Significant was the establishment, on January 6, 1941, of the Central Reserve Bank of China capitalized at 100,000,000 yuan to be disbursed from the State Treasury, and also the creation of a new currency. Chou Fu-hai, Finance Minister, was appointed governor of the new bank and Tien Tai-kuei vice-president. In his statement of December 19 announcing the National Government's decisions on the new bank and currency, Chou Fu-hai said that the economic reconstruction and financial growth of the Republic would be possible only through the creation of a State bank. With the Chungking fapi slowly slipping down and commodity prices climbing steeply, the need for a currency bolstered by solid governmental backing had become more and more acute. Hence, after careful planning, these steps were decided on.

The new central bank is prepared to pay out, without limit, any of the old varieties of legal tender hitherto in circulation or foreign currencies in exchange for the new legal tender at par. Separately from the Japanese army scrip now in circulation, it is linked with fapi at par and is expected

gradually to spread over the territory of the old currencies and consolidate its own.

Three laws governing the new institution and its issues were promulgated on December 19. The first, a Provisional Law Implementing Monetary Adjustment, stipulates that the National Government shall invest the Central Reserve Bank of China with the privilege of issuing convertible notes in order that the bank may eventually unify the currency system of the Republic. The convertible notes so issued are to be the legal tender of the Chinese Republic and to circulate without limit. The bank may withdraw from circulation the old legal tender now in use by employing the new currency and the procedures to be adopted for the purpose are to be decided from time to time according to regional and seasonal circumstances. By this law the right of issue of the Huahsin Commercial Bank was revoked and means of withdrawing its notes still remaining in circulation were separately stipulated.

The second law, governing the Central Reserve Bank of China itself, sets forth that the bank shall hold specie reserves equivalent to 40 per cent of its total issues, while the balance may be covered by fiduciary reserves consisting of securities issued or guaranteed by the National Government or by bills under the provisions of Clauses 6 to 8 of Article 24 of the law. The denominations of the new money are one yuan, five yuan, 50 yuan and 100 yuan and subsidiary coins follow the usual decimal system.

The third law has to do with regulations governing the Foreign Exchange Fund Management Commission.

On January 3, Dr. Masutaro Kimura, formerly a director of the Tokyo Chamber of Commerce and Industry, left for Nanking to assume the post of adviser to the new bank and to assist Chou Fu-hai.

On January 11, the American-managed China Press of Shanghai reported smooth circulation of the new legal tender, while Chinese courts of justice in the French Concession, which had been transferred to the National Government, clarified their attitude by announcing that they would accept payment of various commissions and costs in the new bank note. In accordance with the attitude on the part of law-courts, the Greater Shanghai Municipality promulgated regulations permit-

ting receipt of the new note for tax payment.

**Financial Conditions** A report from Nanking on March 26 said that in the twelvemonth that the National Government had been in existence under President Wang Ching-wei, the State revenue of the Republic had increased by leaps and bounds.

The tax revenue for five months up to November 1940 announced by the Finance Ministry of the National Government totalled 136,894,000 yuan, indicating the huge increase of 66,323,000 yuan over the corresponding months in 1939.

The total revenue in 1941 amounted to 389,770,000 yuan against the total expenditure of 327,500,000, leaving a balance of 62,270,000 yuan.

**Japan Gives Loan of ¥300,000,000** Plans of concrete collaboration between Tokyo and Nanking reached a complete concord with the visit of President Wang Ching-wei of China to Japan (June 16-26), and its first step was seen in Japan's loan of ¥300,000,000 to Nanking as announced by the Japanese Government on June 28. The statement said that "in response to the desire of the National Government of China, the Japanese Government have decided to extend to them a loan to the maximum of ¥300,000,000. With regard to its execution the Yokohama Specie Bank, etc., will be in charge."

**The 4th Plenary Session** The fourth plenary session of the Central Executive Yuan of the orthodox Kuomintang at Nanking was successfully concluded with a closing ceremony on November 12, 1941.

In the session which covered three days, 85 bills were introduced but only two were approved. Noteworthy is the plan for presentation of a new national movement for uplifting moral of the nation which was introduced by President Wang Ching-wei and approved at the session.

After the session, the following declaration was made by the Kuomintang: "The plan for presentation of a new national movement which the Kuomintang has approved at its fourth plenary session is one proposed by President Wang himself, after 10 years of study of measures for heightening national moral.

"We know the two great movements of General Chiang Kai-shek, viz, the new



national life movement and the national economy construction movement in pre-China-Affair times.

"These two movements had defects. One was the placing of too much importance to spiritual side, the other being that to material side. Besides, these two movements were too bureaucratic in nature to appeal to the nation and had other purpose than that for the prosperity of the nation.

"We should not repeat these errors. The movement advocated by President Wang is intended to lighten the national moral and increase interests of the people thereby to accomplish the national policy of constructing the country by way of peace. We are firmly convinced that the movement will inspire the country and the people to go on whatever difficulty they may meet."

#### Diplomacy

**Conclusion of the Basic Treaty between Japan and China** The Sino-Japanese conference to deliberate on a fundamental treaty between the two countries began at Nanking on July 5, 1940, after discussing the Japanese draft of the basic pact at 15 meetings and completed its labors on the whole text on August 28 and ended the parley on August 31. General Nobuyuki Abe, envoy extraordinary of Japan, after travelling in North China, returned to Tokyo on October 27, and the Treaty Concerning the Basis Relations between Japan and China was announced on November 30. The text of the treaty and announcements thereof follow:

#### DOCUMENTS CONCERNING THE TREATY BETWEEN JAPAN AND CHINA

##### Announcement of the Government, November 30, 1940

The Plenipotentiaries of Japan and China signed today at Nanking the Treaty Concerning the Basic Relations between Japan and China, the Protocol annexed thereto and the Agreed Terms of Understanding between the Plenipotentiaries of the two countries; following which the Plenipotentiaries of Japan, Manchoukuo and China signed the Joint Declaration of Japan, Manchoukuo and China.

By virtue of the above, the Japanese Government have formally recognized the National Government of the Republic of China headed by Mr. Wang

Ching-wai, the National Government of the Republic of China have recognized Manchoukuo, and the Government of Manchoukuo have recognized the National Government of the Republic of China.

The documents relating to the above are as follows:

#### I. Treaty Concerning the Basic Relations Between Japan and China

The Imperial Government of Japan and

The National Government of the Republic of China:

Being desirous that these two countries should respect their inherent characteristics and closely cooperate with each other as good neighbors under their common ideal of establishing a new order in East Asia on an ethical basis, establishing thereby a permanent peace in East Asia, and with this as a nucleus contributing toward the peace of the world in general, and

Desiring for this purpose to establish fundamental principles to regulate the relations between the two countries, have agreed as follows:

##### Article 1

The Governments of the two countries shall, in order to maintain permanently good neighborly and amicable relations between the two countries, mutually respect their sovereignty and territories and at the same time take mutually helpful and friendly measures, political, economic, cultural and otherwise.

The Governments of the two countries agree to eliminate, and to prohibit in the future, such measures and causes as are destructive of amity between the two countries in politics, diplomacy, education, propaganda, trade and commerce, and other spheres.

##### Article 2

The Governments of the two countries shall closely cooperate for cultural harmony, creation and development.

##### Article 3

The Governments of the two countries agree to engage in joint defense against all destructive operations of communistic nature that jeopardize peace and welfare of their countries.

The Governments of the two countries shall, in order to accomplish the purpose mentioned in the preceding paragraph, eliminate communistic elements

and organizations in their respective territories, and at the same time cooperate closely concerning information and propaganda with reference to the defense against communistic activities.

Japan shall, in order to carry out the defense against communistic activities through collaboration of the two countries, station required forces in specified areas of Mengchiang and of North China for the necessary duration, in accordance with the terms to be agreed upon separately.

##### Article 4

The Governments of the two countries undertake to cooperate closely for the maintenance of common peace and order until the Japanese forces sent to China complete their evacuation in accordance with the terms as provided for separately.

The areas for stationing Japanese forces for the period requiring the maintenance of common peace and order and other matters pertaining thereto shall be determined as agreed separately between the two countries.

##### Article 5

The Government of the Republic of China shall recognize that Japan may, in accordance with previous practices or in order to preserve the common interests of the two countries, station for a required duration its naval units and vessels in specified areas within the territory of the Republic of China, in accordance with the terms to be agreed upon separately between the two countries.

##### Article 6

The Governments of the two countries shall effect close economic cooperation between the two countries in conformance with the spirit of complementing each other and ministering to each other's needs, as well as in accordance with the principles of equality and reciprocity.

With reference to specific resources in North China and Mengchiang, especially mineral resources required for national defense, the Government of the Republic of China undertake that they shall be developed through close cooperation of the two countries. With reference to the development of specific resources in other areas which are required for national defense, the Government of the Republic of China shall

afford necessary facilities to Japan and Japanese subjects.

With regard to the utilization of the resources referred to in the preceding paragraph, while considering the requirements of China, the Government of the Republic of China shall afford positive and full facilities to Japan and Japanese subjects.

The Governments of the two countries shall take all the necessary measures to promote trade in general and to facilitate and rationalize the demand and supply of goods between the two countries. The Governments of the two countries shall extend specially close cooperation with respect to the promotion of trade and commerce in the lower basin of the Yangtze River and the rationalization of the demand and supply of goods between Japan on the one hand and North China and Mengchiang on the other.

The Government of Japan shall, with respect to the rehabilitation and development of industries, finance, transportation and communication in China, extend necessary assistance and cooperation to China through consultation between the two countries.

##### Article 7

According to the development of the new relations between Japan and China under the present Treaty, the Government of Japan shall abolish extraterritorial rights possessed by Japan in China and render to the latter its concessions; and the Government of China shall open its territory for domicile and business of Japanese subjects.

##### Article 8

The Governments of the two countries shall conclude separate agreements regarding specific items which are necessary to accomplish the object of the present Treaty.

##### Article 9

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

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

Done in duplicate, in the Japanese and Chinese languages, at Nanking the 30th day of the 11th month of the 15th year of Showa, corresponding to the



30th day of the 11th month of the 29th year of the Republic of China.

## 2. Annexed Protocol

In proceeding this day to the signature of the Treaty Concerning the Basic Relations between Japan and China, the Plenipotentiaries of the two countries have agreed as follows:

### Article 1

The Government of the Republic of China, understanding that, during the period in which Japan continues the warlike operations it is at present carrying on in the territory of China, there exists a special state of affairs attendant upon such warlike operations, and that Japan must take such measures as are required for the attainment of the object of such operations, shall accordingly take the necessary measures.

Even during the continuation of the said warlike operations, the special state of affairs referred to in the preceding paragraph shall, in so far as there is no obstacle to the attainment of the object of the operations, be adjusted in accordance with the changing circumstances and in conformity with the Treaty and its annexed documents.

### Article 2

While the affairs previously administered by the Provisional Government of the Republic of China, the Reformed Government of the Republic of China and others have been taken over and temporarily maintained as they are by the Government of the Republic of China, those which require adjustment but are not yet adjusted shall be adjusted in conformity with the purpose of the Treaty and its annexed documents through consultation between the two countries, as promptly as circumstances may permit.

### Article 3

When general peace is restored between the two countries and the state of war ceases to exist, the Japanese forces shall commence evacuation with the exception of those which are stationed in accordance with the Treaty Concerning the Basic Relations between Japan and China signed today and the existing agreements between the two countries, and shall complete it within two years with the firm establishment of peace and order; and the Government

of the Republic of China shall guarantee the firm establishment of peace and order during this period.

### Article 4

The Government of the Republic of China shall compensate the damages to rights and interests suffered by Japanese subjects in China on account of the China Affair since its outbreak.

The Government of Japan shall with respect to the relief of the Chinese rendered destitute by the China Affair, cooperate with the Government of the Republic of China.

### Article 5

The present Protocol shall come into effect simultaneously with the Treaty.

In witness whereof the Plenipotentiaries of the two countries have signed this Protocol and have affixed thereto their seals.

Done in duplicate, in the Japanese and Chinese languages, at Nanking the 30th day of the 11th month of the 15th year of Shōwa, corresponding to the 30th day of the 11th month of the 29th year of the Republic of China.

## 3. Agreed Terms of Understanding Between the Plenipotentiaries of Japan and China Concerning the Annexed Protocol

In proceeding this day to the signature of the Treaty Concerning the Basic Relations between Japan and China, the following understanding has been reached between the Plenipotentiaries of the two countries in connection with the stipulations of Articles 1 and 2 of the Annexed Protocol of the Treaty.

1. With regard to those various organs for collecting taxes in China which are at present in a special condition owing to military necessity, an adjustment shall be made promptly in accordance with the spirit of respecting the financial independence of China.

2. With regard to those industrial mining and commercial establishments under governmental or private management which are at present controlled by Japanese forces, the necessary measures shall be taken for their prompt transfer to Chinese management in a rational manner, with the exception of those which are of enemy character or under special circumstances of unavoidable character including military necessity.

3. In case any Sino-Japanese joint enterprise requires modification in the evaluation of original assets, the proportion of capital investments and other matters, measures for their rectification shall be taken in accordance with the terms to be agreed upon separately through consultation between the two countries.

4. The Government of the Republic of China shall, in case they find it necessary to institute control on foreign trade, effect such control autonomously. They may not, however, infringe upon the principle of Sino-Japanese economic cooperation mentioned in Article 6 of the Treaty; and they shall consult with Japan with regard to such control during the continuation of the China Affair.

5. With regard to matters pertaining to transportation and communication in China which require adjustment, they shall be adjusted, as promptly as circumstance may permit, in accordance with the terms to be agreed upon separately through consultation between the two countries.

Done in duplicate, in the Japanese and Chinese languages, at Nanking the 30th day of the 11th month of the 15th year of Shōwa, corresponding to the 30th day of the 11th month of the 29th year of the Republic of China.

## I. Joint Declaration By the Governments of Japan, Manchoukuo And China

The Imperial Government of Japan;  
The Imperial Government of Manchoukuo; and

The National Government of the Republic of China:

Being desirous that the three countries should respect one another's inherent characteristics and closely cooperate with one another as good neighbors under their common ideal of establishing a new order in East Asia on an ethical basis, constituting thereby the mainstay of a permanent peace in East Asia, and with this as a nucleus contributing toward the peace of the world in general, declare as follows:

1. Japan, Manchoukuo and China will respect mutually their sovereignty and territories.

2. Japan, Manchoukuo and China will bring about general cooperation on a reciprocal basis among the three countries, especially a good neighborly

friendship, common defense against communistic activities and economic cooperation, and for that purpose will take all the necessary measures in every direction.

3. Japan, Manchoukuo and China will promptly conclude agreements in accordance with the present Declaration.

Done at Nanking on this the 30th day of the 11th month of the 15th year of Shōwa, corresponding to the 30th day of the 11th month of the 7th year of Kangte, and to the 30th day of the 11th month of the 29th year of the Republic of China.

**President Wang Visits Manchoukuo**  
President Wang Ching-wei of the National Government of China at Nanking, accompanied by Foreign Minister Chu Min-yi, Chief of Staff General Yang, Publicity Minister Lin Po-seng and others left Nanking on May 4, 1942, on his first formal visit to Manchoukuo. The party arrived in Hsinking by way of Dalren. Normal international relations between Manchoukuo and China were established by the joint declaration of Japan, Manchoukuo and China on November 30, 1940, which provided for their mutual recognition. President Wang's recent visit to Manchoukuo as Chief Executive of China will not only thicken the relations of the two countries, but will have great significance in perfecting coalition and co-operation of the three countries as pillars of the Greater East Asia co-prosperity sphere. President Wang on his arrival in Hsinking on May 7 was received in audience by His Majesty the Emperor of Manchoukuo. He also saw General Yoshijiro Umezaki, Commander of the Kwantung Army. In his official statement issued in Hsinking, President Wang said that the current war was not a mere question of the rise or fall of one nation and one country in East Asia, but a serious question of life and death for East Asia as a whole. Therefore, he said, all people in East Asia must unite among themselves and be conscious of the necessity of their joint assistance and co-operation, thereby gaining victory. He hoped for the continuation of invariable friendship between Japan, Manchoukuo and China. After successfully fulfilling his mission, President Wang and his party left Hsinking on May 10 and arrived at Nanking the following day.

**New Japanese Ambassador** After the return of General Abe to Japan, Kuma-



30th day of the 11th month of the 29th year of the Republic of China.

## 2. Annexed Protocol

In proceeding this day to the signature of the Treaty Concerning the Basic Relations between Japan and China, the Plenipotentiaries of the two countries have agreed as follows:

### Article 1

The Government of the Republic of China, understanding that, during the period in which Japan continues the warlike operations it is at present carrying on in the territory of China, there exists a special state of affairs attendant upon such warlike operations, and that Japan must take such measures as are required for the attainment of the object of such operations, shall accordingly take the necessary measures.

Even during the continuation of the said warlike operations, the special state of affairs referred to in the preceding paragraph shall, in so far as there is no obstacle to the attainment of the object of the operations, be adjusted in accordance with the changing circumstances and in conformity with the Treaty and its annexed documents.

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of the Republic of China shall guarantee the firm establishment of peace and order during this period.

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The Government of Japan shall, with respect to the relief of the Chinese rendered destitute by the China Affair, cooperate with the Government of the Republic of China.

### Article 5

The present Protocol shall come into effect simultaneously with the Treaty.

In witness whereof the Plenipotentiaries of the two countries have signed this Protocol and have affixed thereto their seals.

Done in duplicate, in the Japanese and Chinese languages, at Nanking on the 30th day of the 11th month of the 15th year of Shōwa, corresponding to the 30th day of the 11th month of the 29th year of the Republic of China.

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The Imperial Government of Manchoukuo; and  
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1. Japan, Manchoukuo and China will respect mutually their sovereignty and territories.

2. Japan, Manchoukuo and China will bring about general cooperation on a reciprocal basis among the three countries, especially a good neighborly

friendship, common defense against communistic activities and economic cooperation, and for that purpose will take all the necessary measures in every direction.

3. Japan, Manchoukuo and China will promptly conclude agreements in accordance with the present Declaration.

Done at Nanking on this the 30th day of the 11th month of the 15th year of Shōwa, corresponding to the 30th day of the 11th month of the 7th year of Kangte, and to the 30th day of the 11th month of the 29th year of the Republic of China.

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**New Japanese Ambassador** After the return of General Abe to Japan, Kuma-



tarō Honda was installed as Ambassador from Tokyo on December 7, 1940. K. Honda had been active as a lecturer and writer on international subjects since his retirement from the diplomatic service in 1926 after a meritorious career. Honda tendered resignation on account of illness and Mamoru Shigemitsu, former Ambassador to London was appointed the new Ambassador to Nanking on December 19, 1941.

**Japan-China Collaboration Strengthened** Wang Ching-wei, President of the National Government of China and concurrently President of the Executive Yuan, in order to repay the courtesies tendered him from various quarters in Japan since the establishment of the new Central Government as well as for the purpose of discussing with the authoritative quarters concerning the question of cooperation between Japan and China, left Shanghai on board the Yawata Maru for Japan in June 1941 and landed at Kobe on the 16th, arriving at Tokyo Station the next morning. As President of the National Government, Wang paid his call at the Palace on the 18th; and after the 19th, in his capacity as President of the Executive Yuan, met the Prime Minister as well as the Foreign, Army, Navy and Finance Ministers.

President Wang's party included Wang, Chou Fu-hai, Vice-President of the Executive Yuan and Minister of Finance; Hsu Liang, Minister for Foreign Affairs; Lin Po-sheng, Minister of Publicity and several others.

The party was warmly received by the Imperial House, the Government and the people during its stay in Tokyo for a week, and left Tokyo on June 25 for Osaka after completing its mission in the capital, to return to Nanking on June 28.

On June 23, the following joint statement of Premier Prince Fumimaro Konoe and President Wang Ching-wei was published through the Board of Information:

"With a view to speedily settling the present affair and, with this as a turning point, to establishing a permanent relationship between Japan and China and marching forward toward the common goal of co-existence and co-prosperity as well as the reconstruction of East Asia, we respectively made declarations some time ago concerning the establishment of the new order in East Asia consisting of good neighborly and

amicable relations, a common defense against Communism and economic co-operation. The purposes of the Basic Treaty concluded between Japan and China on November 30, last year, and the Declaration of Japan, Manchoukuo and China issued on the same day are no other than this.

"The significance of the establishment of the new order in East Asia lies in the eradication of the evils of aggression and of Communism existing in East Asia and the establishment of States characterized by mutual cooperation, co-existence and co-prosperity on the basis of morality inherent in East Asia. There seem to be not a few among the people of China who, though being desirous of the reconstruction of East Asia through the collaboration of Japan and China, lack confidence in the actual realization of such an undertaking and persist in an attitude of hesitation and irresolution. But, the great task of reconstructing East Asia can only be accomplished by revealing as much as possible, even at the present stage, the first light of the dawn of this new era, thereby winning the confidence of the majority of the people, and also by resolutely striving for the realization of general peace.

"As the result of our conversation, the Governments of Japan and China have pledged their word to put forth increasing efforts toward the above-mentioned common goal. The National Government of China will endeavor to make their people understand that the collaboration between Japan and China and the reconstruction of East Asia are the common missions of the peoples of our two countries, by presenting concrete facts regarding the cooperation of Japan and China in political, military, economic and cultural spheres; and the Japanese Government also will exert themselves, by extending increasing assistance therefor, to enable the National Government fully to demonstrate their independent and free authority and power, so that they may share the responsibility of constructing the new order of East Asia."

**British Concession Handed Over to Nanking** Upon the opening of the War of Greater East Asia, Japan sent her troops into the British Concessions in Tientsin and Canton, and since then the Imperial forces have held these concessions under their control. The Japanese Government, however, have decided to transfer the administrative functions of

these concessions to the jurisdiction of the National Government at Nanking and have notified the latter government to that effect on February 18, 1942.

**Visit of Dr. Chu Min-i** With an important mission of expressing its determination to co-operate with Japan for a successful finish of the Pacific war, to thank Japan for its support rendered to the National Government at Nanking since the start of the war and also to congratulate the Japanese Army and Navy upon their brilliant war results, Dr. Chu Min-i, Nanking's Foreign Minister, was sent to Japan as proxy of President Wang Ching-wei. The special envoy was accompanied by General Yang Kuei-i, Chief of the Army General Staff, and Admiral Jen Yen-tao, Navy Minister, of that Government as assistant proxies. The party left Nanking by air on May 25, 1942. Dr. Chu and his suite were received in audience by His Majesty the Emperor on June 1 and Dr. Chu presented a personal letter from President Wang to the Emperor. He and other members of his suite were given an Imperial luncheon on the same day. In the course of a dinner sponsored to welcome Dr. Chu and his party by Foreign Minister Shigenori Togo on the same day, the Foreign Minister made a speech, in which he said that, in view of the nature of the war, the Japanese Government believed that the disposal of the China affair through strengthening of the National Government formed the basis of the construction of the Greater East Asia Co-prosperity Sphere. He also declared that the fundamental policy of the Japanese Government toward the National Government had not been affected at all by the outbreak of the war. At the dinner held in honor of the special envoy at the Premier's official residence on June 2, Premier Hideki Tojo emphasized the mounting friendship between Japan, Manchoukuo and China and said that this was ample proof of perfect harmony of relations among the three countries, stressing at the same time that Japan would render its ungrudging efforts toward stabilizing the Nanking Government. In his radio message broadcast on the night of June 1, Dr. Chu expressed China's determination to share the joy and hardships with Japan for the common cause of the construction of a new East Asiatic order and march together to carry through the objective of the present Greater East Asia War.

**Special Ambassadors to Nanking** Wang Ching-wei, President of the Republic of China and concurrently the President of the Executive Yuan of the National Government, paid a visit to Japan in 1941, and that Government sent to Japan the Special Ambassador, Chu Min-i, through whom the National Government expressed their firm determination to co-operate with Japan for the prosecution of the war of Greater East Asia. For the purpose of returning courtesy to the National Government and at the same time strengthening further the co-operation between Japan and China, the Japanese Government dispatched Special Ambassadors to China in September 1942.

Upon the outbreak of the War of Greater East Asia, the National Government promptly issued a statement, in which they made clear their determination to meet all difficulties with an unshakable spirit in order to realize the common purpose of Japan and China to establish a new order in East Asia, and to bring about a complete fulfillment of the ultimate purpose by co-operating with Japan wherever and whenever required. The determination of the National Government has since been translated into concrete action through their various administrations. The Japanese Government, keenly conscious of the increasing importance of the cooperation between the two countries at the present stage of the war, and not stinting in extending wholehearted co-operation for the growth of the National Government, Japanese Government had decided to send the Special Ambassadors to Nanking.

The following were the principal members of the mission: Ambassadors—Haron Kichiro Hiranuma, ex-Premier; Hachiro Arita, ex-Foreign Minister; Ryutaro Nagai, ex-Communications Minister; Members of the Suite—Minoru Tanaka, Secretary of the Board of China Affairs; Sadakichi Kawato, Secretary of the Board of China Affairs; Kumaichi Yamamoto, Director of the Bureau of East Asiatic Affairs, Foreign Office; Hisanari Yamada, Secretary of the Foreign Office; Shigenobu Shima, Secretary of the Foreign Office; Koki Naganuma, Secretary of the Finance Ministry; Lieutenant-General Kyoji Tomiyama; Lieutenant-Colonel Etsuo Miyamoto; Vice-Admiral Ryoza Fukuda; Commander Yoshitane Kisaka and Kohzo Ohta, member of the House of Peers.



**Recognition by Powers** Germany, Italy, Rumania, Slovakia, Croatia, Hungary, Spain and Bulgaria all formally recognized, on July 1, 1941, the National Government of China in Nanking.

The recognition of Nanking by these eight countries is the best proof of their admission of the actual strength of Nanking and its unflinching devotion to the cause of the new order in East Asia. The recognition has consolidated the international status of Nanking, and its future activities are expected to be even more spectacular.

## BANKING AND CURRENCY PROBLEM

### Reserve Bank of China

The Central Reserve Bank of China, which had been established in January 1941, celebrated its first anniversary on January 6, 1942. According to the reports of the management on its business conditions in the first year of its establishment, the total amount of deposits reached 602 million yuan, while advances and investments totalled 447 million yuan. The total volume of its notes issued by the end of 1941 reached 260 million yuan.

**100 Million yen Loan** Loan extension to the Central Reserve Bank of China by the Bank of Japan was announced by the Board of Information on July 28. The announcement states: "The Government has decided to advance a loan of ¥100,000,000 to the Central Reserve Bank of China in compliance with the request of the National Government of the Chinese Republic, so that it may contribute to the wholesome development of the note issue system of the said bank. The contract concerning the said advance of the loan was signed between the Bank of Japan and the Central Reserve Bank of China today." The outline of the contract is as follows: (1) The Bank of Japan advances a loan amounting to ¥100,000,000 in Japanese money to the Central Reserve Bank of China for a period of five years. (2) The Central Reserve Bank of China pays the interests on the said loan at the rate of 3.5 per cent. per annum. (3) The Central Reserve Bank of China may redeem the said loan at any time within the said period of redemption. (4) The term of redemption may be renewed upon mutual agreement of the high contracting parties. Finance Minister

Speaking about this recognition, President Wang, among other things, stated: "That the Governments which mutually trust one another should give expression to their sincerity at this time of the world crisis and tide over divers difficulties by cooperating among themselves will save mankind from various misfortunes and eventually realize peace of the world."

Denmark formally recognized the Nanking Government on August 18 and Thailand on July 7, 1942, making a total of 12 such countries, including Japan and Manchoukuo.

Okinori Kaya commenting on the advance of loan from the Bank of Japan to the Central Reserve Bank said that the present measure signified a tangible example of what the new order in financing within the Greater East Asia Co-prosperity Sphere should be like. The present loan, he continued, has nothing to do with that of last year, the new loan having been decided in order to help facilitate the wholesome development of the currency system of the Nanking Government.

### Abolition of Old China Legal Tender

The National Government of China issued on May 27, 1942, the proclamation depriving, on and after June 1, 1942, the old legal tender of its legal value and recognizing only the notes of the Central Reserve Bank as legal tender. The circulation of the old legal tender as legal currency will be prohibited for the present in the three provinces of Kiangsu, Chekiang, Anhwei, Nanking and Shanghai and the old legal tender will be exchanged generally for Reserve Bank notes at a ratio of two of the former for one of the latter. Following the determination of the above policy, it has been decided to dispose of the four Chungking banks seized by the Japanese at the end of 1941 with their advance into the foreign settlement and to close the Peasants' Bank of China and the Central Bank of China on account of their obvious hostility to the Nanking Government and to allow the Bank of China and the Bank of Communications to resume business after reorganization. Of course, the Bank of China and the Bank of Communications have been deprived of the right to issue notes.

The Central Reserve Bank was found-

ed on January 6, 1941, when it was officially decided to allow the circulation of the old legal tender at par for the time being.

The outbreak of the War of Great East Asia and the American and British defeats have, however, isolated Chungking, which in consequence has become more and more destitute of commodities, while the old legal tender has had a growing tendency to become requisition notes, resulting in the severe depreciation of the old legal tender. In order not to have Reserve Bank notes ill-affected by the heavy fall in the currency, the Nanking Government resolutely cut off the par link between the old legal tender and Reserve Bank notes on March 30, 1942, and on the day following it decided on an exchange rate of 100 yuan of the old legal tender to 77 yuan of Reserve Bank notes. For about 50 days since then, this rate was unchanged by the Reserve Bank, during which the old legal tender declined so markedly as to compel the exchange rate to be reduced at first to 74 yuan on May 20 and then to 33 yuan on May 26 in order to meet the decline in value. The downward tendency was so keen that if it was left to take its natural course, it was thought that it would go down to 40 yuan or 30 yuan.

This confusion was brought to an end when the Ministry of Finance in Nanking ordered the abolition of the old fapi as legal tender and fixed the exchange rate of C.R.B. notes at two to one. The situation was further clarified when the authorities decided to exchange old fapi for the new legal tender notes in unlimited amounts.

Carrying out on a large scale its recent decision to withdraw old fapi notes from circulation exchanging them with the C.R.B. currency at the official 2-1 rate, the National Government of China announced a 10-point ordinance specifying regulations which govern the exchange and effect the withdrawal of fapi in the provinces of Kiangsu, Chekiang and Anhwei. The measure went into effect from June 8, and will remain in effect until further notice.

The text of the ordinance is as follows:

**Article I.**—The National Government of China will dispose of the old fapi in accordance with this ordinance.

**Article II.**—The old fapi to be withdrawn for the purpose of this disposal will be bank notes issued by the Central

Bank of China, the Bank of China and the Bank of Communications.

**Article III.**—The Central Reserve Bank of China will be charged with the task of calling in the old fapi.

**Article IV.**—The Central Reserve Bank of China will exchange the old fapi with its own notes at the rate of two to one. However, the Government will be able to issue Government bonds of the same face value in place of the C.R.B. notes, or record the sum as a deposit with the Central Reserve Bank of China.

The Government may transfer to the Central Reserve Bank of China government bonds to the same face value as the value of C.R.B. notes issued in redemption of old fapi and to the same face value as the deposits made through the exchange.

**Article V.**—The old subsidiary notes will temporarily be permitted to remain in circulation at half the value of those issued by the Central Reserve Bank of China.

**Article VI.**—Existing credit and obligations based on the old fapi will be regarded as having automatically shifted to the C.R.B. notes as base at the rate of two to one.

**Article VII.**—New contracts based on the old fapi after this ordinance takes effect, will be invalid.

**Article VIII.**—The areas in which this ordinance will be operative are for the time being the provinces of Kiangsu, Chekiang and Anhwei and the cities of Shanghai and Nanking.

**Article IX.**—Detailed rules governing the withdrawal of the old fapi will be fixed by the Central Reserve Bank of China.

**Article X.**—This ordinance will remain effective until further notice.

The enactment of this measure, amounting to actual withdrawal of the old fapi from circulation, makes the C.R.B. note the sole legal tender for the three provinces of Chekiang, Anhwei and Kiangsu including Nanking and Shanghai.

Every precaution has been taken to guard against severe economic dislocation as a result of the move.

The Nanking Finance Ministry assured that the Central Reserve Bank of China would continue to exchange old fapi for its own bank notes at the official rate of 2-1. There was such a rush to take advantage of this offer that bank



**Recognition by Powers** Germany, Italy, Rumania, Slovakia, Croatia, Hungary, Spain and Bulgaria all formally recognized, on July 1, 1941, the National Government of China in Nanking.

The recognition of Nanking by these eight countries is the best proof of their admission of the actual strength of Nanking and its unflinching devotion to the cause of the new order in East Asia. The recognition has consolidated the international status of Nanking, and its future activities are expected to be even spectacular.

### BANKING AND CURRENCY PROBLEM

#### Reserve Bank of China

The Central Reserve Bank of China, which had been established in January 1941, celebrated its first anniversary on January 6, 1942. According to the reports of the management on its business conditions in the first year of its establishment, the total amount of deposits reached 602 million yuan, while advances and investments totalled 447 million yuan. The total volume of its notes issued by the end of 1941 reached 260 million yuan.

**100 Million yen Loan** Loan extension to the Central Reserve Bank of China by the Bank of Japan was announced by the Board of Information on July 28. The announcement states: "The Government has decided to advance a loan of ¥100,000,000 to the Central Reserve Bank of China in compliance with the request of the National Government of the Chinese Republic, so that it may contribute to the wholesome development of the note issue system of the said bank. The contract concerning the said advance of the loan was signed between the Bank of Japan and the Central Reserve Bank of China today." The outline of the contract is as follows: (1) The Bank of Japan advances a loan amounting to ¥100,000,000 in Japanese money to the Central Reserve Bank of China for a period of five years. (2) The Central Reserve Bank of China pays the interests on the said loan at the rate of 3.5 per cent. per annum. (3) The Central Reserve Bank of China may redeem the said loan at any time within the said period of redemption. (4) The term of redemption may be renewed upon mutual agreement of the high contracting parties. Finance Minister

Speaking about this recognition, President Wang, among other things, stated: "That the Governments which mutually trust one another should give expression to their sincerity at this time of the world crisis and tide over diverse difficulties by cooperating among themselves will save mankind from various misfortunes and eventually realize peace of the world."

Denmark formally recognized the Nanking Government on August 18 and Thailand on July 7, 1942, making a total of 12 such countries, including Japan and Manchoukuo.

Okinori Kaya commenting on the advance of loan from the Bank of Japan to the Central Reserve Bank said that the present measure signified a tangible example of what the new order in financing within the Greater East Asia Co-prosperity Sphere should be like. The present loan, he continued, has nothing to do with that of last year, the new loan having been decided in order to help facilitate the wholesome development of the currency system of the Nanking Government.

#### Abolition of Old China Legal Tender

The National Government of China issued on May 27, 1942, the proclamation depriving, on and after June 1, 1942, the old legal tender of its legal value and recognizing only the notes of the Central Reserve Bank as legal tender. The circulation of the old legal tender as legal currency will be prohibited for the present in the three provinces of Kiangsu, Chekiang, Anhwei, Nanking and Shanghai and the old legal tender will be exchanged generally for Reserve Bank notes at a ratio of two of the former for one of the latter. Following the determination of the above policy, it has been decided to dispose of the four Chungking banks seized by the Japanese at the end of 1941 with their advance into the foreign settlement and to close the Peasants' Bank of China and the Central Bank of China on account of their obvious hostility to the Nanking Government and to allow the Bank of China and the Bank of Communications to resume business after reorganization. Of course, the Bank of China and the Bank of Communications have been deprived of the right to issue notes.

The Central Reserve Bank was found-

ed on January 6, 1941, when it was officially decided to allow the circulation of the old legal tender at par for the time being.

The outbreak of the War of Great East Asia and the American and British demands have, however, isolated Chungking, which in consequence has become more and more destitute of commodities, while the old legal tender has had a growing tendency to become requisition notes, resulting in the severe depreciation of the old legal tender. In order not to have Reserve Bank notes ill-affected by the heavy fall in the currency, the Nanking Government resolutely cut off the par link between the old legal tender and Reserve Bank notes on March 30, 1942, and on the day following it decided on an exchange rate of 100 yuan of the old legal tender to 77 yuan of Reserve Bank notes. For about 50 days since then, this rate was unchanged by the Reserve Bank, during which the old legal tender declined so markedly as to compel the exchange rate to be reduced at first to 74 yuan on May 20 and then to 50 yuan on May 26 in order to meet the decline in value. The downward tendency was so keen that if it was left to take its natural course, it was thought that it would go down to 40 yuan or to 30 yuan.

This confusion was brought to an end when the Ministry of Finance in Nanking ordered the abolition of the old fapi as legal tender and fixed the exchange rate of C.R.B. notes at two to one. The situation was further clarified when the authorities decided to exchange old fapi for the new legal tender notes in unlimited amounts.

Carrying out on a large scale its recent decision to withdraw old fapi notes from circulation exchanging them with the C.R.B. currency at the official 2-1 rate, the National Government of China announced a 10-point ordinance specifying regulations which govern the exchange and effect the withdrawal of fapi in the provinces of Kiangsu, Chekiang and Anhwei. The measure went into effect from June 8, and will remain in effect until further notice.

The text of the ordinance is as follows:

**Article I.**—The National Government of China will dispose of the old fapi in accordance with this ordinance.

**Article II.**—The old fapi to be withdrawn for the purpose of this disposal will be bank notes issued by the Central

Bank of China, the Bank of China and the Bank of Communications.

**Article III.**—The Central Reserve Bank of China will be charged with the task of calling in the old fapi.

**Article IV.**—The Central Reserve Bank of China will exchange the old fapi with its own notes at the rate of two to one. However, the Government will be able to issue Government bonds of the same face value in place of the C.R.B. notes, or record the sum as a deposit with the Central Reserve Bank of China.

The Government may transfer to the Central Reserve Bank of China government bonds to the same face value as the value of C.R.B. notes issued in redemption of old fapi and to the same face value as the deposits made through the exchange.

**Article V.**—The old subsidiary notes will temporarily be permitted to remain in circulation at half the value of those issued by the Central Reserve Bank of China.

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**Article VII.**—New contracts based on the old fapi after this ordinance takes effect, will be invalid.

**Article VIII.**—The areas in which this ordinance will be operative are for the time being the provinces of Kiangsu, Chekiang and Anhwei and the cities of Shanghai and Nanking.

**Article IX.**—Detailed rules governing the withdrawal of the old fapi will be fixed by the Central Reserve Bank of China.

**Article X.**—This ordinance will remain effective until further notice.

The enactment of this measure, amounting to actual withdrawal of the old fapi from circulation, makes the C.R.B. note the sole legal tender for the three provinces of Chekiang, Anhwei and Kiangsu including Nanking and Shanghai.

Every precaution has been taken to guard against severe economic dislocation as a result of the move.

The Nanking Finance Ministry assured that the Central Reserve Bank of China would continue to exchange old fapi for its own bank notes at the official rate of 2-1. There was such a rush to take advantage of this offer that bank



officials limited the amount of fapi which could be exchanged to \$150 per person. This gave black market operators an opportunity to jack up their prices and charge 3-1.

It was to counter this that officials of the Central Reserve Bank announced that the bank was creating a special section to redeem the old fapi notes at the official rate and in unlimited quantities. This had its desired effect upon the black market, causing the exchange rates to subside to the official level.

In order to cooperate in every possible way with the Chinese authorities in withdrawing old fapi, Japanese banks decided not to receive deposits in old fapi and advance loans in old fapi as from June 8. Simultaneously, Chinese banks will refrain from concluding new contracts on the basis of old fapi as from the same day.

These steps were taken following an appeal made by Mr. Masaki Obara, Japanese Financial Commissioner in Shanghai, to representatives of the Japanese banks. The Japanese financial commissioner announced that no permit would be necessary for the exchange of military yen less than ¥100,000 into C.R.B. notes and the exchange of C.R.B. notes corresponding to ¥100,000 into military yen, as from June 1. The exchange of military yen into old fapi and fapi into military yen will be limited to ¥1,000 as before, he added.

The Central Reserve Bank of China announced the detailed regulations concerning the withdrawal of the old fapi notes which will begin on June 8 in accordance with the ordinance issued by the National Government. The regulations are:

1. The old fapi to be withdrawn shall be those issued by the Central Bank of China, the Bank of China and the Bank of Communications, except those of small denominations below 50 cents. However, old fapi issued by these banks bearing the names of issuing places other than Shanghai, such as Tientsin, Paoting, Tsingtao, Shantung, Hankow and Chungking, shall be excluded from the withdrawal.

2. The redemption of old fapi shall be enforced in Kiangsu, Chekiang and Anhwei Provinces and in the cities of Shanghai and Nanking.

3. The offices where the official exchange of old fapi for the C.R.B. notes will be conducted are:

(a) The offices of the Central Reserve Bank of China.

(b) Offices of the Central Reserve Bank which will be temporarily established in Shanghai, Nanking and other places.

(c) The Hwa Hsing Commercial Bank.

(d) The Bank of Japan.

(e) Exchange shops and Chinese native banks specially assigned with the withdrawal of old fapi. The names of these exchange shops and banks will be announced separately.

4. The withdrawal of fapi notes possessed by those except financial organs shall be conducted by the following methods:

(a) Those who wish to exchange old fapi less than \$10,000 with C.R.B. notes will be able to do so at the above-mentioned banks, exchange shops and native banks at the official rate of 2-1.

The period during which the redemption of old fapi shall be conducted shall be limited to 14 days between June 1 and June 21, 1942.

Those banks, exchange shops and native banks are required to transfer their redeemed old fapi to the Central Reserve Bank of China within the above-mentioned period and receive C.R.B. notes at the official exchange rate.

(b) Those who possess old fapi more than \$10,000 should apply for the exchange to the Central Reserve Bank and its designated banks the names of which will be announced separately, between June 8 and 21, 1942. The Central Reserve Bank and its designated banks shall record thus redeemed old fapi as cash deposits in C.R.B. notes at the official rate of 2-1.

Those designated banks shall transfer the redeemed old fapi notes during the above-mentioned period to the Central Reserve Bank which shall record them as cash deposits.

5. Financial organs such as Chinese commercial banks, exchange shops, Chinese native banks and trust companies which receive deposits and advance loans, are required to transfer the old fapi in their possession to the Central Reserve Bank not later than June 10, together with statements specifying the total amount of old fapi in their possession on June 7.

The old fapi thus received by the Central Reserve Bank from the financial organs shall be converted into C.R.B.

notes at the official rate of 2-1, and they will receive half of the amount they handed in, in Finance Stabilization Bonds. The remaining half shall be recorded by the Central Reserve Bank as cash deposits. The Central Reserve Bank may record part or the total sum of the old fapi forwarded by some financial organs as Wah Tou deposits.

The Central Reserve Bank shall pay annual interest of three percent for the Wah Tou deposits and may change them into cash deposits of the same value within three months.

With the promulgation of the regulations concerning the withdrawal of old fapi, the Old Fapi Disposal Committee was formerly established by the Central Reserve Bank of China and was ordered to assume its business immediately. The Committee was set up by the Central Reserve Bank by order of the National Government for the purpose of calling in old fapi. The Committee informed exchange shops and banks of the detailed regulations regarding the withdrawal of old fapi. Chien Ta-ku, Vice-Governor of the Central Reserve Bank, was announced as chairman of the committee which consists of the planning, revenue, accounting and general affairs departments.

The Shanghai branch of the Central Reserve Bank on May 30 called a conference of directors of the leading Chinese banks, during which the significance of the ordinance newly promulgated was explained.

Regulations issued by the Government on June 1 authorized the Finance Ministry to issue a maximum of C.R.B. \$1,500,000,000 worth of the Finance Stabilization Bonds provided for under the Governmental ordinance governing the withdrawal of the Chungking fapi from circulation. The bonds, carrying an interest of 5 percent, will mature in 1 year. They will have face value of \$100,000, \$50,000, \$10,000, \$5,000, and \$1,000, and will be known as the 1942 Finance Stabilization Bonds.

One of the important financial changes in 1942 was the decision of the Japanese authorities to liquidate the Central Bank of China and the Farmers Bank and the reorganization of the Bank of China and the Bank of Communications.

In a proclamation on May 27, the High Command of the Imperial Japanese Army and Navy in the Shanghai Area declared:

"Simultaneously with the dispatch of

Japanese forces into the International Settlement upon the outbreak of the Greater East Asia War, Japanese military authorities seized four banks operated by the Chungking Regime, namely the Bank of China, the Central Bank of China, the Bank of Communications and the Farmers Bank of China, and appointed special auditors to conduct investigations of these banks. The reports made by these auditors have made clear the scope of business operations conducted by these institutions.

"It is hereby proclaimed that the four banks shall be disposed of in accordance with the principles specified here.

"1. In view of their hostile nature, the Central Bank of China and the Farmers Bank of China shall be closed, and prompt liquidation of the two banks shall be made according to the principles to be announced separately.

"2. In order to maintain stability in financial circles in China, lenient measures shall be granted to the Bank of China and the Bank of Communications. The two banks shall be permitted to resume business after completing necessary reorganization such as the severance of their relations with Chungking elements. Concrete steps for the reopening of these banks shall be decided upon through consultations with the National Government of China."

The financial situation as a whole was further stabilized by various measures introduced by the authorities. Aside from the withdrawal of old fapi notes in the Wuhan areas, the Central Reserve Bank notes were greatly strengthened by the loan of ¥100,000,000 concluded between Chow Fu-hai, Governor of the Central Reserve Bank and Toyotaro Yuki, Governor of the Bank of Japan in the latter part of July.

The most important measure taken by the authorities in August for financial stabilization was probably the promulgation of a set of new regulations governing the organization and function of monetary institutions in Central China including Shanghai. These measures were appropriate at this time as numerous new banks and financial establishments were organized in the months of June, July and August in Shanghai and many of them were engaged in speculative activities.

Explaining that these new regulations aim to protect the interest of the public and to strengthen the financial foundation of the nation, Chow Fu-hai, Min-



later of Finance, stressed four points on August 21 in an interview with the press, following the promulgation of the new regulations. The four points include:

(1) In order to readjust the economic condition and stabilize finance it is necessary to prescribe proper regulations and strict rules. All monetary institutions shall conduct their business in accordance with the 18 articles provided in the new regulations which have been carefully formulated and evolved from the various rules promulgated by the government since March 1931.

(2) The regulations shall be enforced first in the provinces of Kiangsu, Chekiang and Anhwei and the two municipalities of Shanghai and Nanking. All financial and monetary establishments shall conduct their business according to these newly promulgated regulations.

(3) According to Article 11 of the regulations, all existing monetary institutions shall be registered with the Ministry of Finance within one month after August 2, 1942—the date for the promulgation of the regulations.

(4) These regulations shall be enforced together with the existing Amended rules governing the Registration of Banks and the By-Laws for the enforcement of the Amended Rules.

The next important move on the part of the authorities to develop financial conditions in Central China was the re-opening of the Bank of China and the Bank of Communications. These two banks with a long history and high prestige were re-opened on September 1. The month of August proved a period of busy preparation on the part of the authorities in reorganizing these banks as they were semi-official monetary institutions with close affiliation with the Chungking Government.

Capitalized at C.R.B.\$20,000,000 and C.R.B.\$10,000,000 respectively and re-organized so that all trace of Chungking influence has vanished, the Bank of China and the Bank of Communications opened for business on September 1 as purely commercial institutions under the supervision of the Central Reserve Bank of China. All arrangements were made by the Sino-Japanese Joint Committee, which was appointed by Japanese military authorities, to undertake the re-organization of the two former Chungking banking houses. All necessary arrangements, including the complete severance of former connections with the Chungking regime, election of a new Board of Directors, and conversion of old shares at the rate of two old shares to one new share, have been completed.

### Industries

#### Agriculture

Only 17 per cent of the entire area of China is now under cultivation. Those engaged in farming, however, account for more than three-fourths of the entire population of the country and four-fifths of the national incomes are composed of receipts from agricultural enterprises. The agricultural community is composed of big landlords, medium landlords, independent farmers, tenant farmers and farming laborers.

The tenant farmers accounted for 32 per cent of the entire agricultural community during 1933, increasing from 28 per cent in 1912, while the percentage of independent farmers during the same period decreased from 49 per cent to 45 per cent.

The principal agricultural products with the amounts of production are shown in the following table (the figures being given in units of 1,000 piculs):

	1931	1933	1935	1936
Rice	817,481	879,017	878,627	871,002
Wheat	432,360	450,562	426,052	461,555
Barley	158,552	148,295	155,112	162,748
Kaoliang	131,535	138,324	132,051	153,532
Millet	128,678	132,829	131,098	135,487
Maize	127,744	114,988	129,974	122,602
Rye	30,691	30,360	32,786	32,467
Sweet potatoes	316,537	358,041	369,459	341,797
Oats	—	15,888	17,444	18,036
Peas	—	58,118	68,901	69,096
Beans	—	55,410	63,442	62,268
Glutinous rice	41,140	56,736	88,161	87,296

	1931	1933	1935	1936
Soya beans	114,827	145,428	112,311	118,220
Rape-seeds	43,462	42,132	49,749	49,572
Ground-nuts	—	59,013	50,355	52,622
Sesame	—	19,266	15,640	17,300
Leaf tobacco	—	12,598	11,294	12,673
Raw cotton	14,570	16,595	14,586	20,639

According to a Chinese report the total area of arable land in China is 966 million acres. Of the total, 400 million acres lie in the part occupied by the Japanese forces, the remaining 566 million acres in the free portion of the country. The former embraces 136,969,000 farmers who have 78,623,000 head of animals, the latter 213,787,000 farmers with 14,879,000 head of animals. As compared with the crops in 1936, the latest figures for the crop of rice represent 81 per cent of the 1936 crop, wheat 45 per cent, barley 58 per cent, maize 20 per cent, soya beans 34 per cent, kaoliang 23 per cent, sweet potatoes 76 per cent, raw cotton 29 per cent, groundnuts 43 per cent, and leaf tobacco 69 per cent.

The total amount of crops in North China in 1940 is estimated at 2,668,000 metric tons, an increase of 450,000 metric tons or 25 per cent over the previous year, including wheat 563,000 metric tons (5 per cent increase), kaoliang 267,000 metric tons (18 per cent increase), maize 348,000 metric tons (53 per cent increase), Indian corn 196,000 metric tons (38 per cent increase), rice 42,000 metric tons (7 per cent increase) and raw cotton 39,000 metric tons (21 per cent increase). The figures, however, do not as yet recover those for a normal year.

The crops in Mongolian districts in the same year are estimated to have attained amounts more than normal, the estimated crop of wheat being 151 metric tons (53 per cent increase over the previous year), barley 347 metric tons (131 per cent increase), kaoliang 274 metric tons (116 per cent increase), maize 284 metric tons (71 per cent increase) millet 129 metric tons (121 per cent increase) and buckwheat 74 metric tons (101 per cent increase).

#### Mining

More than 1,000,000 tons of iron ore has been produced annually with Chinese capital, including about 380,000 tons at Tayeh, about 70,000 tons at Hsiangpishan, about 280,000 tons at Fangchang and about 200,000 tons at

Tangtu. The annual output of coal has amounted to some 20,000,000 tons, 39 per cent of which has been produced with the aid of foreign capital, the rest being accounted for by Chinese capital. The production of antimony in China is about 70 per cent of the world's total. China is also a leading producer of tungsten, accounting for 42 per cent of the world's total production.

On account of insufficient facilities the production of steel is small, and considerable supplies, therefore, have to be obtained from abroad.

**More Supplies to Japan** Many vital mineral deposits exist in the areas occupied by the Japanese troops and are being developed with the superior engineering technique furnished by Japan. The development of iron and coal resources is progressing smoothly despite the difficulties facing all such efforts. At the end of last year there were eight iron mines in the Yangtze valley, one along the Lunghai Railway, four along the Shihkiachwang-Taiyuanfu line and in Shansi Province, one in another part of North China and one on the island of Hainan, totalling 15 mining areas.

There are a dozen prospective mines in other parts of China which are expected shortly to be worked. The production of coal is concentrated in North China on the whole, and with peace and order established and machinery and equipment made more complete, the output is steadily increasing. At present there are being operated 14 anthracite mines, 20 caking coal mines, nine non-caking coal mines and other mines not yet worked. Tsingtao is the shipping center of North China and Shanghai of Central China. Both were hit severest by the China Affair, but thanks to the appropriate measures for restoration, their recovery has been rapid and Japanese mills are now operating, in some respects, at greater capacities.

There are about 20 vital materials which are produced in the territory under the rule of the National Government and are supplied to Japan, including coal, salt, iron ore, tungsten and



the like, the output of which has of late markedly increased in South China. Also conspicuous for their increase in supply to Japan are asbestos, black lead and mica. Also increasing are the supplies of sheepskin, cowhide, hemp, tung oil and lacquer.

#### Development Companies

**North China Development Company**  
The total amount of the North China Development Co.'s loans and investments made in North China at the end of December 1939, following the year of its

establishment (November 1938) was some ¥226 million, and at the end of December 1940, the figure had increased by 2.44 times, at the end of March 1941 by 2.7 times, and at the end of March 1942, by 3.96 times, or about 4.0 times, with some ¥896 million, of which 58.5% was on account of the North China Transportation Co., which would probably be in a position to pay a dividend from the current business year, according to President Tsushima of the North China Development Co.

Details follow:

(In millions of yen)

Date	Investments	Loans	Total	Index Number
Dec.-end 1938	—	20.9	—	—
" 1939	104.7	121.9	226.6	100
" 1940	239.4	313.2	552.6	244
" 1941	244.3	368.0	612.4	270
Mar.-end 1942	301.0	595.7	896.7	396

**Central China Development Company**  
The total outstanding amounts of loans and investments made by the Central China Development Co. show a similarly

rapid growth to those of the North China Development Co., although smaller in amount than the latter. The following gives the details:

(In millions of yen)

Date	Investments	Loans	Total	Index Number
Dec.-end 1939	34.0	8.7	42.7	100
" 1940	51.5	47.1	93.7	219
" 1941	54.4	60.7	115.1	269
Mar.-end 1942	61.7	108.8	170.5	399

Business conditions of the Company in the first half year of 1941 was in general not as good as that of the second half of 1940, according to statistics released for publication by the different subsidiary companies. For instance, although the Shanghai Inland Water Navigation Company, the Central China Marine Products Company and the Central China Salt Company continued to pay dividends of 10 per cent the Central China Mining Company, the Central China Silk Company and the Hweinan Coal Mining Company found it only possible to pay 6 per cent, 8 per cent and 7 per cent respectively.

That the Central China Mining Com-

pany has to decrease its dividend by 2 per cent is due to the fact that large sums of money have been spent by the company in the development of new mines. The Central China Silk Company decreased its dividend for this period by 2 per cent because of the general poor silk business in the world market. The Hweinan Coal Mining Company decreased its dividend by 1 per cent because of poor operation conditions caused by natural calamities in the mines. The following table gives the amount of dividends paid by each of the thirteen subsidiary companies during the past few years:

	1st Period 1940	2nd Period 1940	1st Period 1941
Central China Mining Company	8%	8%	6%
Central China Water Works & Electricity Co.	—	5%	5%
Shanghai Inland Water Navigation Co.	10%	10%	10%
Central China Tele-Communication Co.	6%	6%	6%
Central China Silk Co.	10%	10%	8%
Central China Bus Co.	6%	6%	6%

	1st Period 1940	2nd Period 1940	1st Period 1941
Shanghai Real Estate Co.	8%	6%	6%
Central China Marine Products Co.	10%	10%	10%
Greater Shanghai Gas Co.	—	6%	6%
Hweinan Coal Mining Co.	6%	8%	7%
Central China Salt Co.	8%	10%	10%
Chung Hwa Shipping Co.	—	—	—
Central China Railway Co.	5	—	—

#### Foreign Trade of China

With 1931 as the peak, the volume of China's foreign trade steadily tended downward and hit the bottom in 1935. However, it started to regain ground since 1936, and has kept on increasing ever since with the exception of 1938 when a marginal drop was recorded. Specially, the advance in the recent two years, 1939 and 1940, was unprecedented. As table 1 shows, foreign trade of China in 1940 totalled 2,027,000,000 yuan in imports and 1,970,000,000 yuan in exports with the resultant import excess at 57,000,000 yuan. Those figures were an increase of 694,000,000 yuan or 51.8 per cent in exports and 943,000,000 yuan or 91.7 per cent in imports and a drop of 249,000,000 yuan or 81.3 per cent in import excess as compared with the corresponding figures for 1939. The combined total of exports and imports in 1940 was about three times as much as in bad years. Thus, apparently China's trade in 1940 was noted in a very favorable tone. However, this was just a superficial phenomenon. In substance, the trade in 1940 was little different from 1939, the situation having been attributable to the fall of the currency value due to the decline of credit in the yuan, China's national currency. This fact can be seen from the following table showing trade figures in sterling:

#### CHINA'S TRADE IN 1939 AND 1940

(In million pounds sterling)

Year	Imports	Exports
1939	80.7	24.4
1940	90.9	32.0
Increase rate	12.4%	31.2%

Thus, it can be found that the increasing rate of the trade as expressed in pounds sterling was not so remarkable as in yuan. China's trade depends largely upon Japan and the United States. In China's imports, these two countries account for more than one-half of the total amount. Other principal sources of imports of China are Hongkong, British India, French Indo-China and the Netherlands East Indies. Im-

ports from these six sources amount to about 74 per cent of the total imports of China. In exports of China, the United States dominates with 28.6 per cent of the total export volume. Hongkong follows with 18.6 per cent and Britain with 9.96 per cent. The situation is that those countries enjoy special rights and interests in China, acquired in olden times, and have a monopolistic hold on the domestic products of China. It is for that reason that China's exports to Japan remain extremely small as compared with its imports from Japan. Because of the extension of coastal blockade operations by the Japanese Navy to Central China, however, the foreign trade of Shanghai, which accounts for 70 per cent of the total exports and 30 per cent of the total imports of China, has been severely hit, resulting in a heavy blow to the trade of China in general. Tientsin ranks next in importance to Shanghai as a trade port of China through which the major part of the transactions with Japan are conducted. Swatow, although excelled by Shanghai and Tientsin, was one of the principal trade bases of China, its exports and imports averaging 35,000,000 yuan each annually. Under Japanese blockade operations, however, trade transactions through Swatow last year dropped to about one-hundredth as much as in ordinary years.

Cereals and flour were the most important items in China's imports in 1940, those articles accounting for 358,000,000 yuan or 17.7 per cent of total imports. Cotton yarns and other cotton manufactures followed last year with 320,000,000 yuan or 15.8 per cent of the total imports while oils and fats and wax manufactures came third with 152,000,000 yuan or 7.5 per cent. In exports, cotton goods and fibers amounting to 341,000,000 yuan (17.3 per cent of the total exports) and animals and animal products amounting to 322,000,000 (15.8 per cent) lead all export items in 1940. Other major export items are textiles, ores and minerals, metal goods, tea, vegetable waxes, etc.



FOREIGN TRADE OF CHINA  
(000 omitted)

Year & Month	Merchandise				
	Imports		Exports		Excess of Imports Standard Dollars
	Gold Units	Standard Dollars	Gold Units	Standard Dollars	
1938	389,499	895,211	331,707	763,732	105,687
1939	542,595	1,343,018	408,958	1,027,247	315,771
1940	748,852	2,027,143	..	1,970,121	57,022
1940 October	58,862	159,340	..	179,797	— 20,457
November	53,928	145,983	..	157,290	— 11,307
December	64,410	174,358	..	190,038	— 15,680
1941 January	79,938	216,392	..	232,416	— 16,024
February	72,990	197,584	..	171,862	25,722
March	67,457	182,606	..	208,130	— 25,524
April	87,883	237,898	..	257,532	— 19,634
May	78,548	212,630	..	248,465	— 35,835
June	84,711	229,312	..	347,471	— 118,159
July	92,508	250,419	..	269,246	— 18,827
August	71,770	194,282	..	283,366	— 89,084
September	60,915	164,897	..	268,844	— 103,947
October	102,599	277,736	..	290,112	— 12,376

(Source: Statistical Department Inspectorate General of Customs, Shanghai.  
"—" Indicates Excess of Exports)

MERCHANDISE EXPORTS AND IMPORTS OF CHINA, BY COUNTRIES  
(In gold units: 000 omitted)

Countries	1941		1940	
	January-October Imports	January-October Exports	January-October Imports	January-October Exports
Algeria	5	13	33	981
Argentina	814	1,113	556	250
Australia	38,931	19,421	3,818	4,672
Belgium	703	5,146	..	275
Brazil	20,558	13,208	349	142
British East Africa	121	1,829	223	57
British India	59,909	56,572	38,449	27,064
British North Borneo	185	220	49	18
British West Africa	54	16	3	152
Burma	37,555	3,927	12,510	5,922
Canada	13,788	3,782	5,035	7,060
Central America: Republics of	34	67	1,336	1,033
Central America: U.S. Territories	..	..	1,007	747
Ceylon	168	158	594	748
Czechoslovakia	19	127	..	6
Denmark	1	57	..	965
Egypt (incl. Anglo-Egypt, Sudan)	1,275	3,060	8,013	1,096
Finland	21	389	..	..
France	1,047	2,716	3	11,754
French Indo-China	53,956	44,379	33,243	15,874
Germany	16,590	17,606	7,377	1,292
Great Britain	16,254	25,893	33,340	57,471
Hongkong	125,112	36,352	228,827	115,750
Hungary	12	65	..	..
Italy	295	2,385	44	2,451
Luxemburg	..	29	..	..
Macao	3,296	3,254	17,124	6,000
Morocco	..	2	176	5,056
Netherlands	156	1,262	..	979

Countries	1941		1940	
	January-October Imports	January-October Exports	January-October Imports	January-October Exports
Netherlands Indies	47,471	32,484	53,861	14,062
New Zealand	33	44	492	385
Norway	590	761	..	184
Philippine Islands	3,482	7,863	25,033	9,140
Poland	50	424	..	..
South Africa, Union of, and Rhodesia	290	402	5,929	3,299
Straits Settlements and F.M.S.	6,181	7,098	33,797	19,070
Sweden	484	890	..	117
Switzerland	3,869	2,047	78	1,448
Thailand	20,694	15,261	26,233	12,732
Tunis	..	..	..	282
U.S. of America	157,346	138,393	209,154	174,428
U.S. Pacific Territory & Possessions	7	..	649	518
U.S.S.R. (Russia), Asiatic Routes	215	32	831	..
Kwangchowan Leased Territory	628	539	15,081	13,440
Total including others	806,125	635,250	955,600	601,338

(Source: Statistical Department, Inspectorate General of Customs, Shanghai)

## VESSELS ENTERED INTO AND CLEARED FROM CHINESE PORTS BY FLAGS

Flags	August, 1941			September, 1941		
	Entered	Cleared	Total	Entered	Cleared	Total
American	54,978	63,147	118,125	75,295	64,286	139,581
British	66,167	58,601	124,768	65,171	55,943	121,114
Chinese	23,168	28,122	51,290	23,933	27,002	50,935
Chinese Junks	28,179	27,252	55,431	16,167	17,525	33,692
Finnish	..	2,941	2,941	2,941	..	2,941
French	29,118	18,162	47,280	17,028	26,324	43,352
German	..	..	..	..	..	..
Italian	..	..	..	..	..	..
Netherlands	14,195	10,514	24,709	12,830	13,809	26,639
Norwegian	3,605	3,605	7,210	2,160	2,160	4,320
Panamanian	14,602	19,108	33,710	20,224	15,009	35,233
Portuguese	4,754	2,410	7,164	2,410	4,754	7,164
Swedish	..	..	..	2,853	..	2,853
Thai (Siamese)	2,008	4,004	6,012	2,008	2,008	4,016
Total (incl. Others)	720,599	742,725	1,463,324	745,095	716,874	1,461,969

  

Flags	October, 1941			January-October	
	Entered	Cleared	Total	1941	1940
American	36,025	38,893	74,918	1,121,658	1,183,974
British	56,703	58,773	115,476	1,594,408	3,771,696
Chinese	39,810	39,647	79,457	600,771	557,155
Chinese Junks	38,500	38,966	77,466	701,655	969,267
Finnish	2,941	2,941	5,882	16,852	..
French	34,587	37,595	72,182	450,980	399,929
German	..	..	..	..	..
Italian	..	..	..	..	198,951
Netherlands	18,352	23,153	41,505	585,759	846,162
Norwegian	..	..	..	163,115	1,096,950
Panamanian	24,095	27,289	51,384	390,259	267,002
Portuguese	5,236	5,236	10,472	102,998	54,565
Swedish	..	2,853	2,853	51,572	94,994
Thai (Siamese)	1,996	1,996	3,992	36,736	..
Total (incl. Others)	683,064	695,791	1,378,855	16,953,824	21,335,278

(Source: Statistical Department, the Inspectorate-General of Customs, Shanghai.  
August figures for Kowloon not received.)



**Custom Revenue** A statement of the Chinese Maritime Customs Revenue collection for the year 1941 was issued on December 31, 1941 by Mr. H. Kishimoto, Inspector-General of Customs. It may be noted that out of the total collection of approximately \$541,670,000, no less than \$341,410,000 was contributed by Shanghai, the next largest contribution, that of Tientsin, amounting to only \$72,890,000. The statement, as issued by Mr. Kishimoto, follows:

The Customs Revenue for 1941, composed of Import and Export Duties, Tonnage Dues, Flood Relief Surtax and Revenue Surtax, amounted to \$541,670,-

000, approximately, excluding revenue collected in the month of December at the ports listed hereunder particulars of which are not available: Chungking, Wuchow, Wanhhsien, Nanning, Ichang, Pakhol, Changsha, Luichow, Wenchow, Lungchow, Santuao, Mengtsz, Foochow, Szemao, Kowloon, Tengyueh, Lappa.

The figure of \$541,670,000 represents an increase of \$65,930,000 as compared with \$475,740,000 for 1940.

The contributions under each heading towards this total, as well as the corresponding figures for 1940, are shown below:

	1941	1940
Import Duty	C.G.U. 86,500,000 (=\$ 363,990,000)	C.G.U. 98,190,000 (=\$ 343,600,000)
Export Duty	\$ 32,370,000	\$ 27,550,000
Interport Duty	\$ 103,030,000	\$ 63,810,000
Tonnage Dues	\$ 2,000,000	\$ 3,100,000
Flood Relief Surtax:		
On Import Duty	C.G.U. 4,330,000 (=\$ 18,260,000)	C.G.U. 4,910,000 (=\$ 17,170,000)
On Export Duty	\$ 1,880,000	\$ 1,670,000
Revenue Surtax:		
On Import Duty	C.G.U. 4,330,000 (=\$ 18,260,000)	C.G.U. 4,910,000 (=\$ 17,170,000)
On Export Duty	\$ 1,800,000	\$ 1,670,000

The total Import Duty collection of C.G.U. 86,500,000 was collected in local currency according to exchange rates ruling locally on the date of payment of duty.

The collections made at the principal

revenue-producing ports during the year 1941, and the respective increases/decreases when compared with the collections for 1940, are given hereunder in order of collection:

Port	Collection 1941	Increase	Decrease
	\$	\$	\$
Shanghai	341,410,000	68,270,000	
Tientsin (incl. Peiping Office)	72,890,000		19,370,000
Tsingtao	26,410,000		9,530,000
Canton	20,820,000	14,120,000	
Chungking	15,750,000*	8,840,000	
Luichow	14,700,000*	6,870,000	
Changsha	11,690,000*	5,090,000	
Tengyueh	5,990,000*	4,170,000	
Chinwangtao	5,940,000		1,470,000
Amoy	3,570,000	870,000	
Wuchow	3,470,000*	1,500,000	
Mengtsz	3,190,000*		1,430,000

Note: (\*) Not including collections for December 1941.

#### Rise in Prices in North and Central China

Prices of commodities are steadily rising in North and Central China, not to speak of still greater rise in Chungking. Prices of daily necessities have

become over 6 to 20 times as high as 1936, the greatest rise being witnessed in the case of metals as shown in the following tables (in indices):

#### WHOLESALE PRICES

Tientsin (1926=100)

Year & Month	Cereals	Clothing & Materials	Metals	Building Materials	Fuel	Others	Average
1938 Average	156.4	135.0	241.1	176.5	191.2	165.3	168.2
1939 "	224.7	218.4	418.6	255.5	252.6	228.3	250.8
1940 "	423.3	443.9	774.6	373.3	323.4	396.2	441.5
1941 June	451.1	485.1	850.0	427.0	332.3	382.6	476.2
July	439.1	519.3	870.7	426.1	332.0	391.7	478.7
August	463.3	532.6	896.3	431.5	352.7	411.6	498.3
September	472.4	534.7	912.4	439.2	377.1	416.7	509.5
October	486.5	548.2	926.1	444.7	388.7	429.9	522.3
November	526.6	565.7	931.7	475.7	416.9	483.8	554.5
December	549.1	566.6	942.3	500.3	430.8	544.0	573.6
1942 January	586.8	584.4	946.3	505.2	466.8	577.3	600.5
February	623.3	590.6	947.4	511.0	501.0	623.2	624.8
March	636.5	590.3	948.0	581.4	520.1	654.3	635.3
April	646.0	596.2	947.6	528.7	539.1	642.7	643.7
May	659.1	605.9	949.3	530.3	526.8	626.8	648.7
June	668.8	605.5	953.2	535.2	519.9	650.6	653.7

Peking (Monthly Average, 1936=100)

Year & Month	Cereals	Other Food & Delicacy	Clothing & Table Materials	Metals	Fuel	Building Materials	Others	Average
1940 Average	416.7	337.2	441.4	643.1	250.9	345.0	403.1	395.3
1941 "	552.3	414.1	535.9	762.9	276.3	363.7	408.5	451.1
1941 May	437.6	386.0	492.3	673.4	261.6	372.2	403.9	427.2
June	445.0	397.4	501.0	771.7	261.0	372.5	397.7	438.5
July	439.3	396.8	535.3	806.1	261.0	372.5	398.4	444.8
August	453.8	399.3	549.8	820.7	285.1	352.1	404.5	454.2
September	463.4	407.2	536.4	895.8	288.3	352.7	409.0	457.9
October	467.5	433.7	553.1	861.7	295.4	357.5	420.0	470.4
November	498.0	468.0	591.3	907.4	298.0	371.3	433.4	498.7
December	533.3	480.6	603.4	944.6	367.3	388.6	433.4	518.4
1942 January	555.7	498.4	625.1	945.0	306.7	392.5	438.5	533.6
February	570.9	536.3	647.9	950.7	306.7	393.7	447.0	550.7
March	586.3	531.5	667.7	1,013.1	306.7	418.1	459.5	565.1
April	613.3	532.7	502.9	1,089.1	311.2	449.9	490.2	590.2
May	659.9	534.3	728.3	1,433.5	320.2	453.1	494.7	631.2
June	676.6	531.6	719.3	1,628.2	320.2	454.7	494.7	645.7

Calgan (Last decade of August, 1938=100)

Year & Month	Food	Seasoning & Table-Delicacy	Textile Fabrics	Animal Hair & Hide	Fuel & Lighting	Building Materials	Other	Average
1939 Average	115.6	124.8	143.4	101.7	113.4	141.4	119.1	123.8
1940 "	128.9	183.6	277.5	113.8	158.2	251.5	181.9	187.4
1941 "	447.6	274.6	601.2	171.2	234.9	303.5	245.9	328.5
1941 February	164.2	225.2	372.2	203.2	186.2	281.2	214.5	237.7
March	164.2	226.2	404.7	203.2	194.3	291.9	218.6	245.5
April	164.2	219.7	404.3	203.2	194.3	203.1	218.6	243.9
May	164.2	222.7	404.3	203.2	194.3	293.7	218.6	244.8
June	164.2	225.2	405.7	203.2	197.5	295.8	217.8	246.2
July	164.2	237.2	412.6	203.2	195.7	295.2	221.6	250.5
August	176.0	242.7	479.8	203.2	197.5	294.9	225.8	263.6
September	199.4	251.7	555.4	203.2	209.1	295.1	235.0	282.3
October	427.2	260.0	542.0	192.6	214.3	294.3	244.4	312.5



Year & Month	Food	Seasoning & Table-Delicacy	Textile Fabrics	Animal Hair & Hide	Fuel & Lighting	Building Materials	Other	Average
November	395.1	267.5	552.6	171.2	216.0	294.3	244.4	308.2
December	447.6	274.6	601.2	171.2	234.9	303.5	245.9	328.5
1942 January	492.5	285.4	621.8	177.5	237.1	303.8	251.1	341.7
February	456.1	287.5	643.8	177.5	244.8	305.9	259.8	350.6
March	562.6	290.1	641.0	178.9	254.8	305.9	263.6	358.7
April	589.6	328.3	664.6	175.8	263.6	305.9	294.1	378.8

## Shanghai (1936=100)

Year & Month	Cereals	Other Food	Clothing & Materials	Metals
1939 Average	194.08	206.35	213.70	253.23
1940 "	527.57	375.64	426.65	709.54
1941 "	595.88	741.89	730.39	2,263.37
1941 June	897.47	663.66	640.38	2,127.77
July	985.78	680.25	693.84	2,329.72
August	914.49	767.14	755.76	2,648.99
September	979.93	856.50	868.72	3,000.07
October	1,063.37	986.54	960.05	3,132.79
November	1,346.40	1,204.30	1,244.25	4,451.28
December	1,394.08	1,254.50	1,173.70	4,697.21
1942 January	1,397.15	1,321.72	1,106.63	4,742.31
February	1,668.32	1,477.89	1,167.41	4,756.67
March	2,267.76	1,607.00	1,520.76	4,895.79
April	2,156.20	1,597.13	1,625.60	3,935.49
May	2,558.01	1,907.01	2,031.52	5,104.73
June	2,775.98	1,944.32	2,107.33	6,102.03

Year & Month	Fuel	Building Materials	Chemical Materials	Others	Average
1930 Average	294.61	231.48	239.24	213.05	226.18
1940 "	713.78	482.28	481.62	452.67	475.86
1941 "	1,346.27	1,156.70	1,092.95	947.37	958.18
1941 June	1,218.12	1,108.17	762.68	901.80	800.96
July	1,261.31	1,083.39	891.60	926.65	903.58
August	1,417.94	1,146.19	1,319.45	983.34	1,008.09
September	1,622.14	1,345.17	1,685.63	1,055.19	1,129.64
October	1,776.47	1,494.80	1,941.71	1,182.08	1,254.43
November	2,349.64	2,312.17	2,970.55	1,561.50	1,659.65
December	2,144.49	2,289.70	3,028.96	1,554.42	1,850.22
1942 January	2,150.28	2,168.23	3,004.30	1,528.65	1,630.81
February	2,069.17	2,095.53	3,146.65	1,563.80	1,710.17
March	3,108.93	2,221.45	3,505.95	1,904.84	2,033.65
April	1,809.42	1,960.85	3,216.89	2,037.00	1,978.63
May	1,715.67	2,623.63	4,244.12	2,303.06	2,284.39
June	1,840.36	3,111.20	4,931.33	2,534.62	2,575.66

## Conditions in North China

**Governmental Activities** When a nation is in the process of a radical and gigantic reconstruction such as we are witnessing today governmental activities naturally play an important part in shaping its life. In North China such activities come under the direction of the Political Council of North China, a special organ which, since the establish-

ment of the new National Government at Nanking in March 1940, has taken the place of the Provisional Government at Peking.

A glance at the past history of this part of China will be sufficient to explain the reason why it should be accorded the special status of an autonomous area under the new Council. Under the old

Nationalist Government, even after the centralization of all governmental powers by Chiang Kai-shek, this area had remained outside the direct control of the Nanking Government, enjoying an autonomous rule as in the case of the Hopei-Chahar Political Council, not to mention the East Hopei Autonomous Regime. Since this area has been most intimately related with Japan politically and economically, it has always been imperative for the Government to shape its policies with this peculiarity in view.

The Council's good-neighbor policy bore an important fruit in November last year, when the North China-Meng-chiang Economic Agreement was concluded, thereby enabling North China to import her much needed cereals. The settlement of the silver and Federal Bank note issues in connection with the British Concession in Tientsin have also greatly facilitated the financial and economic activities of the Council.

The Council's main efforts, however, are directed at the establishment of peace and order and the stabilization of living conditions of the people. Such measures as the restoration of the Hsien system, the improvement of the police administration, the perfection of the judicial system and the cleaning up of bandits and remnants of the Chungking and Communist troops have been successfully carried out. The importation of wheat from Mengchiang under the Economic Agreement with the Government of Inner Mongolia (established in 1937), together with the adoption of effective measures for unemployment relief both in urban and rural districts have also contributed greatly toward safeguarding the life of the people. The reopening of higher educational institutions, including the University of Peking, which has been reorganized with five colleges—Medicine, Engineering, Agriculture, Literature and Science—amalgamating four universities of Peking, Peiping, Ching-hua and Chiao-tung, is further evidence of progress along these lines. Prof. Chou Tso-jen, a noted man of letters in China, has taken the place of Tang Er-ho as Director of the Board of Education.

**Development of Mineral Resources** That North China has an almost inexhaustible wealth of coal and iron deposits, the most essential minerals for heavy industry, is widely known. The North China Development Company, which has been established with the

special purpose of developing those resources, has embarked on energetic and efficient activities.

Communications, transportation and labor are all essential to the successful exploitation of natural resources; lacking in these facilities they cannot be turned to good account. In this point the resources in Hopei and Shantung are the most ideally situated while those in Shansi have yet to await the future development of transportation facilities. The importance of the coal deposits in Shansi Province for the future of East Asia remains undisputed. According to investigations conducted by experts of various countries, they amount to more than 100,000,000,000 metric tons, their quality being anthracite and bituminous. This colossal potential wealth of coal, together with some 3,000,000 metric tons of iron deposits available in nearby districts, constitutes a significant advantage to the iron industry, particularly in the refining of pig-iron into steel. The Taiyuan and Yangchuan Iron Works in Shansi and the Shihkiangshan Iron Works near Peking all enjoy similar favorable conditions. The coal mines in Shantung and Honan Provinces are fortunate in commanding good transportation and other facilities. The Shantung Mining Company, Kailan Coal Mine and the newly established Tsingsing Coal Mine have been able to meet the immediate needs of the Chinese industry. These mines also produce caking coal which is indispensable for the production of iron. The importance of the Tsingsing Mine in supplying not only coke to iron works in the neighboring districts but also fuel coal to cities in North China and even to Japan can be appreciated by studying the map. It is situated on the railway line connecting Taiyuan with Shihkiachwang, which is a junction between that line and the Peking-Hankow Railway. Furthermore, the newly opened Shihkiachwang-Tehchow line has greatly benefited the iron industry, which is a junction between that mine and Tsingtao. Other coal mines of importance to Japan are the Chungsing Mine in Yihsen, northeast of Hsuehou, situated on a branch line connecting the Tientsin-Pukow and Lung-Hai Railways, and the mines of the Shantung Mining Company to be found along the Tsingtao-Tsinan Railway. With transportation facilities available, they were soon reconstructed after the cessation of hostilities and by 1940 their plants had reached full working capacity.



**Manufacturing Industry** In the present phase of industrial development the electrical industry is of fundamental importance. In North China this basic industry is in the hands of the North China Electric Company in Peking, the Kiaosoo Electric Company in Tsingtao, the Tsinlu Electric Company in Tsinan and the Chefoo Electric Company in Chefoo, all of which are subsidiary concerns of the North China Development Company. Of these enterprises the most important is the first named concern, which is capitalized at 100 million yen. This enterprise, started in February 1940, includes, in addition to the generation and supply of electricity to the Peking, Tientsin and East Hopeh districts, a large-scale generation, transmission and supply of electric power for industrial purposes. The electric-light enterprises in Shanai, Hopel and Honan Provinces, which were formerly managed by the Hsingchung Company, have also come under its control. For the purpose of increasing and strengthening power, generating plants are to be constructed in Kwelteh, Yucheng and Yangchuan during 1941-42. With a view to economizing equipment and materials and to rationalize enterprise, connections for transmission have been readjusted and perfected, and the unification of voltage and frequency carried out throughout North China. The most important step toward the radical improvement of electrical undertaking in this part of China has been the plan for hydraulic generation utilizing the water power of the Lwan River, a basic investigation of which is now under way. Thus the weakness of North China in this field of industry, where thermal generation plants predominate, will be overcome by the introduction of a powerful hydraulic generating system.

With regard to the iron industry mention has already been made of the deposits of iron ores. The Talyuan Iron Works, which were originally established by Yen Hsi-shan, have been enlarged to substantially increase its output and in the near future will handle the refining of pig iron into steel. Plans are also under way for the expansion of the other two iron works, the Shihkingshan and Yangchuan Works.

Another major industry of North China is the production of salt. For the purpose of supplying Japan, Manchoukuo and China with salt for food and industrial purposes, the demand for

which has greatly increased owing to the European War having brought a stoppage of importation of pelagic salt, a plan for increased production in this region has been successfully carried out.

The two noted districts in North China for the production of salt are the Changlu salt fields along Pohai Bay, and the Shangtung salt fields, bordering the Yellow Sea, with Kiaochow Bay as the center. The former are now in course of development by the North China Salt Works, while those at Shangtung are managed by the Shangtung Salt Works.

The North China Salt Works, aiming at an economic regeneration for the local Chinese, has first of all set about rehabilitating the salt fields of Hanku, Ninbu, Tanku and Tenku totalling approximately 38 square miles, at the same time carrying out a plan for developing new fields in Taku (19 square miles) and Tataingho (23 square miles).

The fields under the management, directly and indirectly, of the Shangtung Salt Works are those owned by Chinese and the Yungyu field, which together total some 19 square miles.

**Agriculture** The task of rehabilitating the agricultural population in North China, who have suffered from severe droughts and unprecedented floods following fast on the heels of war, was by no means an easy one, but by energetic endeavors on the part of both the Chinese and Japanese authorities, the difficulties have been overcome, and the farmers are able to anticipate rich harvests from the vast plain of North China. It may be an exaggeration to say that every necessary measure has been taken for an economic improvement of the Chinese farm population, whose living standard based upon primitive methods of agriculture has been extremely low. Nevertheless, it can safely be said that a comprehensive plan for an increased production of wheat, cotton and wool on the basis of exhaustive investigations has been satisfactorily worked out.

In North China the staple foodstuffs are wheat for the upper classes in cities and towns along the railways and millet, kaoliang and maize for the farm population and the lower classes generally. North China is essentially an agricultural region, and it seems strange that there should be any shortage of foodstuffs. The reason is that technical inefficiency coupled with natural calamities and wars

have greatly lowered the productivity of the soil. The shortage of foodstuffs had accordingly to be met by importation from Australia, Canada, Japan and Central China. New plans aiming at self-sufficiency have been formulated and in addition steps have been taken for an increased production of rice for the benefit of the Japanese population.

With regard to cotton, North China was producing 5,000,000 piculs in the pre-China Affair years, but owing to the quality it was not being imported to Japan in any appreciable quantity. Now that her economic position, particularly trade relations, have undergone a drastic change, it is necessary for Japan to obtain supplies of cotton from North China. This new state of affairs has called for a plan to bring the cotton output up to 10,000,000 piculs, as well as to cultivate improved strains.

The major agencies promoting increased production are the North China Agricultural Experimental Station, the North China Cotton Improvement Association and cooperative societies. These agencies employ more or less the same methods as do similar institutions in other countries. The cooperative societies are mostly promoted by the Hsin-min-hui and have as supervisory organs the Hsien Federations and the Central Federation for North China. Not only do they function as pure socio-economic institutions but also as organizations for the guidance of productive technique. The Cotton Improvement Association also has the cooperative societies under its auspices.

The movement for the protection of railway promoted by the North China Transportation Company is contributing considerably toward increased production in cooperation with the Cotton Improvement Association. It was this movement that was responsible for the drilling of some 3,000 wells last year and is now planning to drill 16,000 this year, for the irrigation of cotton as well as wheat, millet, maize and other crops. Land planning and conservancy work are other essential factors in the promotion of the agricultural industry in North China. For the former purpose the North China Reclamation Company was established. Methods of land conservancy, having far-reaching effects upon the economic and industrial life of the community, calls for superior technique, and an enormous amount of labor, expense and time. The plans, however,

have been partially carried out with success.

Mention must be also made of the activities of the North China Wool Improvement Association, which came into being November 1940 with the object of improving the quality of wool and increasing the output. The Hsishan stock farm near Wanshushan in Peking was established to specialize in the rearing of sheep and goats with supervisory stations in Shangtung and East Hopeh, all of which work for East Asia's self-sufficiency in wool.

**Communications** The necessity for communications and transportation facilities in modern industry has already been pointed out in connection with the wealth of mineral resources. In April 1939 the North China Communications Company was established in Peking for the purpose of operating all the existing communication enterprises, excluding air transportation, in North China and Mengchiang. This semi-official corporation is capitalized at 300 million yen, in which Japanese and Chinese interests have invested 270 million yen and 30 million yen respectively.

North China has long been known as the region whose topography is best expressed by the term "pelma" (found in the expression "nunchuan-pelma"—boats in the south, horses in the north), and coupled with the fact that this region had long been the political center of all China, the development of railways is more advanced here than in any other part of China. Prior to the outbreak of the recent hostilities, the total length of lines operated reached to approximately 5,200 kilometers, representing about half the total for all China. Following the cessation of hostilities, these lines were immediately re-opened for traffic, and in addition the following new lines have since been constructed:

	Kilometers
Kupeikuo and Tungchow	131
Sinsiang and Kaifeng	81
Pingwang and Taniutien	209
Paotow and Shihkuaitzu	34
Mentowkow and Tatal	31
Tungkwan and Luan	178
Matow and Sitsot	21
Shihmen and Tehhsien	165
Total	857

These are mostly branch lines, with the exception of the Shihmen-Tehhsien line, completed in November 1940, which



connects the two trunk lines of Peking-Hankow and Tientsin-Pukow. This semi-trunk line, traversing the center of the great plain of Hopeh from east to west, is expected to contribute considerably toward ensuring peace and order while at the same time supplying transportation facilities for the Tsingsing, Cheng-feng, and Tzehsien Coal Mines. In addition to these lines, those still in course of construction or preparation reach a total length of over 400 kilometers. In construction work priority is given to the colliery lines such as the important Tatung-Tanku line.

Railway lines operated in North China as on October 30, 1940, are as follows:

	Kilometers
Peking-Shanhai-kwan	436
Peking-Kupeikou	153
Peking-Hankow	853
Yukiafen-Tsinghwa	95
Tientsin-Pukow	971
Tsingtao-Tsinnanfu	453
Peking-Paotow	918
Shihmen-Yutse	236
Tatung-Puehow	1,138
Haichow-Lanchow	503
Shihmen-Tehhsien	165
Total	5,921

With the completion of rails and the supply of rolling stock, these lines are all now running satisfactorily and most of them have regained their former transportation capacity.

Highway and river transportation facilities have also been planned and constructed by way of supplementing the railways. A five-year plan for the construction of highways now in operation covers 36 major lines with a total length of 11,600 kilometers, and the North China Communications Company is planning to operate some 10,700 kilometers along these new routes as motor-roads.

With regard to inland navigation, the prospects are not too promising in view of topographical conditions in North China. There are certain rivers and canals, however, such as the Hsiao Ch'ing-ho, Nan-yunho, Tsuyaho and Chi-yunho that offer possibilities, so that the North China Communications Company is able to maintain a navigation service covering 584 kilometers. Including chartered boats the total length of the company's inland navigation lines reaches approximately 3,584 kilometers. Plans for excavating canals are under consideration.

Port and Harbors. Natural harbor facilities in North China are by no means all that could be desired; in view of the growing volume of goods being exported to Japan from this region, improvements are urgently necessary. It is true that in North China there are ports and harbors such as Chihwangtao, Tientsin, Tangku, Weihaiwei, Lungkow and Tsingtao. To determine which of these should be made the principal port was no easy matter, but a careful study of economic and geographical considerations decision was made in favor of Tangku, which, having the largest hinterland, will be enlarged and improved to become the key of North China.

The construction of a new harbor at Tangku, which aims at ultimately accommodating a goods traffic of 27,000,000 tons by the end of 1947, will be shortly commenced, and as a first step, it is planned that facilities for handling 7,500,000 tons will be completed by the end of 1943. This plan, which forms the nucleus, so to speak, not only of the North China harbor scheme but also of the communications and transportation program as a whole, will eliminate the present disadvantages of having to stow some 23 kilometers off Tangku, and at the same time will remove the menace of floods from the Peiho river. The harbors of Tientsin and Tsingtao are by no means overlooked in the improvement scheme and Yienyun harbor, which was destroyed by Chinese troops, has already undergone temporary repairs and is now being used in the shipment of Chungking coal.

Airways. Before the China Affair arose, airways in this part of China were practically monopolized by German and American interests, the Japanese-controlled Huitung-Kungssu having been on a very small scale. After the outbreak of hostilities, a unification of all the existing air services was decided upon and as early as December 1938, the China Airways Company, a corporation jointly invested in by Japan and China, came into being.

This corporation, into which the Huitung-Kungssu had been merged, started off with a capital of 6 million yen, and in September 1939, was enlarged into a corporation capitalized at 50 million yen, thereby making possible a consolidation and extension of its activities inland. Air lines operated by the corporation in North China comprise six routes: Peking-Dairen, Peking-Shanghai,

Peking-Paotow, Tsingtao-Taiyuan, Tsingtao-Kaifeng and Peking-Kaifeng, all of which maintain a daily service with the exception of the Peking-Kaifeng line which is thrice-monthly. The routes covered by the China Airways Company being confined to inland services, the lines connecting Japan and China are operated by the Dai-Nippon Airways Company, with the Tokyo-Peking and Keijo-Peking lines, which maintain a daily service.

Postal Service. As may be expected, the postal service in North China was considerably disrupted during hostilities; but with the cooperation of the Japanese authorities, conditions soon returned to normal and in August 1938, the Directorate-General of Posts was established by the Provisional Government for the purpose of placing the service under its unified guidance and direction. This agency was later included in the jurisdiction of the North China Political Council and has been able to serve a fairly wide section of the population, although owing to technical difficulties it has not yet altogether severed connections with the Directorate-General established by the old Nationalist Government at Kunming.

Telecommunications. Among public enterprises the telecommunication system was one of the earliest to be restored. On January 1, 1938 the Directorate-General of Telecommunications was created as the supervisory agency and the actual operation of the service is being efficiently carried out by the North China Telegraph and Telephone Company, which was established in July 1938, by joint investments of Japanese and Chinese interests with a capital of 20 million yen.

Broadcasting. Under wartime conditions it is no wonder that this most important means of disseminating news should be under the supervision of the Japanese military authorities. On July 1, 1940, the North China Broadcasting Association was established by joint contributions from Japan and China. The association, which maintains stations at Peking, Tientsin, Tsinan, Tsingtao, Shihkiachwang, Taiyuan, Tangshan and Haichow, broadcasts both in Japanese and Chinese, and aims at establishing a broadcasting sphere throughout Japan, China and Manchoukuo.

Foreign Trade. The first step in promoting the trade of North China was the

issuance, in March 1938, of the Federal Reserve Bank notes linked with the yen at par, since then the growing strength of the Federal Bank notes and the promotion of the yen-bloc trade are most intimately related. Three months later, in October, the systems of a foreign exchange fund and the linking of exports with imports were carried out, and the function of the F.R.B. notes as foreign-trade currency was considerably strengthened. In March 1939 the system of concentrating foreign exchange in the Federal Reserve Bank was effected in respect of 12 major items of export, which measure was extended in July of the same year to include all export articles. Further, in June 1940, the permission system for non-exchange imports was put in force. All this contributed to the establishment of a new economic structure in North China.

In reviewing the recent trends of the trade of North China, particularly since the outbreak of the China Affair, a remarkable increase is noted, the figure for 1940 being four times as large as that for 1937. This general trade expansion is due of course to a return to peace and order as well as to progress in economic construction; but it also owes in large measure to the development of trade with Japan and Manchoukuo. Particularly noteworthy in this connection is North China's increasing dependency upon Japan in trade and an adverse trade balance.

Her trade within the yen-bloc rose from 35 per cent in 1937 to 56 per cent and 45 per cent respectively in 1939 and 1940. From the point of view of the construction of the co-prosperity sphere of Greater East Asia, such a tendency is reassuring, but on the other hand a too disproportionate excess of imports over exports creates a certain economic problem both for Japan and North China. The characteristics of the yen-bloc trade, however, are more of a political nature. Accordingly, Japan must be prepared to export a great amount of constructional materials and everyday necessities, bearing inevitable economic burdens for the cause of Greater East Asia. The placing of the yen-bloc trade on a planned basis, therefore, has become a matter of paramount importance. With this in view certain measures for trade control were enforced recently as embodied in the Ordinance for Regulating Exports to Manchoukuo, the Kwantung Leased Territory and



China and the Ordinance for Regulating the prices of goods to be Exported to Manchoukuo, the Kwantung Leased Territory and China. In this way the yen-bloc trade has now been successfully regulated in respect of volume and prices, to the mutual advantage of both countries.

The promotion of trade is well reflected in the issue of the F.R.B. notes and the deposits and loans. On December 31, 1940, the note issues amounted to 715 million yen and the deposits and loans to ¥594,700,000 and ¥316,800,000 respectively.

Thus the basis for an economic reconstruction of North China has been firmly laid in the face of many difficulties, and peace and prosperity is assured not only for the two countries but for the whole region of East Asia.

#### Investments of Japanese in Peking

Activities of Japanese nationals in principal cities in North China have been noteworthy, particularly in Peking. In January, 1937, the Japanese nationals in Peking numbered 4,057. A year later, it increased to 5,023. In January, 1939, the number advanced to 27,236 and further to 47,875 in January of 1940. In January, 1941, it stood at 80,065, thus having increased by 76,000 during the past four years.

On the basis of reports by Japanese nationals, the total investments of Japanese in Peking as at the close of 1940 was estimated at ¥60,066,000. This

figure, however, was a conservative estimate, having been based on the reports of the industrialists concerned, and the actual amount of investments in 1940 is believed to have exceeded ¥100,000,000. Japanese investments in Peking in 1940 are classified by industry as follows:

#### JAPANESE INVESTMENTS IN PEKING CLASSIFIED BY INDUSTRY

Industry	1939	1940
Mfg. Industry	3,131	8,544
Mining	1,069	5,884
Civil Engineering	5,547	10,302
Foreign Trade	8,858	8,063
Wholesale & Retail	8,709	13,559
Banking	1,658	3,107
Transportation	1,041	2,179
Hotel & Likes	781	2,001
Restaurants	1,138	3,766
Others	210	1,099
Total	32,740	60,066

In the amount of investments, manufacturing industry, mining, civil engineering, foreign trade and wholesale and retail merchants accounted for 80 per cent of the total investments of the Japanese in Peking. Pure commercial investments such as foreign trade, retail and wholesale merchants, hotels, restaurants, etc. accounted for 48 per cent. Classified by the number of establishments, commercial houses took about 70 per cent with hotels and restaurants accounting for 33 per cent of the total. Relative figures follow:

#### NUMBER OF JAPANESE ESTABLISHMENTS IN PEKING CLASSIFIED BY INDUSTRY

Industry	Per cent		Actual Figures
	1939	1940	
Manufacturing Industry	5%	6%	138
Mining	1%	1%	14
Civil Engineering	5%	9%	197
Foreign Trade	2%	3%	72
Wholesale and Retail	44%	43%	921
Banking	2%	2%	38
Transportation	2%	3%	61
Hotels	13%	11%	252
Restaurants	18%	12%	274
Miscellaneous	8%	10%	214
Total	100%	100%	2,181

#### Reconstruction of Shanghai

**Administration Reorganization** The first problem immediately under consideration within a month after the outbreak of the war was that of the re-organization

of the Administration of the Shanghai Municipal Council. The first step was the stationing of Japanese troops for the protection of the Settlement and

dealing with those of American, British, Dutch, Belgian and other enemy countries still in Shanghai and the liquidation of the Shanghai enterprises of such countries. Meanwhile, there was little interference with the civic administrations of either the Settlement or French Concession both of which have functioned as usual. American and British nationals occupying important posts in these Municipal Administrations were allowed temporarily to continue their duties which enabled the work of administration to proceed almost without a hitch. In adopting this lenient policy towards nationals of enemy countries, the Japanese Authorities were mainly concerned with protecting the livelihood of the people of Shanghai.

It is generally conceded by all concerned that the emergency measures which had to be immediately enforced were successful. However, these were necessarily only temporary as other and more permanent changes had to be made to cover the longer period of the whole duration of the War. Clearly there could be no justification for the retention of British and Americans as executive officials of the Administration and they have wisely acknowledged this fact by submitting their resignations as soon as their services could be dispensed with and the re-organization is being effected in consonance with the new state of affairs. The British and American Councillors withdrew from the Council in January 1942. K. Okazaki was then appointed Chairman of the Council, with Yuan Li-teng (L. T. Yuan) as Vice-Chairman. The next step was to appoint competent Japanese for the important posts of Secretary and Commissioner-General, Commissioner and Deputy Commissioner of the Police formerly held by British subjects, whilst a sweeping re-organization was effected in the personnel of the staffs of these Departments. So far, no such drastic changes have been made in other Departments for the reason that the policy of the authorities is to maintain the efficiency of each Department and to conserve human resources.

In view of the inevitable economic and social changes in Shanghai which resulted from the War, the Administration re-organization has been effected and public safety and livelihood have been maintained far more successfully for all concerned than might well have been expected.

The French Concession and the Shanghai Special Municipal Government are each cooperating with the Settlement in meeting all problems on the basis of a common policy and the general administration of the whole of the Shanghai area is now functioning harmoniously and satisfactorily.

**Settlement's Finance** Secondly, for several years in succession the Council has been faced with a budgetary deficit. That for the fiscal year following 1939 assumed alarming proportions. These deficits were usually met by the temporary expedients of issuing Municipal Debentures and by increasing certain taxes. The position had become such that in framing the general budget after the outbreak of the War in December 1941, not only were the salaries and allowances of employees considerably reduced but very considerable retrenchment was effected in the purchase of stationery and equipment and other general expenses. Thus notwithstanding the rapid increase in the prices of commodities the estimated ordinary and temporary annual expenditure was reduced to no more than \$120,000,000.

It had by now become clear that the palliative policy of meeting recurrent deficits by temporary expedients must be abandoned for one that would place the Settlement's finances on a sound basis so that there would continue to be a balanced annual budget not only during extraordinary war conditions but permanently thereafter. With this end in view the Council and the Japanese Authorities concerned held several lengthy conferences and as a result two methods of financial reconstruction were decided upon as follows:

(1) Increases in the Land Tax, Municipal Rate and Licence Fees, these being the chief sources of revenue. The Land Tax was raised from 1.89% to 2.50% and the Municipal Rate from 37.80% to 50%. A surcharge of 50% was levied on licence fees and the Amusement Tax was raised from 10% to 30%.

(2) The inauguration of the Telephone Tax, Hotels and Restaurants Bills Tax and the Commodities Retail Sales Tax. The Telephone Tax is \$5 per month for residential and \$10 for office telephones. The Hotels and Restaurants Bills Tax is 10% and the Commodities Retail Sales Tax is 2% on all retail sales.

These two methods for increasing revenue together with the economies in



expenditures referred to will result in a balance of revenue with expenditure for the current year. But even if expenses should be greater than estimated either this year or thereafter, there cannot in future be any such large deficits as have previously occurred. However, Municipal finances are necessarily closely associated with and affected by general economic conditions beyond the control of the Administration. On the other hand, with the gradual revival of economic activities, the re-organization of industries and the promotion of the interchange of commodities between Shanghai and other places, all of which can be confidently anticipated, there is good reason to believe that, with the measures now adopted for financial rehabilitation, there should be no further budgetary deficits of any consequence.

**Problem of Currency** When Shanghai's close associations with American, British and other enemy countries were severed, it became increasingly difficult to maintain the stability of the old currency and with the collapse of this medium of exchange the foreign trade which it facilitated was inevitably lost. The situation was aggravated by the reckless issue of notes by the Chungking régime for circulation in Shanghai and elsewhere. The results were deplorable. As the value of the old currency depreciated, commodity prices continued to rise rapidly. This led to wholesale and most undesirable speculation. It became quite evident that the only way to safeguard the welfare of the public was to organize, without further delay, a new economic structure for Shanghai on the basis of an official stabilized currency. It was therefore decided to adopt the note issues of the Central Reserve Bank as the only official currency and to exchange, at fixed rates, the old notes for the new currency.

As the first step in establishing the new currency the Settlement Authorities had notified the public in mid-February that payment of all monies due to the Council must be in C.R.B. notes, thus giving the public a clear indication of the official policy that would later be adopted generally. This procedure on the part of the Council was almost immediately followed by all the public utility companies, the factories and department stores, and thereafter all their financial transactions with the public had to be in C.R.B. currency.

These and other preparatory measures undertaken by the Shanghai Authorities not only paved the way for the unification and stabilization of the currency in Shanghai but in Central China generally. So efficiently had these preparatory measures been carried out that when the official proclamation of the National Government of China was issued, regarding the exchange of the old notes for the new currency to come into effect as from June 2 it was possible to make this momentous change in the whole financial structure of Shanghai so quickly and smoothly and with so little public inconvenience that at this date (July 1942) only a few weeks later not a single dollar of the old note issue is now in circulation.

This most urgent matter of currency unification and stabilization having thus been satisfactorily disposed of, other important reorganization measures can now receive serious consideration. These will have an important bearing on the development of the trade and industry of Shanghai under the New Order. Already the currency changes have had a most salutary effect on the whole economic life of Shanghai, raising high hopes of growing prosperity in future not only for the city itself but for the entire Peace Area of which it is the economic center. This whole area can now be organized and developed on a uniform basis for the regulation of commodity prices and the encouragement of industrial and agricultural production.

**Price Control of Commodities** The continual increase of prices has given rise to much public anxiety and distress. Because these prices continue to rise rapidly just at the time of adjusting the currency problem, many people imagined that the two matters were intimately related. But commodity prices began to rise so rapidly as to cause almost a panic in Shanghai as far back as mid-summer of 1941 and long before any question of currency changes could have been anticipated.

To counteract the disastrous effects of the sensational increases in food and fuel prices which then took place on the local market, the Settlement Authorities began the import of rice and fuel and other public necessities which were sold at prices fixed by official notifications for all these commodities, whilst severe penalties were provided for those who infringed the Council's published regu-

lations. By these measures, more drastic than any ever before undertaken by the Council since the establishment of the Settlement, the tendency to increase prices was checked and much public relief was afforded. Obviously, however, such relief could be only temporary, as it was quite impossible to fix prices permanently in a currency that was unstable and continually depreciating by inflation.

Thus it will be seen that the change in currency, now so satisfactorily effected, was the only sound procedure to counteract the deplorable results of the continued inflation of the Chungking currency.

In addition to what has already been done in this connection by far the most essential is the control of prices of rice. It has been found necessary from experience to make important changes in the organization established to control the distribution of rice as between wholesalers and retailers and the price charged to consumers. Prices have been fixed as low as possible as conditions are at present. By fixing the price of rice in this way the fact that it is the largest and most vital item of daily necessities will tend to check increases in the prices of other popular necessities.

**Municipal Finance** A surplus on both the ordinary and extraordinary budgets of the Shanghai Municipal Council for 1941, were recorded, J. W. Morcher, F.I.M.T.A., F.S.S., Treasurer of the S.M.C., revealed in his financial statement for the year, resulting in \$428,845 being carried forward to 1942 on the ordinary budget and \$2,037,867 on the extraordinary budget.

The total income for the year as per the ordinary budget was \$86,733,008 and the expenditure \$83,245,421, resulting in a surplus of \$3,484,587. However, with a deficit of \$3,055,742 in the education budget, there remained only a surplus of \$428,845.

Under the heading of extraordinary budget, there was a total income of \$12,490,335 and an expenditure of \$10,452,468 (including a deficit of \$1,835,540 brought forward from 1940) leaving a surplus of \$2,037,867. The surplus on the ordinary budget is mainly due to the fact that there was a surplus of \$9,745,008 on the ordinary income during the year.

In reviewing the ordinary expenditure, the treasurer stated that with few exceptions departmental expenditure was

considerably in excess of budget provision. This was, of course, due mainly to the steady rise in the local price level that took place throughout the year necessitating increases in the cost of living allowances granted the staff and reacting adversely on expenditure appropriations as a whole.

Another factor was the fall in exchange below the level on which the budget was based this involving larger outlays in local currency in respect to all foreign currency commitments, the treasurer pointed out, adding that the cost of foodstuffs rose to new high levels during the year resulting in heavy over-expenditure for messing for prisoners at the Ward Road Gaol and for the personnel of the Russian Auxiliary Detachment of the Police Force.

Owing to few employees proceeding on long leave than was contemplated savings were effected in respect to passages and to long leave exchange compensation. There was no budget provision for the substantial expenditure that was incurred in respect to an Inequalities of Taxation Sub-Committee that was set up subsequent to the passing of the budget and also in regard to the price control measures that it became necessary to institute.

Lower exchange rates as regards foreign employees and the application of higher rates of cash bonus than those anticipated in connection with Chinese staff coupled with a larger number of resignations in both cases than was contemplated are responsible for the heavy over-expenditure on super-annuation exchange compensation and on death, invaliding and retirement gratuities.

The outbreak of the Pacific hostilities made it impossible to pay pensions due at December 31 other than to ex-employees resident in China and Japan. The budget was, therefore, relieved of expenditure in respect to pensioners resident in other parts of the world amounting to \$754,972 and it will be seen that if this item was included there would be a deficit on the year of \$326,127 instead of the surplus shown of \$428,845.

**Industrial Conditions of Shanghai** Industry of Shanghai received a heavy blow in the first half of 1941 because of the aggravation of the profit situation due to the wartime control. Naturally, all branches of industry in the port city, with the lone exception of part of small-scale factories, were subjected to severe retrenchment. Some of those industries



suspended operation. Many of industrial factories scarcely maintained their management by drastically restricting the working hours and operatives as well as production.

There were four cardinal factors for the industrial depression of Shanghai. The first was the restriction over the power supply. The strengthened control by the Japanese authorities on cereals and other native products, export restrictions by Britain, the United States and the Netherlands and the increasing scarcity of bottoms in the Pacific constituted the second factor. The loss of many good markets and the expansion and strengthening of Chinese coastal blockade were the third factor while the frequent outbreak of labor disputes was the fourth factor. The industrial depression of the port city served to skyrocketing the prices of commodities.

During the first half of 1941, there were in operation in Shanghai 64 spinning mills, including 21 Chinese mills, 5 British mills and 38 Japanese mills, employing a total of 2,186,026 spindles and 26,806 weaving machines. The total production of cotton yarns by those Shanghai mills in the first half of 1941 aggregated 67,636 bales, declining by 35 per cent as compared with the first half of 1940 and 10 per cent as compared with the second half of 1940. Particularly noteworthy was the recession of the production by Japanese-owned mills. The production of cotton tissues in the first half of 1941 totalled 1,065,074 rolls, representing a decrease of 5 per cent from the first half of 1940 and 9 per cent from the second half of 1940. The economization of motive power, decline of raw cotton imports due to the scarcity of bottoms and increasing difficulty to export to unoccupied areas due to the strengthened blockade were the principal reasons.

Cotton yarns and tissues are two important exports of Shanghai, having accounted for 8 per cent and 18 per cent of the total exports of the port city during the first half of 1941. Although Shanghai still is a principal supply source of cotton yarns and tissues for occupied and unoccupied areas, then exports to unoccupied markets have become increasingly difficult due to the strengthened blockade of the Kwangtung coast and the Eastern coast of Chekiang. At the same time, the exports to occupied areas also were heavily

affected by the strengthened wartime control.

Due to the shrinkage of domestic transactions as well as the depression of exports, therefore, Shanghai is being over-supplied with cotton yarns and tissues. Under the circumstances, the accumulation of cotton yarn stocks in Shanghai as at the close of June, 1941, amounted to 282,000 bales. Raw cotton used as raw material for cotton yarns and tissues produced in Shanghai was principally imported from India, the United States, Brazil and Egypt. Raw cotton imports of Shanghai in the second half of 1940 accounted for 20 per cent of the total imports, thus serving as a heavy weight on the exchange market. The delivery of Chinese cotton has decreased markedly due to the strengthened control in occupied areas. In the first half of 1941, only 200,000 piculs of native Chinese raw cotton were used by Japanese mills.

The raw silk industry of Shanghai in the first half of 1941 was hit the hardest due to the scarce supply of cocoons, and the exports of raw silk in that period fell by 38 per cent as compared with the second half of 1940.

The woolen industry, which is still young in Shanghai, has rather prospered in the first half of 1941. At present, two mills are engaged in camel-wool production, 5 mills are producing woolen yarns and 15 others are manufacturing other woolen items. Flour, one of the oldest industries of Shanghai, is almost out of operation at present, although it was a cardinal industry of Shanghai prior to the outbreak of the European War, due to the scarce supply of material wheat. Two Chinese flour mills, three Japanese mills and two British mills are almost out of operation. The high cost of imported wheat is the principal cause of the scarce supply of wheat in the port city. Naturally, the imports of flour has increased for re-export to North and South China.

Some 10 rubber plants under Chinese management are operating in Shanghai while leathers and hides as well as paper in Shanghai are still insignificant. Machinery and tools has reduced the production sharply in the first half of 1941 due to the insufficient supply of raw materials. The chemical industry is the one and only industrial undertaking which has taken long strides since the outbreak of the China Affair. Details follow:

## NUMBER OF SPINDLES AND WEAVING MACHINES IN SHANGHAI

	At End of Dec., 1940	At End of June, 1941	Increase
1. Spindles:			
Japanese Mills	1,328,418	1,328,418	—
Chinese Mills	604,668	616,608	11,940
British Mills	241,000	241,000	—
Total	2,174,086	2,186,026	11,940
2. Weaving Machines:			
Japanese Mills	18,525	18,525	—
Chinese Mills	4,285	4,595	310
British Mills	3,686	3,686	—
Total	26,496	26,806	310

## PRODUCTION OF COTTON YARNS AND TISSUES IN SHANGHAI

	1940 1st Half	1940 2nd Half	1941 1st Half
1. Cotton Yarns (Bales):			
Japanese Mills	395,360	203,947	174,997
Chinese Mills	193,389	206,937	197,438
British Mills	35,475	35,450	33,382
Total	624,224	446,333	405,819
2. Cotton Tissues (1,000 Rolls):			
Japanese Mills	9,346	4,926	4,382
Chinese Mills	1,116	1,350	1,347
British Mills	1,107	714	661
Total	11,569	6,989	6,390

## EXPORTS OF COTTON YARNS AND TISSUES FROM SHANGHAI BY COUNTRY

	(In Piculs)		
	1940 1st Half	1940 2nd Half	1941 1st Half
1. Cotton Yarns:			
Dutch East Indies	2,235	11,556	23,870
Hongkong	25,336	17,866	16,103
Taiwan	5,199	14,491	8,613
Thailand	7,092	4,545	4,305
Philippines	642	829	2,553
French Indo-China	246	13	1,102
India	19,453	17,085	94
Others	7,310	1,644	7,917
Total	67,219	67,114	64,534
2. Cotton Tissues:			
Hongkong	30,831	19,784	27,247
Philippines	4,542	4,221	11,164
Thailand	5,593	2,012	6,915
French Indo-China	3,814	8	3,430
British Malaya	4,883	4,754	4,618
Dutch East Indies	5,865	1,117	2,153
India	17,395	2,202	2,773
Others	26,848	6,338	5,227
Total	98,908	39,509	63,376



## RAW COTTON IMPORTS OF SHANGHAI

(In Piculs)

Origins	1940		1941
	1st Half	2nd Half	1st Half
India	485,641	657,557	622,075
U.S.A.	683,003	72,291	142,142
Brazil	39,135	319,598	139,533
Egypt	50,845	13,482	11,320
Others	52,370	17,776	12,148
Total	1,310,552	991,249	886,580

## RAW SILK EXPORTS OF SHANGHAI

(In Piculs)

Destinations	1940		1941
	1st Half	2nd Half	1st Half
U.S.A.	666,869	1,479,860	898,592
England	92,736	61,248	70,376
British India	302	13,357	19,542
France	137,955	14,188	—
Others	30,907	18,083	3,682
Total	928,769	1,584,051	992,292

## WHEAT AND WHEAT FLOUR IMPORTS OF SHANGHAI BY ORIGIN

(In Piculs)

Origins	1940		1941
	1st Half	2nd Half	1st Half
1. Wheat:			
Australia	791,214	164,613	171,166
U.S.A.	177,685	201,710	123,927
Canada	—	—	112,707
Others	11	5	5
Total	968,910	366,328	406,805
2. Wheat Flour:			
U.S.A.	32,997	48,531	260,286
Canada	11,242	17,819	208,458
Australia	3,844	108,898	156,080
Others	137	47	116
Total	48,220	17,290	624,940

## IMPORTS OF RUBBER, HIDES AND LEATHERS AND WOOD PULP BY SHANGHAI

(In Piculs)

Origins	1940		1941
	1st Half	2nd Half	1st Half
1. Rubber:			
Straits Settlements, Taiwan	10,590	17,334	3,553
Dutch East Indies	9,740	11,534	2,266
Others	10,182	16,059	9,652
Total	27,345	36,428	20,357

	1940		1941
	1st Half	2nd Half	1st Half
2. Hides and Leathers:			
French Indo-China	7,747	3,823	9,308
Hongkong	6,715	3,788	3,762
Thailand	1,628	104	2,850
Others	1,418	616	1,748
Total	17,503	8,331	17,668
3. Wood Pulp:			
U.S.A.	23,275	9,154	8,929
Canada	1,161	1,900	1,277
Others	8,737	530	—
Total	32,572	6,815	8,687

## Chiang Kai-shek Regime at Chungking

The number of people under the Chungking government of Chiang Kai-shek is estimated at about 200 million. Szechwan Province where the capital is situated alone has 53 million people within its area of 431,308 square kilometers or greater than Japan proper.

**Military Strength** The military force under the Generalissimo was estimated at 2,271,330 just before the outbreak of the China Affair, not to speak of some half a million Chinese Communists soldiers. Right after the commencement of hostilities with Japan or in March 1938 the Extraordinary National Congress of Kuomintang Delegates passed a resolution on a new conscription system to replenish as many soldiers as possible. The Conscription Law provided that all men coming within the age groups of 20 to 25 years at peace time and 20 to 40 years at war time should be obliged to enter active services. But in a country as China where no census registration had ever been completed there were all ways of shirking the duty of military service for boys of well-to-do families or high officials. In July 1941 the Chungking government with the National Military Council as pivot carried out a movement to encourage the boys of gentrys and government officials willingly to bear arms, revising the conscription law so as to empower the National Military Council to take charge in all matters of enlistment, array and discipline. At the same time it moved to effect gradually a reorganization of the Communist Eighth Route Army and the dissolution of the New Fourth Army in order to centralize all military affairs in the unoccupied area. The present strength of the Chungking armies is said to be 3 million. It may be an exaggeration usual to old Chinese, but taking it at

its face value the Chungking government must have succeeded in replenishing about 3 million soldiers during past 5 years of resistance to fill vacancies caused by the defeats in almost all battles against Japanese Forces. Men and boys (younger than 20 years of age) must have been indiscriminately called to services to make up the number. They are at least useful in the works of constructing such military roads as the former Burma Route, the Northwestern Routes or the new Central India Route. The Chungking government is thus utilizing man-power instead of machine-power which is difficult to obtain either in the area under its influence or from outside. This man-power ought not to be undermined in estimating Chungking's power of resistance and endurance.

**Supply of Foodstuff** Rice is cropped in Szechwan and Kwangtung provinces in quantities, although there may be a shortage of supply for the millions, but, in 1941, the Forestry Department and the Provision Department of the Ministry of Economic Affairs were made independent offices in order to secure the welfare of the masses in regard to their daily life. These offices are making endeavors to improve agriculture, to bring waste lands under cultivation, to encourage cultivation of vegetables and cereals suitable to the soil and as winter crops and to improve the irrigation system. About 300 cooperative chests have been newly established in Szechwan, Sikong, Kweichow, Yunnan and Kwangsi provinces to give economic assistance to farmers, while some 103,440 cooperative societies have been organized in villages in order to increase agricultural products. It is too easy to think that the masses will rise in riots against the



Chungking government simply on account of any shortage of food.

**Mining and Manufacturing Industries**  
Underground resources in Northwestern China are varied in kind and unlimited in quantities. It was so reported by most authors on China and drew a keen attention of Western capitalists in the past century. But there is a limitation in the way of exploiting them. Many of old mines in China had been exhausted and abandoned or the method of mining has been mostly antiquated, specially in the interior far away from seaports and political or commercial centers on the coasts. The outputs of coal, iron, copper, tungsten, tin, antimony, etc. were naturally small in Southwestern provinces, having no large factories near the mines to consume the raw materials supplied. With the removal of capital to Chungking the Nationalist government encouraged and helped the removal of over 200 factories in Peiping, Tientsin, Shanghai and Nanking districts to the interior, and the present number of factories in the area under the influence of the Chungking government is said to reach over 1,400 divided as follows:

Factories	
Chemical	361
Machine	313
Spinning and weaving	294
Metallurgical	93
Electric	48
Others	369
Total	1,478

According to the reports of the Chungking Ministry of Economic Affairs for 1940 the outputs of mining and manufacturing industries were as follows:

Provinces	Before the Affair	Increased after the Affair	Total	Branches of Govt. Banks
Shensi	51	49	89	26
Kansu	17	36	53	18
Tsinghai	—	3	3	3
Ninghsia	5	3	8	3
Sikang	3	30	33	6
Kwelchow	4	30	34	25
Yunnan	21	51	72	25
Kwangsi	29	71	99	20
Chungking city	28	61	82	19
*Szechwan	94	209	291	79
Total	254	543	764	233

Note: (\*) Excluding Chungking.

Coal (ton)	5,700,000
Iron (ton)	100,000
Copper (ton)	1,000
Petroleum (gallon)	440,000
Alcohol (gallon)	4,500,000
Cotton yarns (bale)	45,000
Wheat flour (bag)	4,500,000
Soap (box)	309,000
Matches (box)	11,000
Papers (box)	2,000

It may be easily supposed that these outputs are far short to meet the demands of the government and the people even without the confession of Minister Weng Wen-hao who said "it is far from the attainment of the stage of self-sufficiency." The Chungking government commenced the execution of its five-year industrial development plan early in 1940. But it seems to have witnessed no material result in these 3 years, with no expansion of factories which are able only to produce such small arms as rifles, machine-guns, hand-grenade and ammunition. "They have no capacity of manufacturing war-planes, heavy guns or tanks" as revealed by H. H. Kung.

**Financial Organs under Chungking Government**  
Chungking Government has endeavored, since the outbreak of the China Affair, to enlarge the financial facilities of inner provinces. During the four years after the outbreak of the China Affair, the number of banks newly established in the southwest and northwestern provinces reached 543 (of which, 180 were branches of 4 Governmental banks), and the total number of banks became three times as many as that before the Affair, especially Szechwan Province, the seat of the Chungking Government increasing 270. Details follows:

#### Sino-Japanese Hostilities in 1941-42

During July 1941 in North China alone, no less than 1,755 engagements occurred between the Japanese and Chinese troops, the total effectives involved being estimated at some 230,000. The Chinese side left about 85,000 dead behind in addition to some 2,600 taken prisoner. The Japanese lost about 700 in killed and wounded. During the same period Central China witnessed 540 encounters in which approximately 75,000 Chinese troops took part. Their casualties numbered 4,471 killed and 2,041 captives. On the other hand, Japanese loss was only about 500 dead and injured. The total number of brushes in South China during the same month was 276, the Chinese side mustering some 4,000 soldiers. While the Chinese left 855 in killed besides 131 taken prisoner, the Japanese dead and wounded numbered about 50. It will, therefore, be seen that during that single month the total number of battles fought throughout China came up to 2,295, with the aggregated numerical strength of the enemy estimated at about 316,000. The Chinese left 13,849 dead behind in addition to 5,134, taken prisoner. As against this the Japanese, in all, suffered about 1,500 in killed and wounded. These figures clearly illustrate the activities of the Japanese expeditionary forces in China.

No less active parts are being played by Japanese military and naval air forces. Their frequent bombing raids on the interior have undeniably alarmed the Chiang Kai-shek Government, its troops and the people living in major towns in the interior. Such was the sustained intensity of the Japanese aerial attacks in August 1941 that Chungking, capital of the Chiang Kai-shek regime, suspended its activity for seventeen days of the month. As a result of Japanese air bombardments, military works, factories and government offices in unoccupied China have been seriously damaged and production of both munitions and essential merchandise has been considerably curtailed.

**North China Front**  
From July 20 to August 24, 1941, the Japanese expeditionary forces in North China carried out a mopping-up campaign in and round Yencheng in Northern Kiangsu Province. As Yencheng is noted for salt production, the Chinese attached importance to it. With the Japanese occupation of the

town, the Chinese effective under General Han Te-chin were reduced to dire straits. Frequent clashes been occurring in Northern Kiangsu Province since January between Chungking soldiers and Communist forces, which had succeeded in forcing their way into the region.

The troops under General Yu Hsueh-chung, former warlord of Manchuria, and the forces under Admiral Shen Hung-lich, former Mayor of Tsingtao, were at loggerheads in Shantung Province. Otherwise peace generally prevailed in this area.

In Shansi and Hunan Provinces, the enemy was concentrating its efforts to reinforce defense fortifications on the south bank of the Yellow River, as a sequel to the crushing blow dealt by Japanese forces to the 200,000 strong army commanded by General Wei Li-huang in the so-called first war-zone during the Shansi campaign in May 1940.

Shan, capital of Shensi Province, and districts surrounding it were guarded by Chinese troops under General Hu Tsung-nan belonging to the so-called 8th war-zone.

The interior of Inner Mongolia is still infested by Chinese troops under General Fu Tso-yl. A large-scale mopping-up campaign, launched by the Japanese contingents against the Chinese Communist troops on August 14, 1941 is still continuing along the Peking-Hankow and Shihchiachwang-Taiyuan Railways and the outlying region of Chahar Province. The operation is aimed not only at dislodging the Communist troops from their bases but at rendering them hors de combat by inflicting a knock-out defeat. Consequently, it is developing in a thorough-going way, though not in a spectacular manner. Fighting as they do with Communist soldiers who are veritable denizens of mountains, the Japanese expeditionary forces are going through hardships and privations in climbing the rock-bound region for the Reds.

By September 4, 1941 the Japanese succeeded in dispersing the Communist forces, and have since been searching one district after another for Red remnants. Up to September 14, the enemy left 2,784 dead behind apart from 1,710, taken prisoner, while the Japanese suffered some 50 in killed.

Simultaneously with the launching of



fresh operations in Hunan Province in Central China in the middle of September, a military drive in North China was begun for crossing the New Yellow River. Because of a remarkable diminution in the Chinese resistance, the advance was more rapid than expected inasmuch as Chengchow, an important strategic point, fell into Japanese hands on October 4. This locality is a junction of the Peking-Hankow and the Langhai Railways.

**Central China Front** The noteworthy enemy briskness in Central China occurred from midnight of August 25 to the following morning, when Chinese troops under General Ku Chu-tung attempted a mass offensive against Japanese positions at more than 60 points along the Yangtze estuary, by detaching a battalion or regiment of soldiers to each point. In concert with this general onslaught, the Chinese guerillas commenced activities in the Japanese occupied area, but their efficiency was in such a low state that only two cases of terrorism and another two cases of tampering with railway tracks were reported.

Japanese contingents immediately responded to the Chinese general attack and repulsed the bulk of enemy troops by the morning of August 26, 1941. On September 27 and 28, they attempted small sorties at various points, but were immediately driven back. Supported by air units, Japanese forces made a counter-offensive against them along the entire front, which resumed calmness on September 29.

This Chinese general offensive testified to incompleteness of the reorganization, which the Chungking forces had been undergoing for some time in preparation for their so-called large-scale assault. The debacle which they had sustained in the campaign in Eastern Chekiang Province might have been to blame, but there was no gainsaying the fact that the abortive push, staged by them along the estuary of the Yangtze at midnight of August 25, did not rebound to the credit of Chungking's military authorities, who had been magnifying their armed preparedness regarding a general offensive.

Japanese forces which occupied some time ago Foochow, capital of Fukien Province, withdrew from that port city on September 3, following a considerable easing of the local situation.

In the Hankow sector, the Japanese

expeditionary forces on September 11 launched most successful campaign against the Chinese troops in the so-called 9th war-zone under General Hsueh Yueh south of Yochow. Several Japanese divisions which had been massing south of Yochow opened attack on September 18. After dislodging some dozen Chinese battalions from their positions on the Sinsiang River, the Japanese moved south toward the Mi River. At this juncture, the Chinese 26th Army, part of the Chinese forces, attempted to outflank the Japanese from the direction of Tungcheng. Scouting this Chinese move, the extreme left column of our forces resorted to tactics for encircling the 26th Army, which consequently was annihilated. Meanwhile, other columns pushed forward, by contacting and crushing enemy resistance, which stood in their way. The result was that the Chinese 4th Army was destroyed, the 99th Army slipped away sideways and the 37th Army was wiped out. The enemy had constructed quadruple defense lines between Yochow and Changsha, capital of Hunan Province. Such was the lightning speed of the Japanese assault that the enemy found it impossible to offer any stiff opposition, by falling back upon those defense lines. Thus, the Japanese Hayabuchi detachment entered Changsha on September 27, while on September 29 another Japanese column drove further south and entered Chuchow, junction of the Canton-Hankow Railway and the Chuchow-Pingsiang Railway and a town situated some 30 miles to the south of Changsha.

A Japanese naval detachment cooperated with the military effective in the Changsha campaign, by operating on Lake Poyang so as to divert the enemy.

The Changsha campaign was concluded over ten days earlier than expected, owing to a plan of operations carefully worked out on the basis of mature experience and also to full training of Japanese combatants. The outcome of the expedition demonstrated that the Chinese army in the 9th war-zone, reputed to be the best equipped and strongest of the Chinese forces, was not possessed of much fighting ability against the Japanese army. The Chinese endured more than 80,000 in killed and wounded, while the loss sustained by Japan's side was about 500 in killed. Having attained their objective of operations so rapidly, the Japanese expedi-

tionary forces left Changsha on October 1 to return to their original positions.

Taking advantage of the departure of Japanese troops from Changsha after a stay of four days, Chungking put out a fabricated claim that its army had driven out the Japanese from Changsha by inflicting heavy losses. This absurd story was accepted at its face value by the British and American public for a time. The Japanese expeditionary forces in China, which have already captured key points essential for the disposal of the China Affair, are now conducting their military operations for the purpose of destroying the Chinese fighting strength, not for occupying any more territory.

During the Changsha campaign, which lasted almost ten days, eleven Chinese planes, all S.B. bombers, made their appearance for the first time in many months. One of them landed near Ichung on the Yangtze, the gateway to Chungking, and surrendered to the Japanese military authorities to their pleasant surprise.

**South China Front** The Chinese soldiers in the 7th war-zone under command of General Yu Han-mou, namely in Northern Kwangtung Province, apparently are now endeavoring hard to reconnoiter the movements of the Japanese forces.

**Naval Air Force** To facilitate the withdrawal of Japanese military and naval forces from Foochow, capital of Fukien Province, the Imperial naval air force, which had been assigned to the coast of Fukien Province visited Foochow, Sanfu and Fuching on September 1, 1941, and bombed and machine-gunned troop concentrations of the Chinese 7th and 80th divisions, inflicting severe losses, and on the following day renewed the attack in same vein. On September 2 it bombed and machine-gunned the enemy bases on the north bank of the Min River east of Foochow, and also key points on the sea coast while storming the enemy near Foochow and Mamol. On September 4, it made reconnaissance flights over Foochow, Chwanshi Island and Santu Island and attacked troop concentrations, which were sighted.

On September 18, when Japanese military forces started their drive on Changsha, capital of Hunan Province, the naval air force, acting in collaboration, threw aerial missiles on positions at Yuanlioshan, Yingtien and Lelshihshan

in Northern Hunan Province, causing heavy damages. On September 24, their positions near the mouth of the Sikiang River were effectively battered three times, while on September 25 and 26 enemy field artillery emplacements near Tunitse were repeatedly hit. Chinese bases at Tunitse and Wulungtsse were bombed and destroyed on September 28.

**Duties of Naval Craft** Every Japanese warship in China waters is in charge of a specified area. The naval craft, besides conducting blockade, inspection of vessels, survey of water routes, and sweeping of mines, are engaged in halting the supply of aid-to-Chiang Kai-shek materials. Landing parties are set on shore at various points of the coast or islands in case of necessity for maintaining peace and order. In the Chushan Group of islands off Hangchow Bay and also in Hainan Island, the landing parties are not only maintaining peace and order, but making substantial contributions to the development of industries, by looking after industrial rehabilitation.

In the meantime, the landing parties on September 2, 1941, suppressed bandits at Tatho north of Taingtao. On September 7, they successfully attacked some 300 bandits at a point southwest of Wenchuan-cheng, which stands in the northern part of the Shantung Peninsula. On September 9 and 10, a squad of Japanese bluejackets landed at the southern base of Yuntai Hill north of Llenyunchiang, the eastern termination of the Langhai Railway, and restored peace and order there, by liquidating lawless elements.

While cooperating with the military forces in a mopping-up campaign, the Japanese gunboats on the Yangtze estuary were engaged in special patrol of Lake Tahu (Great Lake) from September 11 to September 14. On September 14, the Japanese gunboats opened fire on a strong body of Chinese troops and routed them with heavy losses. The landing parties in Hainan Island captured enormous quantities of arms and ammunition, by attacking Chinese troops about thirty times.

A powerful detachment of the Japanese squadron on the Yangtze River started action at midnight of September 17 and crossed Lake Tungting by escorting transports carrying Japanese troops. On September 18, at 7:20 a.m., the detachment landed a party of bluejackets



at the base of Siahushan Hill and occupied it. Meanwhile, the Japanese warships on Lake Tungting in conjunction with the attack started by Japanese troops on Chinese positions at Chingshan and Yuanliaooshan east of it bombarded retreating Chinese forces. On September 19, the naval craft in concert with the military operations discovered and disposed of seven mines in the lower course of the Slangkiang River. The same afternoon, the naval force occupied Leishihshan. Part of the landing party in cooperation with the military force captured Luchiao and Chlumtse.

On September 20, the Japanese naval force devoted its attention mainly to an attack on Chinese positions in the direction of Wanglinghu. The following day, Chinese mountain artillery positions at a point two kilometers downstream of Yingtien were bombarded and destroyed, while 57 mines were discovered and disposed of in front of Leishihshan. This, coupled with a successful blow-up of a big boom, resulted in opening a water-way. On the other hand, the landing party cooperated with the land force in attacking Lulintan and razed Chinese positions nearby. A group of Japanese warships advanced off the southeastern shore of Lake Tungting and silenced Chinese activities at the mouth of the Slangkiang River one after another, while a mine-sweeping unit on September 22 sailed up the Slangkiang River and made a forced reconnaissance of the water-way south of Leishihshan. On September 23, the water-way up to a point four kilometers upstream of Leishihshan was completely opened, while mine-sweeping operations were in full swing from the Pingkiang River to Hoptan via Shumaihu Lake. The naval force also collaborated with the land contingent in the latter's advance into Lulintan. Palyuchi was occupied on the morning of September 24 and Yingtien on the same afternoon. On September 25, the Kiaoow channel was opened, and mine-sweeping operations off Yingtien were completed. The water-way up to a point 2 kilometers upstream of Yingtien was cleared on September 26, while that to a point 10 kilometers upstream of Yingtien was removed of hindrances on September 28.

Part of the Japanese naval force, operating in the waters near Canton started sailing up the West River. Another detachment early on the morning of September 20 covered landing of Japa-

nese troops on the shore of Kwong, in face of the enemy, and continued its protecting operations till the following day. The Japanese naval detachment, which sailed up the Hunkiang River, occupied Sunchong on September 21 while sweeping mines and removing obstructions. One more detachment, which went up the North River, succeeded in clearing the water-way to a point 10 miles downstream of Chingkuang on September 27 in cooperation with military forces. Another naval unit, which operated off Kwonghol, effectively attacked nine armed junks as well as Chinese troops.

**The Blockade Squadron** The Japanese squadron, which was engaged in blockade operations in China waters, visited 23,178 junks and motor-boats on the Yangtze estuary and off Eastern Chekiang Province and 26,904 junks and motor-boats on the Whangpoo River. In North China waters, 3,400 junks were inspected. Out of them, 79 were dealt with as those of a hostile character. Thus the material supply to Chiang Kashesk is being effectively suspended by the blockade.

The number of mines, discovered and disposed of during the month of September totalled 115 in the Slangkiang River and 703 in South China waters, aggregating 818. In addition, there were 101 mines, discovered and disposed of during the Changsha campaign in the latter part of October.

**Domination of Chekiang-Kiangsi Railway** The Chekiang-Kiangsi Railway, along which the Japanese forces had been carrying on military campaigns against the Chungking troops since May 1942 from east and west, was completely placed under Japanese control. The east Chekiang campaign was started on May 15, 1942, and the Kiangsi drive on the southern bank of Lake Poyang on May 31. The large-scale campaigns against the Chungking troops in the third and ninth war districts thus extended over a vast area covering these two provinces and mainly along the Chekiang-Kiangsi Railway. One key point after another was reduced by the attacking forces with the result that Kihwa, Chuchow, Yushan, Shanyao and other important cities on the railway fell into Japanese hands. Commanders of the two Japanese forces from east and west met and shook hands at Hengfeng on July 1. This meant the wholesale domination of

the railway by the Japanese forces. Another campaign was immediately started in the southern section of Chekiang Province resulting in the occupation of Lishui on June 24. The occupation of these districts has frustrated the American-Chungking joint plan to launch air attacks on Japan, since all the Chungking-controlled airfields have been secured by the Japanese. Great significance, therefore, is attached to the occupation of the railway, as it used to be the only "blood transfusion" route as well as the economic artery to Chungking after the interception of Burma Road. Much of the smuggled materials from Shanghai, Ningpo, Wenchow and other places and products in the neighboring districts used to be transported by the railway to Chungking. It may be mentioned that in the vicinity of Kihwa is produced a good quality flour-spar. Its annual production is not less than 4,000,000 tons. This is a very important material for heavy and light industries in the co-prosperity sphere. Its resources have now been secured by the Japanese forces. The campaign against Wenchow, facing the eastern China Sea, serving as an important supply port for the Chiang regime, was also occupied on July 11 by Japanese troops which started action at Lishui on July 7 along the Wu River. Julian, another important town south of Wenchow, was reduced on July 13. The whole province of Chekiang has thus been placed under Japanese domination.

**South Sea Chinese Offer Co-operation** There was a time when overseas Chinese mainly in southern regions numbering 7,000,000 formed a large group of anti-Japanese elements affiliated with the Chungking regime under the latter's instigation. With the elimination of the American and British influences from East Asia following the start of the War of Greater East Asia these Chinese have come to change their past attitude, and

after liquidating their anti-Japanese policy have decided to collaborate with Japan for the reconstruction of Greater East Asia. They have understood the true intention of Japan with the result that the Chinese in Malaya have pledged their allegiance to the Japanese forces. They raised among themselves a sum of ¥50,000,000 and contributed it to the headquarters of the Japanese forces in Malaya on June 25, 1942 as a token of their allegiance. In response to this, many Chinese residing in other occupied regions in the south, including the Philippines, Java and Thailand are pledging themselves for rendering their services wholeheartedly toward the accomplishment of the objective of the war in Greater East Asia. The Chinese in the Philippines have already started a movement to collect 20,000,000 pesos in a year and, taking advantage of the fifth anniversary of the China Affair on July 7, contributed 2,000,000 pesos to the headquarters of the Japanese forces there as the first instalment. Another demonstration of their allegiance to Japan was reported from Thailand, where representatives of the Chinese Chamber of Commerce and others of 2,500,000 Chinese residing there held a convention at Bangkok on July 6 and adopted a resolution which was sent in a circular telegram to Chiang Kai-shek and all Chinese commanders of the fighting areas. The telegraphic resolution reads: "We hope you respect the country and people and quickly give up your Japan-resisting war, never being utilized by America and Britain again, thereby speedily co-operating with Japan for the peace of Asia. The only way to save the country is to change your mistaken policy and renew a policy for relieving the people." One of the most influential Chinese residents in Java called on the Japanese military authorities at Batavia on July 7 as representative of the Chinese there and expressed his intention to co-operate with Japan.

#### COMPREHENSIVE RESULTS OF THE JAPANESE MILITARY OPERATIONS IN CHINA

During July 1937-June 1941

(Report of the Army Information Section, the Imperial Headquarters)

1. Estimated number of Chinese killed	2,015,000
The loss of Chinese forces, including death, the wounded, captives, etc.	3,800,000
The booty:	
Arms	482,257



Tanks, cars, motor-trucks	1,475
Trains, engines, carriages	2,449
Warships and vessels	410
2. Results of Air Forces' Activities, including Nomonhan Incident :	
Enemy warplanes brought down	1,744
Destroyed on the ground	233
Total loss of the enemy	1,977
3. Losses of the Imperial Army, including Nomonhan Incident :	
Killed	109,250
Lost warplanes	203

During the 6 Months after the Outbreak of the Greater East Asia War  
(December 8, 1941—May 31, 1942)

	Chinese Strength Encountered	Loss of Chinese Forces		Total
		Corpses Left on the Field	Left Captives	
North China	900,000	56,300	33,000	89,300
Central China	580,000	53,600	10,000	63,600
South China (exclusive of Hong Kong)	50,000	2,500	1,000	3,500
Total (estimates)	1,530,000	112,400	44,000	156,400

(See also the "Chronicle of the Sino-Japanese Hostilities" on pp. 998-1,000, the Japan Year Book, 1941-42, and the Greater East Asia War" in this volume.)

## NATIONAL DEFENSE

### (Section II)

## The Greater East Asia War



## CHAPTER VII

# NATIONAL DEFENSE

(Continued from p. 242)

## Section II

### THE GREATER EAST ASIA WAR

(The development of diplomatic negotiations with the United States which finally led to the war is mentioned on pp. 196-198, 205-213, while the conditions of the South Seas occupied areas are fully mentioned in the "South Seas Handbook" published with the present volume.)

#### Principal Records of the War

With all its patient efforts to cultivate friendship among nations and to enjoy prosperity in common with all nations made abortive by the inordinate ambition of Britain and the United States to dominate the Orient, Japan entered into a state of war with the United States and the British Empire on the morning of December 8, 1941.

**The December 8th, 1941** On this historic morning, the people of Japan awoke to hear over the nation-wide radio hook-up the memorable announcement of the Imperial Headquarters issued at 6 o'clock that morning. The announcement said:

"The Imperial Army and Navy entered into a state of war with the United States and British forces in the Western Pacific Waters at dawn today."

Immediately, the whole Japan was thrown into a turmoil of happy excitement. An emergency cabinet session was held at 7 o'clock on the morning of December 8 to hear Admiral Shigenori Shimada, Minister of Navy, report on the progress of hostilities with the United States and British forces.

This was followed by the summoning of Joseph C. Grew, the American Ambassador to Japan, by Shigenori Togo, Foreign Minister, who handed to the Ambassador the formal reply of the Japanese Government to the note of Cordell Hull, United States Secretary of State, which was sent to the Japanese Government on November 26, 1941.

At 9 o'clock on the same morning, the

Foreign Office, in a 15-page memorandum addressed to the United States Government in reply to the note of Secretary of State Cordell Hull, announced that the Japanese Government considered it impossible to reach an agreement with the United States through further negotiations. The memorandum explained that the American proposal made by Secretary of State Hull on November 26, while containing certain acceptable items such as those concerning commerce or abolition of the extraterritorial rights in China, ignored Japanese sacrifices in the four years since the outbreak of the China Affair and menaced the existence of Japan itself, thus disparaging its honor and prestige.

All radio-listeners throughout Japan intently keeping their receivers on for important news, the Navy Ministry at 11:20 o'clock on the same morning announced that the Imperial Naval forces successfully bombed military objectives in Singapore and also bombarded Davao, Wake and Guam.

The announcement added that the Japanese Navy succeeded in making a surprise attack on the United States fleet including aircraft carriers in Hawaiian waters, and that the Japanese fleet in China waters captured the United States gunboat Wake and sank the British gunboat Petrel.

**Declaration of War** At 11:45 o'clock, the historic announcement of Japan's declaration of war against the United States of America and Britain was made, and the Imperial Rescript was granted (for the full text of the Imperial Rescript see p. 205). Five minutes later at 11:50 o'clock, the Army and Navy Sections of the Imperial Headquarters jointly announced Japanese army and navy forces, closely co-operating, succeeded in carrying out landing operations on the Malay Peninsula.

This was closely followed by an an-



ouncement by the Imperial Headquarters that the Japanese troops started an attack on Hongkong at dawn on December 8.

From then on, it was the rapid succession of announcements reporting successful Japanese military operations in attacks on all important military and naval bases of the United States and Britain in East Asia.

**Pearl Harbor Attacked** The most spectacular military achievement of Japan on the opening day of the Greater East Asia War was the dazzling victory of the Japanese navy in an attack on Hawaii, in which the Imperial Headquarters announced on the very day that two American battleships were sunk, four battleships and four first-class cruisers were severely damaged and a large number of enemy aircraft were destroyed.

The naval successes scored by the Japanese navy in Hawaiian and other Pacific fronts completely shattered a naval strategy which was popularized by United States naval experts to carry war directly to Japanese waters in the event of a Pacific war. The Japanese blitzkrieg achievements proved that the encircling program of President Roosevelt was proved to have been based entirely on an utter miscalculation of Japan's strength, thus depriving the United States of the very foundation of "Naval superiority" of its hopes to obstruct and frustrate the national growth of Japan. (The record of the Battle of Hawaii is given at the end of this chapter.)

On the morning of December 10, the Imperial Headquarters announced Japanese troops effected successful landing on the Philippines at dawn on that day. On the very day, the Japanese army and naval forces, acting in close concert, successfully landed on Guam, one of the most important outposts of the United States' Pacific strategy against Japan.

**Sinking of the Prince of Wales** On December 10, the Japanese navy won another great victory when Japanese naval air forces sank, off the eastern coast of the Malay Peninsula, the Prince of Wales, 35,000-ton flagship of the British Asiatic Fleet, and the British battleship Repulse, 32,000 tons. (The record of the battle is given at the end of this chapter.)

By that time, heavy fighting was in progress between Japanese and British

forces near Kota Bahru along the northern frontier of Malaya.

There was a significant parallel between the disaster which befell the British Far Eastern Fleet off Malaya on December 10 and the devastating blow which the Japanese naval aircraft inflicted on American warships in Pearl Harbor on December 8. The former was the price the British navy had to pay for its traditional over-confidence in its strength and its belittlement of the Japanese fleet while the latter was the result of the poorest intelligence and absence of expert naval strategy on the part of the American command.

**Guam Occupied** On December 10 Japanese landing forces operating on Guam occupied Agaña, capital of the island, and captured Captain Gemp McMillan who was Governor-General and concurrently Commandant of the naval station of the island. The whole island fell into the hand of the Japanese forces on the following day, December 11, which also marked the successful landing of Japanese troops in the southern section of the Luzon Island in the Philippines.

On the same day came an announcement of the conclusion of a military agreement between Japan and French Indo-China, providing for the common defense of the French colony by Japanese and Indo-Chinese forces.

It was also on December 12 that the Japanese forces captured Kowloon, British leased territory at the extremity of the Kowloon Peninsula facing Hongkong, and immediately started preparations for a full-dress attack on Hongkong. With the Japanese capture of Kowloon the British forces defending Hongkong started to withdraw from their forward defenses.

While the Japanese forces were busy in attacks on British bases with Hongkong and Singapore as their chief Japanese naval planes continued their incessant attacks on American military objectives in the Philippines, and repeatedly bombed Batangas, Iba, Clark field and other points of military importance in the islands.

**Landing on British Borneo** At dawn on December 16, 1941, the Japanese expeditionary forces effected a successful landing on the coast of British Borneo, thus further expanding the Japanese penetration into the Anglo-American spheres of influence in East Asia. The

landing on British Borneo was carried out in the face of a heavy gale of twenty-meter velocity a second.

On the afternoon of December 17, the Imperial Headquarters announced Japanese naval units attacked Baker Island and Johnston Island, both in the South Pacific, and destroyed many enemy defense facilities on December 11 and 16, respectively.

By December 17, the Japanese forces operating in Malaya succeeded in slashing through British defenses in the peninsula to its west coast, thus completely cutting land communications between Singapore and Rangoon.

**Results of the Battle of Hawaii** At 3 o'clock on the afternoon of December 18 the Imperial Headquarters made a sensational announcement reporting the details of the casualties which were inflicted on the United States Pacific Fleet by the Japanese naval attack on the eve of the outbreak of the Greater East Asia War. The announcement said that five battleships were sunk, including one of California class, one Maryland class, one Arizona class, one Utah class and another of unidentified category, in addition to two heavy cruisers and one oil tanker. The report also added that the United States vessels which were damaged beyond repair included one battleship of California class, one of Maryland class and one of Nevada class as well as two light cruisers and two destroyers. It also said that 464 enemy planes were destroyed in the course of the Japanese attack on Pearl Harbor including 450 which were machine-gunned on the ground and 14 which were shot down in aerial combats.

Meanwhile, the Japanese forces operating from Kowloon landed Hongkong on December 18 and occupied the Jardines Hill shortly later, thus placing half of the British Crown Colony under their control.

At dawn on December 20, the Japanese army and navy units effected a successful landing at Mindanao Island of the Philippines and immediately occupied Davao, thus gaining another foothold for the capture of the whole islands. In the wake of those favorable developments in the Philippine area, the Japanese landing party on the night of December 22 landed on Wake, another important Pacific outpost of the United States, and completely occupied the island during the following day.

On the morning of December 25, the

Imperial Headquarters announced the start of landing operations by Japanese army units on the eastern coast of the Luzon Island of the Philippines at dawn in the preceding day, and added that the Japanese troops which landed the coast of the Lingayen Bay continued an active advance toward the south.

**Fall of Hongkong** On the same day, December 25, Hongkong, unable to withstand the terrific Japanese attacks from sea, land and air, was occupied. At 7:05 o'clock that evening, Sir Mark Young, Governor-General of Hongkong, unconditionally surrendered to the Japanese as a result of a parley which took place at the Peninsular Hotel in Kowloon.

The surrender of Hongkong marked the first step of the retrocession of British interests from East Asia and concluded the first stage of Japan's war against Britain.

The fall of Hongkong was equally significant to Chiang Kai-shek, as the former British Crown Colony was the nerve center of political activities of the Chiang Kai-shek regime against Japan as well as the most important port for exports from Chungking-controlled areas. With the fall of Hongkong, all fetters which had been imposed on China by Britain and the United States were removed and China was thus given liberty to co-operate with Japan for the construction of a new order in the Greater East Asia.

**Enemy Losses up to December 26** On December 27, Premier General Hideki Tojo, reporting on Japanese army operations on the southern fronts including the Philippines since the outbreak of the war in an address before the Imperial Diet, summarized the Japanese military successes up to that date as follows: 1,758 automobiles, 58 tanks and light armored cars, 108 cannons, 4,157 rifles as well as huge stocks of gasoline, rubber, oils and fats and other munitions in land operations; 60 gunboats either sunk or irreparably damaged and 74 other vessels captured in sea operations; 427 enemy planes either shot down in aerial combats or destroyed on the ground.

On the same day, Admiral Shigetaro Shimada at the Diet listed the Anglo-American naval losses since the outbreak of the Greater East Asia War as follows:

Battleships:

7 sunk

3 heavily damaged



1 less heavily damaged

**Cruisers:**

2 sunk  
2 heavily damaged  
2 partially damaged

**Submarines:**

0 sunk

**Smaller Naval Craft:**

6 gunboats and mine-sweepers destroyed, more than 7 torpedo boats sunk

**Merchant Ships:**

16 sunk  
3 damaged

The Navy Minister added that 50 ships aggregating 130,000 tons were captured by the Japanese navy in the period under review, and 803 Anglo-American planes were shot down by the naval air forces in aerial combats.

On December 28, the Japanese fighting forces who presented Hongkong to the Japanese people as a Christmas gift made their triumphant entry into Hongkong, three days after the surrender of the Crown Colony.

With Hongkong thus completely occupied, the Japanese forces came to bring all power to bear on remaining two Anglo-American strongholds in East Asia, namely Manila and Singapore.

Meanwhile, the Japanese military operations in Malaya with the final goal fixed at Singapore progressed incessantly, and Ipoh, second largest city in the Malay Peninsula was captured by the Japanese forces on December 28, while the fall of Kuching, capital of Sarawak in British Borneo on December 25 was announced on the same day.

On December 31, the last day of the memorable year of 1941, the Japanese forces captured Kuantan, strategic town in the eastern part of Malaya located only 100 miles from Singapore.

**Occupation of Manila** The occupation of Manila, capital of the Philippines, by the Japanese forces on January 2, 1942, was officially announced by the Imperial Headquarters on January 3. The announcement said that the Japanese forces completed the occupation of Manila on the afternoon of that day and were continuing fierce assaults against American-Filipino forces defending the island fortress of Corregidor and the fortresses in the Bataan Peninsula. The dramatic raising of the Rising-Sun emblem over Manila on January 2 climaxed the intensive 24-day drive against the

capital of the Commonwealth.

The Japanese military operations in Malaya were progressing incessantly. On January 9, the Imperial Headquarters announced the Japanese forces driving down the Malay Peninsula, passed Tanjong Malim on the previous evening and were pressing hard on British mechanized troops which were thrown out of their defense positions.

On the same day, the Imperial Navy scored another triumph when Japanese submarines operating in waters southwest of the Johnston Island sank the 11,050-ton United States aircraft-tender Langley.

On January 11, the Japanese army forces completed the occupation of Kuala Lumpur and hoisted the flag of the rising sun over the capital building of the Federated Malay States. The unexpectedly speedy fall of Kuala Lumpur, which is a key point of strategic importance in the central part of the Malay Peninsula, revealed the strength of the Japanese forces since the British defenders previously declared a determined stand against the Japanese attacks.

On the Philippine front, the Japanese attacks on retreating American-Filipino forces continued unabated with Olongapo, an important base along the eastern coast of the Bataan Peninsula captured by the Japanese on January 10.

On January 14, the Japanese people heard another sensational announcement by the Imperial Headquarters which said that Japanese submarines operating in waters west of Hawaii on the evening of January 12 scored two torpedo hits on an United States aircraft carrier of the Lexington type (33,000 tons), adding that the submarines were unable to confirm whether the aircraft carrier was sunk, but the sinking of the vessel was believed certain as two heavy explosions were noted after the submarines submerged.

On January 19, the Japanese army forces advanced into Burma and occupied Tavoy. By the following day, the Japanese forces advanced to a point only 350 kilometers from Rangoon after occupying Tavoy, with the defending British forces on fast retreat toward the northern mountain region.

Meanwhile, the combined Japanese army and naval forces at dawn on January 21 succeeded in effecting a landing on New Britain Island near Rabaul.

This was closely followed by the successful landing operation effected by the

Japanese bluejackets on Kendari on the south-eastern coast of Celebes Island on January 24.

On January 28, the Imperial Headquarters announced that the Japanese army units completed the occupation of Balikpapan in Dutch Borneo on January 25. The capture of Balikpapan gave the Japanese forces a key position to dominate the Java Sea and the Sunda Sea.

**To Johore Bahru** Culminating a whirlwind campaign wherein the Japanese troops covered a distance of 1,100 kilometers from the Thai-Malayan border within fifty-five days, the Japanese forces on the evening of January 31 reached the shores of the Johore Straits opposite Singapore. In the course of the 55-day campaign through the Malayan jungles, the Japanese forces captured a total of 250 tanks and armored cars, 3,600 automobiles and trucks, 550 machine-guns and quantities of war materials and supplies and also took 8,000 enemy troops prisoners. It was on the same day, January 31, that the occupation of Moulmein by the Japanese forces was announced.

On February 2, the Imperial Headquarters announced that the Japanese army forces, closely co-operating with the naval units, at dawn on January 31 effected a successful landing near Ambolna, capital of Amboina Island of the Molucca group.

On the afternoon of February 6 came another sensational announcement of an epochal naval victory in waters about 30 miles south of Kangeang in the Dutch Indies. The announcement stated that the Japanese naval bombers on February 4 spotted the main Dutch Indian Fleet escorted by destroyers at a point thirty knots south of Kangeang Island and sank two Dutch cruisers and also heavily damaged one Dutch cruiser and one United States cruiser. The announcement added that the Dutch cruisers which were sunk included a cruiser of the Java type (6,067 tons) and another of the De Ruyter type (6,450 tons).

**Landing on Singapore** On February 8, the Japanese forces which had been poised on the northern bank of the Johore Straits for a final assault against the British Far Eastern base successfully crossed the straits after repelling the enemy resistance and started a fierce attack on Singapore fortifications. By 7 o'clock that evening, the Japanese

forces completely occupied the Tengah Airfield, one of the four important military air bases on Singapore Island.

Continuing the ceaseless advance, the Japanese forces early on the morning of February 11 occupied Bukit Timah Peak, the highest point in Singapore. At 8 o'clock on the same morning, the Japanese forces were already entering into the city area of Singapore and started mopping up operations against the British remnants.

**Fall of Singapore** Unable to further withstand the Japanese attack, the British forces at Singapore sent a special messenger to the Japanese Army Headquarters at 2:30 o'clock on February 15 and offered to surrender.

At 10:10 o'clock on the evening of February 15, the Imperial Headquarters announced that the British forces in Singapore unconditionally surrendered to the Japanese forces at 7:50 o'clock on the same evening, thus marking the fall of the last and most formidable of the three Allied bases in East Asia. (A detailed account of the battles in the Malay Peninsula is given at the end of this chapter.)

On the historic day of the fall of Singapore on February 15, the Imperial Headquarters made another sensational announcement of the landing of Japanese paratrooper troops on Palembang on the morning of February 14, center of the largest oil field in Sumatra and one of the most important airports in the island.

**A Visit to California** The Japanese naval forces were not content with their attacks on the enemy bases in the Southern Pacific. On February 25, the Imperial Headquarters announced that Japanese submarines operating in Californian waters on the night of February 24 shelled military objectives on the Californian coast and achieved highly successful results.

**Battles Off Surabaya and Batavia** Another naval victory was reported on February 28 when the Imperial Headquarters announced that the Japanese fleet operating in Dutch East Indian waters intercepted the Allied fleet in the Java Sea and sank one cruiser and three destroyers in a fierce sea battle which was later named the Battle Off Surabaya. This announcement was supplemented with another announcement by the Imperial Headquarters issued on March 1. The announcement said as follows: "Reports received up to early this morning



on the results of the sea battle between the Japanese and Allied naval forces in Surabaya waters on February 27 and 28 indicate so far three enemy cruisers and six destroyers were sunk while four other enemy cruisers heavily damaged. In another naval engagement off Batavia waters early this morning, March 1, Japanese naval forces sank one large United States cruiser and one Australian cruiser."

**Landing on Java** Close on the heels of the report of the dazzling Japanese naval victory in Surabaya waters came another announcement of the Imperial Headquarters at 12:20 o'clock on March 2 that a large body of new Japanese forces made successful landing on Java island at dawn on March 1.

Similarly sweeping was the progress of the Japanese military operations in the Philippines. On March 2, the Japanese forces completely occupied Zamboanga, a strategic point on the western extremity of Mindanao Island. Three days later on March 5, Japanese army and naval forces operating in Java completed the capture of Batavia, capital of the Netherlands East Indies, within only five days after the first landing made by the Japanese in Java. The fall of the capital city of the Netherlands East Indies was particularly significant as it imposed a death sentence on Java.

**Occupation of Rangoon** On March 8, the Japanese army forces operating in Burma completed the occupation of Rangoon, thus attaining the main objective of Japanese operations in Burma.

**Surrender of Dutch Forces** On the following day, March 9, the entire Dutch forces in the Netherlands East Indies ceased resistance and accepted the Japanese demand for an unconditional surrender. On March 11, the Imperial Headquarters announced the collective results of the Japanese campaigns in the Netherlands East Indies, reporting that the Japanese forces took prisoners 93,000 enemy troops including 2,000 commissioned officers and captured 152 war-planes, 367 tanks and armored cars, 732 cannons, 1,567 machine-guns, 97,384 rifles and quantities of other war materials and supplies.

**Andaman Occupied** Another surprise attack by the Japanese forces on British bases in the Southern Pacific was scored on March 23 when the Japanese army and naval units at dawn on that day

successfully landed at Port Blair, Southern Andaman Island. British forces defending the island, unable to withstand the Japanese attacks, surrendered immediately.

The whole Sumatra came under the Japanese control on March 27 when more than 200 Dutch troops which had been resisting Japanese attacks in a mountain stronghold at Koetatjane in Northern Sumatra made an unconditional surrender.

**British Defeat in the Indian Ocean** On April 9, the Imperial Headquarters made a sensational announcement of the results of Japanese naval operations in the Indian Ocean. The announcement said in the course of the Japanese operations in the Indian Ocean on April 7, the Japanese naval forces sank two British cruisers, one of the London type (9,850 tons) and another of the Cornwall type (10,000 tons) and 60 enemy planes were shot down.

This announcement was followed with a flash report from the Japanese front at the Bataan Peninsula that 6,000 Filipino-American troops which had been resisting the Japanese forces on the peninsula begged for a halt in hostilities after the six-day fierce Japanese assault which was launched on April 3. On the following day, April 10, the Imperial Headquarters made another amazing announcement that the Japanese naval and air units in the course of their operations off Trincomalee, Ceylon, sank the British aircraft carrier *Hermes* (10,850 tons) and a 9,100-ton British cruiser of the Birmingham type as well as a 7,550-ton cruiser of the *Emerald* class. The announcement added that British cruiser of the *Leander* class (7,270 tons) was heavily damaged.

**Bataan Peninsula Cleared** Culminating Japanese military operations on the Philippines, the Imperial Headquarters announced on April 13 that the Japanese forces completely occupied the Bataan Peninsula on April 11 after the six-day general offensive.

**Mandalay Occupied** On May 1, the Japanese forces operating in Burma captured Mandalay, key point of strategic importance in Burma, thus attaining another objective of the Japanese military operations in Burma. This was closely followed by the capture of Akyah Airfield in Arakan by the Japanese guard troops on May 4.

**Corregidor Reduced** The whole Phil-

ippines was brought under Japanese control on May 7 when the Japanese army and naval units succeeded in landing on the Corregidor Island and occupied the Corregidor fort and other forts on other islands in Manila Bay.

On the following day, May 8, the Japanese forces in Burma occupied Myitkyina, the northern terminus of the Burma Railways.

**Achievement on the Burma Front** On May 11, the Imperial Headquarters in a special announcement reviewed the war in Burma during five months since the outbreak of the Greater East Asia War. The announcement said that in the five-month period under review Japanese air forces shot down or destroyed on the ground 554 enemy planes in 126 raids, and also destroyed 1,213 motor cars and trucks as well as 533 tanks and armored cars. The announcement added that 1543 railway cars and 92 vessels were destroyed and 666 enemy military establishments were smashed.

As the highlight of the Japanese military operations in May, the Imperial Headquarters announced on June 5 that a special submarine flotilla, which successfully penetrated into the Port of Sydney, on the night of May 31 sank an enemy warship.

On the same day, the Imperial Headquarters' announcement reported that another special submarine unit of the Imperial Navy in a surprise attack on Diego Suarez, Madagascar, at dawn on May 31, torpedoed and seriously damaged a British battleship of the *Queen Elizabeth* class (18,000 tons) and a light cruiser of the *Arethusa* class (5,220 tons).

**Achievements of the Imperial Navy** On May 26, the Imperial Headquarters made an announcement on the brilliant success of the Imperial Navy in the Greater East Asia War up to May 20, as follows. The Imperial Navy sent the following enemy vessels to the bottom: 6 American battleships; 2 British battleships; 5 American and 1 British aircraft carriers; 6 American cruisers; 4 Dutch cruisers; 5 British cruisers; 8 American, 11 British and Dutch destroyers; 2 American and 1 Dutch special service vessels; 50 submarines; 5 gun-boats; 5 mine-layers; 6 mine-sweepers; 9 torpedo-boats; 19 small naval vessels; and 169 merchant ships with an aggregate tonnage of about 934,000 tons. It gave a heavy damage to 4 American and 1 British battleships; 9 American, 2 British

and 1 Dutch cruisers, 11 destroyers, 5 special-service vessels, 29 submarines, 6 gun-boats, 2 mine-layers, 2 torpedo-boats, 25 small naval vessels and 129 merchant ships. Those vessels captured by the Imperial Navy were 1 special service vessel, 2 gun-boats, 2 torpedo-boats, 2 small naval vessels and 503 merchant ships. The number of enemy war-planes shot down by the Imperial Naval Air Forces was 982 and that of the damaged on the ground 1,292.

The Imperial Navy established its power over vast areas of the Pacific Ocean west of Hawaii and the Indian Ocean east of Madagascar within but 6 months from December 1941 to May 1942.

**Achievements of the Imperial Army** On June 7 the Imperial Headquarters made another announcement on the great achievements of the Imperial Army. According to the announcement the Imperial Army occupied a vast area of about 2,521,500 square kilometers in the South Seas, bringing a population of about 93,680,000 under its administration during the past 6 months. The Imperial Army Forces victoriously fought against the enemy strength of over 2 millions. On the China front, they met about 1,530,000 Chinese soldiers and bandits, including 900,000 in North China, 580,000 in Central China and 50,000 in South China. The Chinese left about 112,400 corpses on the battle fields, including 56,300 in North China, 53,600 in Central China and 2,500 in South China. Captives taken numbered about 44,000 altogether.

In the battles in the South Seas region, the Imperial Army Forces encountered with about 505,000 officers and soldiers of British, Australian, Indian, American, Dutch, Chinese, and Filipino troops, including 15,000 in Hongkong, 100,000 in the Philippines, 120,000 in Malaya, 120,000 in the East Indies and 150,000 in Burma. The Japanese troops crushed about one division in Hongkong, 11 divisions in the Philippines, 6.5 divisions in Malaya, 4 divisions in the East Indies and 13 divisions in Burma, or a total of 35.5 divisions. The announcement further added that the 11 divisions crushed in the Philippine district consisted of the United States first division, the Philippine national defense army composed of the 11th, 21st, 81st, 31st, 41st, 51st, 61st, 91st divisions.

The 6.5 divisions crushed in Malaya included the British 18th division, the



Australian 8th division, the Indian 8th division as well as the Indian 20th, 44th and 45th brigades, and also Malay 1st and 2nd brigades. The four divisions crushed in the East Indies included the Dutch 1st and 2nd divisions and about 15 independent battalions as well as one division of Anglo-American-Australian combined forces. The 13 divisions annihilated in Burma comprised the British 7th mechanized brigade and 6 other British battalions as well as the Indian 17th, 13th and 63rd brigades, and also the Chungking's 22nd, 86th, 200th, 55th, 63rd, 2nd, 29th and 39th divisions as well as the Burmese 1st division.

Besides, the number of enemy war-planes, shot down or damaged on the ground, reached 1,636 (241 uncertain), while one gunboat, one submarine, one torpedo-boat and 41 steamships were sunk, and one cruiser, 3 gunboats, 3 destroyers, 2 submarines, five torpedo boats and 46 steamships were heavily damaged.

The number of captives reached 342,000, composed of 25,000 Americans, 64,000 British, Canadian and Australian soldiers, 24,000 Dutch, 44,000 Chungking soldiers, 185,000 mixed soldiers taken in various battle fields. Of the total about 100,000 Indonesians were released.

The war trophies taken by the Japanese forces in the course of these campaigns included 3,763 guns, 1,440 tanks, 31,580 automobiles, 240 airplanes, 11,548 machine-guns, 216,714 rifles, 12,200 locomotives and passenger cars as well as 48 ships aggregating 117,000 tons.

**Dutch Harbor.** On June 10, the Imperial Headquarters made an announcement of a surprise attack made by the Japanese naval units on Dutch Harbor, Alaska as well as on the Aleutians on June 4 and 5. The announcement also said that the Japanese naval units carried out fierce attacks on Midway Island on June 5 and inflicted heavy damage on the enemy fleet reinforcements. In the latter engagement, the Japanese naval units sank two United States carriers of the Enterprise and Hornet types, both of 18,000 tons, as well as one United States cruiser of the San Francisco type (8,950 tons).

The highlights of the Japanese operations during July were the two Imperial Headquarters announcements disclosing the continued successes of the Japanese submarines and naval air units. The one announcement as issued on July 24

revealed that 325 enemy planes were shot down and 100 planes smashed by naval air forces in their attacks on enemy bases in New Guinea, Solomon Islands, Horn Island and in battles over Japanese bases during the period from February 2 to July 20. On July 19, the Imperial Headquarters revealed that through relentless efforts of Japanese powerful naval forces, 59 enemy submarines were sunk in a brief period of exactly seven months and two days since the start of the Greater East Asia War.

As the war progressed, the Japanese operations were not confined only to the Pacific areas. On September 23, the Imperial Headquarters announced that the Imperial Japanese Navy advanced to the Atlantic and were engaged in strategic operations in co-operation with the Axis navies. The announcement said that one Japanese submarine operating in the Atlantic recently called at a certain German port and again set sail for strategic waters. The announcement stressed the operations of the Japanese navy in the Atlantic with the German navy which paralleled the German naval operations in the Indian Ocean were highly significant as representing the joint-Japanese-Axis naval operations against the anti-Axis Powers.

**Battles off the Solomons.** The Japanese navy scored another overwhelming victory on August 7 when the Japanese fleet fought against the combined Anglo-American fleet off the Solomons and sank one battleship of an unidentified type, two cruisers including one of the Alaska type and another of the Australia type as well as three A-class cruisers of an unknown type.

The second battle off the Solomons was engaged on August 24 ending in the victory of the Imperial Navy.

Another sensational victory of the Japanese navy was announced by the Imperial Headquarters on November 24, stating that powerful Japanese naval and air units on November 12 attacked the enemy naval craft and transport ships at Guadalcanar Island in the Solomon group.

On December 3, the Imperial Headquarters made the following announcement: A Japanese Destroyer Squadron launched a furious attack on a powerful enemy naval unit off Lunga on Guadalcanar Island on the night of November 30.

**The Achievements in the First Year of the Great East Asia War.** On December 7 the Imperial Headquarters made public the following composite war results attained by the Imperial Army and Navy during the course of the past one year.

#### The Imperial Army:

The Southern Area and the Area of the Aleutians:

Strength of the enemy forces engaged	600,000
Bodies left behind by the enemy	51,000
Prisoners taken	303,000
Trophies:	
Guns of various types	3,020
Heavy and light machine-guns	11,300
Other firearms	206,000
Tanks	1,440
Automobiles	31,700
Railway carriages	12,200

Planes:	
Shot down	731
Destroyed	993
Captured	235
Total	1,959

Enemy naval and merchant vessels sunk and heavily damaged	104
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#### The China area:

Strength of the enemy forces engaged	3,600,000
Number of engagements	25,000
Bodies left behind by the enemy	280,000
Prisoners taken	123,000

Trophies:	
Guns of various types	846
Heavy and light machine-guns	3,200
Other firearms	159,100
Automobiles	129
Railway carriages	208

Planes captured, shot down and destroyed	118
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Note: Of the results given, those concerning planes and merchant vessels are as ascertained up to November 30. The others are as ascertained up to October 31.

#### The Imperial Navy:

War Vessels Sunk:	
Battleships	11
Aircraft Carriers (including seaplane tenders)	11
Cruisers	46

Destroyers	48
Special Service Ships	4
Submarines	93
Gunboats	8
Mine-layers	5
Mine-sweepers	7
Torpedo-boats	9
Other small and special war vessels	19
Warship (type unidentified)	1
Total	262

#### War Vessels Damaged:

Battleships	9
Aircraft Carriers	4
Cruisers	19
Destroyers	23
Special Service Ships	2
Submarines	58
Gunboats	6
Mine-layers	2
Mine-sweeper	1
Torpedo-boats	2
Other small and special war vessels	26
Warships (type unidentified)	3
Total	155

Special Service Ships, Gunboats, Mine-sweepers, torpedo-boats and others captured	9
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Transports and other ships: Sunk or damaged	416
(2,240,000 tons)	
Captured	503
(220,000 tons)	

Warplanes shot down or damaged	Over 3,798
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Note: The figures are for the one year ending December 7, 1942.

The loss of the Imperial Army and Navy sustained during the same period is insignificant as compared with that of the enemy forces mentioned above, all battles ending in the victory of the Japanese forces.

So far the main steps and development of the Greater East Asia War were mentioned in a summary way. In closing the special section of the national defense of Japan, several minute records of the victorious battles of the Japanese forces in the beginning of the present war are hereunder extracted as examples of the fierce battle in which the brave men of Dai Nippon have fully manifested and are clearly revealing their loyalty to His Majesty the Emperor and the country.



### The Battle of Hawaii

The following is an eye-witness account of the Hawaiian debacles on December 8, 1941, (Japan Time) told by a commander who led the air squadron which made the historic attack on Pearl Harbor and startled the whole world, and sent shivers running down the national spine of the United States.

"We received the order to attack Oahu Island at sea. At that time our ship was sailing east. The order we had long been waiting for had come at last. We were all expecting it, and we felt a thrill of excitement run through our entire being as the order was delivered to us. The order was read to all aboard the ship when the famous Z flag was hoisted atop the main mast. The Z flag which fluttered in the breeze of the Japan Sea atop the mast of the flagship Mikasa 37 years ago, once more waved in the wind of the Pacific Ocean. As we looked upon the flag fluttering atop the mast, tears swelled into our eyes. Hot blood ran through our bodies, telling us that now we were made the masters of the historic moment in which the rise or fall of the Japanese Empire would be determined. While giving out his final instruction to us, the commander of the raiding air squadron said, 'I expect all of you to fulfil your duty without fail even at the sacrifice of your life.' Our hearts were filled by overflowing happiness and joy that we were able to take part in the historical battle which was about to take place. A few minutes later, the Z flag was lowered. Our ship was sailing eastward at an amazing speed.

"The weather was rather bad, but every preparation for battle was being made. The deck crew presented the flying crew with strips of white cloth, asking the latter to fight with these pieces of white cloth tightly bound round their heads, and to think that the spirit of the deck crew was always with them in those pieces of white cloth. Ten minutes before the sun-rise on the morning of December 8, (7th Hawaii Time) we received the order to take off. In his order, our commander said, 'We have succeeded in carrying out coup de main. Now all men charge.' It was still dark with the weather condition little improved. Our ship was rolling over the big swell of the sea. A north-easterly gale with a velocity of 17 meters a second was blowing.

"The skies 1,500 to 2,000 meters above

the sea were covered with thick clouds. Under such circumstances, it was thought very difficult, if not absolutely impossible, to rush a large formation of planes for the surprise attack on Pearl Harbor. If we were not engaged in a war, the flight under such weather conditions would have been postponed. But the training we underwent for years in the past was just for this day, and for this morning! Whether the weather was favorable or not was out of question.

"Planes took off one by one from the deck of the ship which was now pitching and rolling wildly. Flying high above the ship, I silently prayed that every one of us would make good in the surprise attack on Hawaii. Having arrayed ourselves in a formation, we rushed toward Hawaii at full speed. What worried me most as the commander of the formation, however, was whether or not we can reach Hawaii in due time. Might there not be mistake in the measurement of the distance between Oahu Island and our ship, which had arrived in the offing of Hawaii after cruising such a long distance? If so we can never reach our destination. While I was thus thinking, the sun rose from the distant horizon.

"In the South Seas, I can usually see as far as 30 to 50 miles from the plane, but now the view was almost zero as the skies were covered with dense white clouds. As the mountains on the Hawaii Islands stand some 1,000 meters high, they could be seen by us at least 20 minutes before our arrival there, I calculated, and was looking through my glass in the likely direction when the coast line of Oahu Island jumped into the lens of the glass. Then, my glass caught an airfield just below my feet. 'Now is the time for all to make a thrust at the enemy,' I realized, and immediately ordered all the planes under my command to take the battle formation. Each squad took its position respectively, some high and some low according to the task to be performed by each. Pearl Harbor was fast asleep in the morning mist, and no smoke was rising from the numerous American warships anchored in the calm waters in the Bay. We saw barracks standing in good order, and automobile highways winding up to the summit. Especially white-washed oil tanks lined along the shore offered the best targets. In the harbor the capital ships of the United States Pacific Fleet were at anchor two by two.

"The torpedo planes began swooping

straight down on the enemy battleships. It was very difficult for our torpedo plane units to make an assault on the enemy ships en masse as the harbor was narrow and shallow. So these planes had to attack the ships in the harbor in turn. One plunged down as low as a few meters above the water while another approached within a few hundred meters of the battleships, and hurled torpedoes against them. Two torpedoes raced toward the marked battleships, leaving behind them two white traces over the water. I was following with my eyes these two torpedoes in rapt admiration when tremendous columns of water flew high up in the air from the side of a battleship. The torpedoes had hit the side of the capital ship! The huge pillars of water were as high as the clouds hanging over the bay. The water-sprouts, large and small, high and low, stood up incessantly from the surging sea. All this was done within three or four minutes. The enemy anti-aircraft batteries were still silent, and no enemy fighter yet appeared in front of us. We took the enemy completely by surprise. 'We succeeded in making a surprise attack on the enemy,'—this was the first message I flashed to our mother-ship. In the wake of the torpedo planes, the dive-bombers went straight down on the marked enemy warships. A few seconds later, the hangars and planes on the ground were wrapped up in red-black flames. As the units of the torpedo planes and dive-bombers turned up after having dealt the first blows upon the enemy ships, hangars and planes, the shells of the high-angle guns began bursting around my plane. Now it was my turn to shower the special large bombs on these American ships. I carefully aimed at one large battleship just below my plane, while flying at the head of the formation. But the air currents were so bad that I could not take aim. I turned my plane as I was afraid of missing the mark. Once more I swerved my plane amid the enemy shells exploding right and left, and others followed my step. I took aim again for the third time. This time, the enemy battleship was caught right in the middle of my sight. While I was about to push the button, I felt a great shock about myself. I looked behind, and witnessed a pillar of fire as long as 500 meters shooting up from below. Later on, I found out that that pillar of fire had been caused by a torpedo shot at an enemy battleship

by the special attacking flotilla, which had patiently been waiting for the commencement of the aerial bombardment of Pearl Harbor below the sea in the bay.

"To be sure, it was the explosion of the powder-magazine of the enemy battleship. The lower-half of the ship was torn off, and the water around it was covered with the black heavy oil oozing out of the destroyed ship. It was the ship of the Arizona type. Now the firing of the anti-aircraft guns became intensified. Shells and bullets made thick walls all around our planes. A bullet pierced through the left side of the fuselage of the commander's plane while gasoline began to leak from the body of the No. 5 plane, but no plane dropped out of the line. I signalled to the No. 5 plane, asking the extent of the damage it received. Soon the reply was made. The pilot of the No. 5 plane simply said, 'No heavy damage at all. Only our reserve tank is hit, and nothing else.' All continued the most relentless attacks to their hearts' content caring neither for life nor death. The dive-bombers and fighters were making vigorous and daring assaults on the enemy large-size bombers and fighting machines, numbering 200 in all, neatly lined up on the Wheeler Airfield, and the hangars were blowing up black smokes. Perhaps some oil tanks were also set on fire. The sky became dark with the rising smokes, making it impossible for the enemy airmen to take to the air to meet the Japanese. Again I turned my plane, and took aim at one of the battleships lined up in pairs, the easiest target to hit in the world. One squad sprang at one battleship while the other assailed another. Ruthless assaults were inflicted upon these high-priced craft of the United States Pacific Fleet, in a relay fashion, first by torpedo planes, then, dive-bombers, and the horizontal bombers at last. When No. 1 plane attacked, a water-sprout of some 100 meters high shot up. In order to avoid being hit by this sprout, the No. 2 plane had to wait until the sprout went down. So our planes circled over the enemy ships beneath with great composure, waiting for their turn to discharge their deadly load. At about this time, the assaults of the torpedo planes reached the climax. Some of them caught fire as they were hit by the enemy shells when the pilots of these planes were trying to jump over the



ships after letting loose the torpedoes within the nearest possible distance of their targets. Shooting balls of fire, these planes kept their respective positions as firm as possible until they crushed themselves against the enemy ships. My eyes actually witnessed a plane diving into the deck of a huge warship.

"While we were about to return after having accomplished our purpose, Pearl Harbor was standing out in bold relief in the rays of the morning sun. In the bright sun-shine, I saw a battleship split in two in the thick layer of heavy oil, two battleships overturned, disgracefully exposing their red abdomens to the air, another on its way down to the bottom of the sea with its side inclining 45 degrees, and three others wrapped up in flames. Not a single enemy capital ship along the shore of Ford's Island escaped our relentless bombardment which was conducted with deadly accuracy. I circled over the harbor as many times as the fuel of my plane could permit, because I could not give up my hope, though very frail, of seeing once more my wounded subordinates coming on my trail while operating their damaged planes as best they can, although I witnessed the end of some of these ill-fated planes with my own eyes several minutes ago. As soon as the planes under my command returned to our mother ship, the new raiders took off. It was to deliver coup de grace to the crippled forces of the United States Pacific Fleet in Pearl Harbor."

**The Special Attack Flotilla** The brilliant achievements of the Special Attack Flotilla in its most dauntless assault on Pearl Harbor, unequalled in the annals of the naval history of the world was made public in a communique issued by the Imperial Headquarters on March 6 at 3 p.m.

The communique reads: As to the daring attack of Pearl Harbor by the Special Attack Flotilla, announcements were already made on various occasions. The plan of the attack which struck the world with amazement and wonder was conceived by Lieutenant Iwasa and several other officers who took part in the heroic coup de main on December 8, 1941. Several months before the outbreak of the War of Greater East Asia these officers resolved to fulfil their highest duty of serving His Majesty the Emperor and their country through the realization of the said plan in case of emer-

gency, and submitted the plan with detailed explanation to the Commander-in-Chief of the Combined Fleet of the Imperial Navy through their superiors.

Having examined the plan carefully, the Commander-in-Chief was convinced of the high probability of success of the plan, and also the possibility of taking back safely the crew of the flotilla after the fulfilment of their purpose, and complied with the ardent wishes of the applicants. The non-commissioned officers who participated in this illustrious undertaking were the cream of the personnel of the Imperial Navy. All of these non-commissioned officers were the most trusted and intimate subordinates of the said officers. As it was their pledge to die together with their superiors if necessary, no special step was taken to invite volunteers for the enforcement of the plan. As officers simply requested for permission to take these non-commissioned officers with them, the request was readily complied with by the Commander-in-Chief of the Combined Fleet.

The project was strictly kept in secret even among the personnel of the Navy, and these selected officers and non-commissioned officers and engineers and mechanics worked day and night frantically for the construction of the flotilla and the conducting of experiments with the designed boats as well as for making every preparation and undergoing training. On account of their strenuous efforts, the building of the flotilla which demonstrated fully to the world the excellent technical ability of the Imperial Navy and the unique loyal spirit of those who manned the flotilla and the devotion of the engineers and mechanics who built the craft, was completed within a short space of time just before the outbreak of the current war.

Needless to say, every necessary measure was considered for the bringing back of the crew after the fulfilment of the purpose, but much difficulty was anticipated about it, for the vigilance against our ships by the enemy would be multiplied after the attack had been carried out, and besides, the flotilla would have to make its way out of the harbor through a long narrow watercourse strewn with the wreckage of the sunken enemy ships in the teeth of the intense counter-attacks by the enemy forces. Considering all this, the crew also made preparations for sinking the craft by

their own hands, when necessary.

The Special Attack Flotilla, confident of its success under the glory of the Imperial Throne and Providence left the base secretly on a certain day of a certain month. The flotilla sailed straight to Pearl Harbor. By the steady and smart operation of the boats, the whole flotilla finally got into the harbor, breaking through the enemy mines and nets planted and drawn throughout the waters near the entrance of the harbor and sailed through a complicated water-course leading into the harbor from the offing of Oahu Island.

Having assaulted on the enemy warships in the day and making a thrust at them at night, the flotilla carried out the most daring undertaking ever known in the annals of the sea-battles of the world. After having discharged their supreme duty, the crew died the most glorious death, sharing the same fate as the boats which now lie at the bottom of the Pearl Harbor.

Above all, the sinking of the enemy battleship of the Arizona type was most amazing. The sinking of that battleship with a great detonation was recognized distinctly even by our naval forces then operating outside Pearl Harbor. On December 8 at 4:31 p.m. (December 7th, 9:10 p.m., Hawaii Time),—two minutes after the moon-rise—a great explosion occurred in Pearl Harbor. Flames soared into the sky and fragments of red-hot iron flew high up in the air. Before the flames were extinguished, the enemy anti-aircraft batteries were brought into full play, apparently under the impression that the action was the result of the Japanese air attack. At 6:11 p.m. the same day (10:41 p.m. Hawaii Time), one craft of the flotilla began to send wireless messages to our naval forces operating outside the harbor, reporting the success of the surprise attack. However, the radio message ceased at 7:14 p.m., and nothing was heard from that craft ever since.

Most probably, the Special Attack Flotilla sank itself by its own hands, realizing that there was no means of getting out of the harbor, or the flotilla might have been destroyed by enemy hands.

When the flotilla carried out its daring attack on enemy capital ships during the day time, only a few enemy ships seemed to have grasped the situation correctly, that is to say, the havoc was wrought by the underwater craft from

Japan. So the majority of the enemy forces in the harbor totally failed to ascertain what was the cause of the explosion that had blown up the ship of the Arizona type.

It is easy to imagine that the damage inflicted on the enemy fleet by the Special Attack Flotilla would have been quite large as the whole harbor was immediately plunged into great confusion. It is very difficult, however, to ascertain exactly the extent of the damage wrought by the flotilla or to distinguish the work of destruction done by the flotilla from that by the naval planes.

Upon their start for Hawaii from the base, the crew of the flotilla was ordered to come back to the base as soon as the attack was over, but none of the crew seemed to have paid much attention to that order. In fact, none returned to the base after the attack. Undoubtedly all the crew of the flotilla, whose minds were not at all bothered by the idea of life and death, must have been too busy in smashing the enemy craft to think about their safe return to the base. Amid the shower of bombs and torpedoes let loose by our naval planes flying all over the harbor, they made dauntless assaults on American capital ships from such a close distance as the never recorded in history.

When the bright tropical moon of Hawaii rose over the mountains of Oahu Island, the boats manned by these fearless Samurai from Japan quietly floated up to the surface of the water from the bottom of Pearl Harbor where they had patiently been awaiting for hours the best chances to strike, and after ascertaining in the bright moon-light the exact extent of the damage they inflicted on the enemy fleet during the day time, they delivered coup de grace to those already crippled but unsunk.

The unique fighting spirit which was displayed by the crew of the Special Attack Flotilla fully demonstrated the glorious tradition of the Imperial Navy, adorning as it does the first page of the history of the current war against the United States and the British Empire with the unforgettable memoirs of its magnificent achievements in the Pearl Harbor.

The names of those who manned the Special Attack Flotilla were revealed in a communique issued by the Navy Ministry on March 6. In appreciation of



their distinguished services, they have all been promoted posthumously to ranks two grades higher than those held by them at the time of their death, according to the same communique.

These national heroes, who are now called "Nine Gods of War" are:

Commander Naoki Iwasa  
Lieutenant Commander Masaji Yokoyama  
Lieutenant Commander Shigenori Furuno  
Lieutenant Akira Hiyao  
Special Lieutenant Shigenori Yokojima  
Special Lieutenant Naokichi Sasaki  
Chief Warrant Officer Sadamitsu Uyeda  
Chief Warrant Officer Yasuho Katayama  
Chief Warrant Officer Kiyoshi Inagaki

#### Sinking of the Prince of Wales

Ever since the outbreak of World War II, nothing has given such a tremendous shock to the British navy as the sinking of the Prince of Wales and the Repulse, which formed the backbone of Britain's Asiatic Fleet, in the waters off Kuantan, Malaya, by the air arm of the Japanese Navy. The air units of the Imperial Navy have added a brilliant page to the annals of the Imperial Navy by sending to the bottom of the sea off Malaya almost instantly, these two British super-dreadnoughts, the pride of the British navy.

The following is the full report of the Battle off Malaya given to the Japanese press by the members of a certain naval air unit, which participated in that historic battle.

Hitherto the main force of the British Asiatic Fleet operating in the East Asian waters with Singapore at the center has been made of cruisers. Britain, however, decided to dispatch a capital ship to the Oriental waters to reinforce the defense of its dominions and colonies in East Asia when it saw the war clouds had begun to hang over and lower over the south western Pacific during the latter part of 1941. It was on December 2nd of that year that the famous unsinkable 35,000 tonner, Prince of Wales, arrived at Singapore. Britain proudly announced to the world, "With the arrival of the Prince of Wales, the defense of Malaya has become complete."

Upon receipt of the reports that Japanese troops had landed on Singora and Kuala Lumpur immediately after the start of lightning attacks on British and Amer-

ican possessions in the Pacific, Admiral Sir Thomas Phillips, Commander-in-Chief of the British Asiatic Fleet immediately put his entire fleet on duty. On the very night of December 8, the Prince of Wales, accompanied by one battleship and three destroyers, left Singapore and sailed northward. Apparently they planned to attack Japanese convoys at sea.

A Japanese submarine sighted this group of British warships north of Anambas Island on December 9 at 3:15 p.m. The weather was very bad on this day, however. The clouds were hanging very low, and violent squalls were raging all over the sea. The Japanese submarine was for a while on the trail of the enemy battleships but lost sight of it in the squall at 5:25 p.m.

Our fleet was put in battle formation as it was informed by this submarine of the appearance of the enemy battleships, and all the units of our Naval Air Force each led by its commander and heavily loaded with bombs and torpedoes took to the air toward 6 p.m.

Describing the activities of our Naval Air Force on this day a Lieutenant, who was decorated on November 3, 1941, with the Fourth Order of the Golden Kite for his distinguished services he had rendered in the bombing of Chungking and other places in China said:

"While we were talking about a plan of attacking the British battleships, an order to attack the Prince of Wales and the Repulse was delivered to us.

"We were extremely happy. We knew that the Prince of Wales was now in Singapore and were just talking about the sinking of that high-priced British battleship by flinging our planes heavily loaded with torpedoes at it. Our planes hugged torpedoes and were soon ready to start.

"Our commander, standing in front of the line-up men said, in his instructions: 'This is the best chance we ever had. We return here dead. Let us meet each other in the Yasukuni Shrine.' When I heard these words from the commander, I felt something hot thrusting to my heart. The members of our unit, not to mention the commanders, were all veterans of aerial combats, each having bombing experiences ranging between 50 and 100 times to his credit. But it was the first time for all of them to be engaged in an operation of this nature, and our hearts were filled with such deep and inexplicable emotion.

"Unluckily it was a moonless night

and we knew that the moon would not rise until after midnight. We had only about one hour and a half before the sunset. It was very difficult for us to spot the enemy at a time like this. We, nevertheless, flew southward in search of the spot where the submarine had lost trail of the Prince of Wales and the Repulse.

"Suddenly we saw ahead of us thick clouds spreading far and wide and our formation immediately plunged into the squall. It became dark, but we continued the hunt, scanning the surface of the sea through darkness. We could not find the enemy and our commander ordered at last to return to the base.

"The Prince of Wales and other British craft had been fleeing back to Singapore as they felt danger lying quite close to them. But our efforts were finally rewarded. At 8:40 a.m. the following morning our submarine sighted the enemy fleet again. The flash relayed to our base by the submarine made all the 'Sea Eagles' very happy, who had hardly slept the previous night as they were vexed at their failure of spotting the enemy. The weather condition, however, was not much better than the day before. The clouds were still hanging low over the sea. Soon we received from the submarine a discouraging news that it had again lost its contact with the enemy fleet. So the Naval Air Force decided to dispatch reconnaissance planes, and under the command of a certain Lieutenant, several planes took off from the base at dawn. The weather condition was little better with thick black clouds spreading far and wide over the sea, and sight was almost zero. At 8:30 a.m., several units of torpedo planes took to the air, immediately followed by the units of other torpedo planes and bombers.

"The enemy battleships were first spotted by the No. 3 plane of the reconnaissance squad, piloted by a sub-lieutenant. While that sub-lieutenant was flying through the cloud walls, he noticed that he had already flown past the marked line. So he turned round, and was flying back to the marked line when he glimpsed through the clouds two battleships guarded by three destroyers on the sea below. All the crew in his plane held their breath. 'Oh! they exclaimed, and said nothing else. What a luck and chance!' They doubted their own eyes. The sub-lieutenant grasped the control stick and

swooped down. A few minutes later, the large ships below began flashing. Within a second everything became clear to him. It was the enemy and the enemy ships started cross-firing. 'At 11:45 a.m., the enemy battleships were sighted at lat. 4° N. and long. 103° 55' E.' was flashed by the plane to all others in flight. Flying from clouds to clouds, the plane kept on scouting and soon could see the close-up figure of the entire enemy fleet. 'The main force of the enemy fleet is guarded by three destroyers. The battleships are a ship of the King George type and the Repulse.' This message was wired at 9:05 p.m. Having received this message, all the torpedo planes and bombers rushed to the direction given by that scout plane. Several bombers led by a lieutenant first appeared over the marked spot at 9:45 p.m. This formation of bombers was rushing to the spot when the crew found three destroyers of the given description. The bombers kept on flying for about five minutes and then the pilots saw clearly several white long drawn traces over the waters just below. The enemy battleships were there! The eyes of the crew flashed with great joy and satisfaction.

**The First Bombing of the Repulse**  
"The enemy fleet was sailing toward Singapore in perfect formation with three destroyers at its head, and the Prince of Wales and the Repulse running side by side behind them. It was just one hour since the No. 3 scout plane sighted the enemy for the first time. When the bombers under the command of the said lieutenant were ready to let loose the huge bombs, they received immense shocks which made the entire crew dizzy. Now the enemy ships brought their anti-aircraft guns into full play. The wings clattered as the bullets hit them, and the bombers were wrapped up in the brownish smoke of powder. At this moment our men calmly pushed the button. The huge bombs were swallowed into the Repulse. One of them scored a direct hit on the quarter deck of the battleship and columns of black smoke shot high up in the air. At the same moment there stood several columns of water from both sides of the ship—higher than the masts. 'Hit hit!' the crew shouted. Now the formation of the enemy ships was thrown into confusion.

**The First Attack on the Prince of**



Wales. "It was at 1:08 p.m. that our Naval Air Force started attacking the Prince of Wales. The torpedo-plane units under the command of a commander and lieutenant-commander had made frantic efforts to catch the enemy fleet at the entrance of Singapore. The search was unsuccessful up to the noon of the day. On this day the weather was fine in the vicinity of Singapore and they could point at Singapore and Batam Island under the cloudless skies. When the units were flying past the waters near the entrance of Singapore, the report of the sighting of the enemy fleet was received. They changed the course and were flying back toward the given direction when a destroyer steaming at full speed in the direction of Singapore was sighted, but no enemy battleships were sighted. "The Prince of Wales must be around here, if the message were correct," they all thought and were greatly discouraged, believing that they missed the Prince of Wales once more. All of sudden, through a break in the clouds, two white traces were seen. It was 1:08 p.m. Three destroyers were marching ahead of the Prince of Wales, and the Repulse, from which black smoke was gushing out, was seen to its left side.

"Our planes all hugging heavy torpedoes under their wings started power-diving one after another. One group made a thrust against the Prince of Wales and the other challenged the Repulse. The five enemy ships simultaneously opened fire. The air was instantly filled with brownish smoke and the roar of the anti-aircraft batteries and pompom guns and the sea looked white by the splashes made by the falling fragments of enemy bullets. One, who knows that the Prince of Wales alone can fire 60,000 bullets a minute, can imagine how intense the enemy fire was at this moment.

"The planes of each unit under the command of the said commander and lieutenant attacked the Prince of Wales and the Repulse one by one with deadly accuracy as if they were doing a drill. A torpedo shot by plane No. 1 hit the Prince of Wales and a high column of water sprang up at the ship's side. Another torpedo let loose by the No. 1 plane at the Repulse, also scored a direct hit. Seriously wounded, these two enemy battleships writhed with agony and began to change their course. The Prince of Wales turned to the right and the Repulse to the left. The No. 2

planes of the attacking units hurled the deadly missiles at them from right and left. The No. 2 plane, which assaulted the Prince of Wales, was about to fly past the starboard after shooting the torpedo, when it spat out red flames and in flames nose-dived into the sea. At the same moment, the torpedo shot by that plane wedged itself deep into the body of this pride of the British Navy. Within a short space of eight minutes from 1:14 p.m. to 1:22 p.m. all the torpedoes were flung at these two British battleships. To all the crew of our torpedo planes, the deadly struggles of eight minutes seemed hours. In order to discharge torpedoes at right angles against the enemy craft they had to come, hopping over the sea and after letting loose the torpedo, jump barely over the masts. Our men saw the enemy officers and men running about on the deck in great haste and the firing of the famous pompom guns. The machine-guns of our planes poured bullets over the heads of those frenzied British sailors.

"When the commander was circling over the ships in order to ascertain the results of the assault another unit of torpedo planes appeared on the scene. This unit, in two groups, immediately commenced business. Once again the Prince of Wales received a few hits, and inclined 45 degrees. The crew of the commander's plane stood up and shouted 'Hanzai,' but look! the Prince of Wales gradually recovered its lost balance and assumed its original position. What a statical stability! Despite the heavy damage caused by several torpedoes it regained the balance true to the proud name of 'Unsinkable' super-dreadnought. Quietness reigned the sea once more. The Repulse was still running, blowing up white smoke. The commander turned the nose of his machine to the base reluctantly.

**The Sinking of the Repulse** "The Prince of Wales and the Repulse were hurrying back to Singapore. Apart from those which made daring attacks on these two enemy battleships, a unit of torpedo planes had left the base at 8:15 o'clock on that morning. This unit, like others, could not find the enemy fleet, and was flying past the Ananbas Island when it received the flash from the scout plane No. 3. The unit spotted the British ships at 1:48 p.m. At that time, the Repulse lagged some 2,500 meters behind

the Prince of Wales. Very fortunately, through the break of clouds the entire British fleet was sighted clearly. Instantly the enemy men-of-war covered themselves with a barrage of fire. The No. 1 plane operated by a young lieutenant swooped on them like a hawk. His plane jerked its body wildly amid the exploding shells. It threw a torpedo at the Prince of Wales and hopped a few feet over its bridge. The machine-guns mopped the enemy sailors on the deck, who stuck to their guns. The crew of the plane saw the pale and stretched faces of the enemy sailors. The commander of this unit turned back and saw the big splashes rising high from the side of the Prince of Wales. The torpedoes shot by the No. 2 and No. 3 planes also hit the mark. It was a miracle that these planes could charge through such an intense protective barrage. The planes led by that young lieutenant swooped down on the Prince of Wales and flung torpedoes at it with deadly accuracy, scoring hits on its side. It was at this moment that the No. 2 plane under his command caught fire and nose-dived into the sea. But the torpedo of this hapless machine struck the enemy ship. All men aboard other planes witnessed this sublime and glorious end of the No. 2 plane, and rose from their seats in the plane and bid good-bye to this lost hero. The No. 3 plane suffered the same fate, although its torpedo shocked the enemy battleship once more. While this unit was heavily pounding the Prince of Wales, other bombers and torpedo-planes were tearing off the Repulse like a bunch of sharks attacking a wounded whale. The huge body of the Repulse trembled and made a sharp turn. It gradually inclined, indicating the approach of its end. One destroyer drew near it. But it was soon hit by a torpedo and sank at once. At last the quarter-deck of the Repulse was submerged, but no man on the deck left his respective post, displaying the traditional spirit of the British Navy. With a sudden and immense jerk, the Repulse went down to the bottom of the sea. "The Repulse sunk! our men rose and yelled. Before the Repulse sank, we scored so many hits and lost two planes. The Prince of Wales, now inclined to the left, was in flames. Black smoke is gushing out of the central part of the ship. Yet it was still running north at the speed of some 10 knots. In this deadly struggle with the Prince of

Wales, a young non-commissioned officer under the said lieutenant distinguished himself by carrying out the most daring attack in such a manner that made his superiors overjoyed. When this non-commissioned officer came shooting down on the Prince of Wales, the ship made a sharp turn as it received a huge torpedo. He missed his chance to hurl the torpedo. So he climbed up and circled over the masts of the ship once again in sheer disregard of the shells bursting out all around his plane. Calmly he aimed again and then delivered the coup de grace to the Prince of Wales.

**The Last of the Prince of Wales** "Though the Repulse was sunk, the Prince of Wales was still on the water. With its inflexible will and indomitable fighting spirit, it continued fighting. Now our new bombing squadron appeared on the scene. When these bombers were about to set to work, a destroyer began to draw a curtain of smoke over the Prince of Wales. Our bombers lost no time in letting loose their special large bombs. One hit the mast and the other, the quarter-deck. With a great detonation, a section near the base of the mast exploded. Thick smoke, some of it brown and some black whirled high up in the air—the explosion of the powder-magazine! The side of the ship inclined more but it still held its right position. A great number of the crew of the Repulse were seen adrift on life-boats and boards. The flaming quarter-deck of the Prince of Wales was now only one meter above the water which was glittering ominously with the heavy oil oozing out of the sinking of the 'Unsinkable' dreadnought. Fatally wounded as it was, the Prince of Wales kept on cruising at the speed of about eight knots an hour, a destroyer faithfully following it 100 meters behind. After a short while it lost the speed all of sudden, and came to a stand-still. The destroyer came up hurrying and stood alongside. At this moment big flames shot up from the Prince of Wales with deafening detonation. Another explosion followed. The huge body of the battleship was swallowed up by the blue water with stern foremost. It was 30 seconds after the destroyer had stood alongside. There was no time to rescue the crew of the sinking ship.

"Admiral Sir Thomas Phillips, Commander-in-Chief of the British Asiatic Fleet and his staff officers shared the



same fate with the Prince of Wales. Now the main force of the British Asiatic Fleet was annihilated. Our naval airmen who witnessed the most impressive moment in the war history of the century seemed to have forgotten to speak for a while. Overwhelmed by uncontrollable emotions, they looked at each other in silence with tearful eyes. Suddenly, as if awakened from a long dream, they burst into a frenzy of joy as they shouted 'Banzai' at the top of their voice.

"When several planes were circling over the sea which swallowed the two British capital ships, three British fighters came flying at an amazing speed. As the base of the British air force at Kuantan had been bombed by Japanese raiders, they might have come here from a far-off base. Six other fast planes also came to the scene, and rose to challenge us over the waters where the two British capital ships had met their end. Our planes ran into the clouds to avert these British fighters, and sped to the base. After flying through clouds for a while, our men turned back and saw no British planes on their trail. In this Battle off Malaya marked with the most brilliant victories, we lost only three planes, and a man was wounded aboard a plane."

One of the rescued crew of the Prince of Wales, in an interview with the members of the Naval Press Corps at the naval base of Shonan (Singapore) on March 3 related the death of Admiral Sir Thomas Phillips, Commander-in-Chief of the British Asiatic Fleet, as follows:

"Admiral Sir Thomas Phillips was always standing on the bridge. When our ship was about to sink, a destroyer came close to our ship and signaled to the Admiral, 'Please come on board our ship.' But the Admiral said: 'No. Thank you,' and while saluting the crew of the destroyer, he went down with the Prince of Wales. Captain Leech of the Prince of Wales, who was standing by Admiral Phillips on the bridge, also raised his hand to the crew of the destroyer and was swallowed into the sea when the ship raised its stem high up in the air."

#### The Malay Campaign

Singapore upon which the British Government had relied for its defense of all British possessions in East Asia collapsed before the relentless attacks of the Imperial Forces and fell into Japa-

nese hands on February 15, 1942.

The fall of Singapore, together with the surrender of Hongkong at the outset of the war, marked the first stage in the wholesale retreat of British Imperialism from East Asia. For the Japanese, the collapse of Singapore meant the end of the first stage of the war in a series of brilliant victories. The Japanese Army Forces, which effected landings in the face of the enemy on Singora and Kota Bharu on the eastern coast of the Malay Peninsula on December 8, 1941, simultaneously with the declaration of war on the United States and the British Empire, smashed the stubborn resistance offered by the combined forces of Britain and Australia along the Jiliter line, at Slim and in Johore, and pursuing the British, Australian and Indian troops under the torrid tropical sun and through the steaming jungles, covered the peninsula from one end to the other—a distance of some 1,100 kilometers—in 55 days.

The following is a full report of the Malay campaign starting with the landing at Singora, and ending in the fall of Singapore, as told by the chief staff officer of the Japanese Army Forces in the Malay Region, who directed the historical operations on that front:

"Here I will tell you about the strategic and tactical operations of the historic Malay campaign that taxed the resources of the staff officers to the utmost. At first, let me give you a general picture of the Malay front. The distance between the point at which we first landed and Singapore is about 1,100 kilometers—a distance equal to that between Tokyo and Shimonoseki. In the blitzkrieg on the western front in Europe, the Germans advanced 15 kilometers a day on an average, and 20 kilometers in the best conditions. According to the records of the current war in Europe, the Germans took from 50 to 60 days to cover a distance of 1,100 kilometers. I calculated that the Malay campaign, starting with the landing at Singora to the capture of Singapore, would take at least 100 days. Our Army Forces will take about a month for the landing operations and they will be in Johore Bharu three months after their landing and then two or three weeks would be necessary to complete the occupation of Singapore. In other words, the campaign must come to an end by March 10, the 100th day from the start of the War of Greater East Asia, and

accordingly laid out plans to reduce Singapore by the auspicious day of Kigen-setsu. But in actuality, the campaign came to a close in 70 days.

**Landing on Singora** "I was very much worried about whether or not a large army can be transported safely over a distance of several hundred kilometers across the sea from its base to Singora under constant danger of being attacked by enemy submarines and bombers. According to the principles of strategy, a vanguard must have been sent first and then, the main force of the army sent under cover of the vanguard. But in the Singora landing operations nothing of this sort was done. All the principles of strategy were disregarded. No scouts were dispatched and several contingents of army forces were sent out across the waters which were patrolled from time to time and guarded strictly by enemy planes and craft. We ran a great risk. Our Army pretended to advance into Bangkok and the enemy never expected that we would land in southern Thailand or Singora.

"The ingenuity of the staff officers was fully taxed in this operation. The ardent wishes on the part of the Army to carry out the landing operations according to its own plan moved the Navy and it promised to cooperate fully with the Army in the hazardous undertaking. Indeed the Army was much obliged to the commander of a fleet who directly assisted with his ships for the landing of troops at Singora in close coordination with Lieutenant-General Tomoyuki Yamashita, Commander-in-Chief of the Japanese Army Forces in the Malay Region. The enemy had several airfields 100 or 200 kilometers away from Singora, but the Army had to use the poorly-constructed airfields which were about 1,000 kilometers away from it. The distance was too large for the Army planes. So the Army built two airfields in 15 days on an isle near Singora. The construction of the air base on the island was the greatest cause of the success of the landing. Our fighters could fly back and forth with ease between the isle and Singora and protect the landing troops from the air.

"The topographical features of southern Thailand make it impossible for a large army to bring its power into full play. Under such topographical condition, an army however large it may be, cannot have a front of more than a battalion. In other words, even if we

attacked the enemy with one battalion of troops, the enemy, restricted by this topographical condition, would not be able to make effective counter-attacks. Seeing a great advantage for our Army in the nature of southern Thailand, I drastically changed the contents of the original plan of operations. The original plan of landing troops on Singora after the completion of the air base on the said isle near Singora was discarded and a new plan was conceived whereby a battalion of troops could be marched as far as the Perak River over a distance of 350 kilometers from Singora without awaiting the arrival of reinforcements there. This change in the plan of operations made immediately before the enforcement of the landing operations became a basic factor in bringing about an epochal success of the Malay campaign. Without losing time, a battalion of picked soldiers was organized. I resolved to go with it. I had never seen in my life a group of men so cheerful and serene as this battalion which had determined to walk into the mouth of Death.

"The landing on Singora was conducted on December 8 at 3:40 a.m., from the ship on which the Commander-in-Chief of the Japanese Army Forces in the Malay Region sailed at the head of the convoy. When the convoy arrived on the shore of Singora, the homes of the natives along the shore were lighted brilliantly. A company of soldiers was soon ordered to seize the British consulate there. I first entered the building and found a tall fellow who spoke to me in English. As I hardly understand English, a soldier who talked English fluently, interpreted for me what the tall fellow said. "Are you Chinese soldiers?" he asked and we said, "No." "That soldiers?" he asked again. When we replied that we were not the soldiers of Thailand but the soldiers from Japan, that man yelled, raised his hands and stood petrified. We, however, could not afford to spend much time on such an incident, for we had to break through the border into Malaya as soon as possible. Fortunately we met a unit of Japanese contingents patrolling the border. Although the unit was only 200 strong, the commander of the unit consented to assist us to force our way into enemy territory. Soon the unit together with a company of tank force and field artillery began moving into the Malayan jungle.



"We first encountered the enemy at Sadao. On the night of December 9, I looked into the darkness beyond the border line, but heard no shots or rifles nor saw the enemy. For a while I walked with Captain Oshima of the Saeki unit through the darkness after trespassing the border and came upon a destroyed bridge. Suddenly, the Captain said in a hushed voice, 'There, the enemies!' The same moment I heard a volley on the road. Immediately I ordered a group of soldiers to charge. Like a bunch of shepherd-dogs, they smartly jumped into the forest of rubber trees. Soon hand-to-hand fights ensued in the forest. The enemy shot up a white signal shell, and the sounds of starting the automobile engines were heard. I first felt that the enemy was about to make a charge at us. But soon I found that the enemy troops were on the retreat. I ordered my men to chase after them, but it was too late. Without much fighting, our unit captured several enemy tanks and cannons. Our pursuit was greatly delayed by the destruction of bridges by the retreating foe. I thought that if we allowed the enemy to destroy bridges one after another along the road, we could never catch up with the retreating enemy, and conceived new tactics. I made our infantrymen wipe out the sentinels first and the members of the engineering corps repaired the bridges at night. Then, with tank corps, infantry on trucks and the artillery concentrated around the repaired bridge very close to the enemy positions I ordered the infantrymen to attack the enemy positions at night. As soon as the enemy positions were taken by the infantrymen, the tank corps would rush into the enemy and swarm into the next enemy position while running side by side with the retreating enemies on the wheel.

"I knew that the enemy would never blow up bridges until the last of their men cross them. The motto of the new tactics was to 'jump into the enemy position together with the enemies.' This ostensibly pell-mell tactics, however, proved to be great success in the subsequent battles and we were able to push through the peninsula from Singora down to Johore Bharu—a distance of some 1,100 kilometers—in 55 days.

**Battle on the Jitter Line** "The enemy had constructed the first line of defense along Jitter, Kota Bharu, Endau, Kuantan and Melsin. I decided to break through the enemy position in front of

Jitter and then bring under our control the bridge spanning the Perak River. To bring this plan into execution, a suicide corps was organized with a unit of infantrymen, two sections of engineers and 10 tanks and two field guns. The attack against this position in front of Jitter was started by this suicide corps toward the noon of December 11, and about 4 o'clock in the afternoon the enemy began withdrawing, when a tremendous squall broke out and hid the chasing Japanese from the sight of the enemy. Riding in my car, I kept marching on in the torrential down pour along the finely paved road. When I advanced about 20 kilometers, I saw several guns placed on both sides of the road. No enemy soldier, however, was seen there. Then I found nearly one hundred trucks in a rubber plantation along the road, but no enemy was there. I thought it very strange, and made my men scout around the place. The scouts soon returned and said that all the enemy soldiers were taking shelter, covering their bodies with tents in the wood off the road while leaving their tanks on the road in the rain. 'Good! Now is the choicest time to smash the foe root and branch,' I said to myself and ordered the tank unit to strike at once. The enemy was taken completely by surprise, and in utter confusion took to their heels in a manner that made me laugh heartily. Behind an enemy tank, went our tanks followed by other enemy tanks which were being pursued by our tanks from behind. The enemy tanks which were sandwiched between our tanks could not use their guns, because they were afraid of shooting down their own men. They attacked us with hand-grenades and pistols. Our tanks much larger and heavier than these enemy tanks hit them from behind, shoving them off the road and overturning them. In a few moments, the enemy tank-numbering about 20 were destroyed. The suicide corps kept on marching and came across a big rubber plantation when it received the cross-fire of scores of enemy field guns. It was toward midnight. The gun fire was very intense and no man was able to raise the head for a while. Nor were we able to avoid the fire off the road, because both sides of the road were swamps. If we remain here in this fashion till the day-break, I felt, all of us would surely perish under the enemy fire. So I sent an officer to scout the strength of the enemy as I

resolved to push further in before the dawn. The officer returned and told me that the enemy forces were not so large as we had imagined. At 4 o'clock the following morning I made a company of infantrymen to thrust into the enemy position.

"Soon the air was filled with the reports of guns and rifles. Upon hearing these reports, I instinctively felt that the enemy forces were quite large contrary to the report made by my officer. A wounded soldier stood before me in attention and said, 'The enemy position in front of us is of a large scale, and guarded with two or three folds of barbed wire and pill boxes. Our company took the largest pill box in the center, but was subjected to a fierce attack from all directions'. Presently the day broke and I knew that the commander of the company was heavily wounded and nearly half of the company was lost. The commander of the suicide corps sat down on the ground and remarked 'The report made by that officer was totally wrong. I did not know this enemy position was so strongly fortified. Before long the whole corps would be annihilated. I want to fight together with my men on the forefront.' I consoled and encouraged him and walked through the jungle and waded across the swamp to join our forces at the forefront. Soon after we had arrived at the forefront, an Indian soldier, together with a British soldier, came to us to surrender. I looked at a map of the enemy position which the British soldier had, and was greatly surprised at the scale of the enemy position.

"According to the map, the position was defended by a whole division of enemy forces and was able to hold out for three months against the enemy. While I was considering measures to convey as soon as possible the present battle condition in which the suicide corps was finding itself to our main force in the rear and to ask its commander to rush to the forefront for the rescue of the suicide corps, an infantryman, smeared with blood, returned and standing in attention before the commander of the corps said, 'The commander of our company is heavily wounded, but the company is defending the position with all its might,' and fell dead. Under such circumstances, there was nothing he could do but make a thrust with his last men, the commander of the suicide corps resolved, and was mak-

ing preparations when two fresh regiments arrived from the rear. At the same time, a message was brought from the forefront reporting that the enemy had started withdrawing, and the company was going to cross the bridge on the Perak River.

"These two regiments advanced further along the road on which numerous spoils of war piled up. There were left behind tanks, guns and military trucks fully loaded with foodstuffs, medicine and medical equipment. The whole division of the enemy seemed to have run away into the jungle. Everything seemed quite strange to me. Later on, I found out that our suicide corps of 400 strong with the mistaken estimate of the enemy forces defending the Jitter line drove a wedge into it, and finally succeeded to break it open, as the suicide corps totally ignorant of the real strength of the foe, kept on pounding, in sheer disregard of the heavy losses the corps suffered under the cross-fire of enemy field guns surpassing by far in number those possessed by our corps. According to the confessions made by captives, Japanese tanks appeared in front of them all of sudden and Japanese soldiers with dark faces burst into their pill boxes, causing a great panic among British and Indian soldiers. This panic, in turn, caused them to run in a stampede.

**The Landing on Kota Bharu** A certain contingent which had landed on Kota Bharu dashed into the enemy position defying every difficulty. It did its best first of all to secure bridges before they were destroyed by the enemy. For example 10 soldiers led by a young section commander named Asai, all on motorcycles, dashed ahead of the contingent in order to take possession of a bridge at Alor Star. When this daring squad came upon the bridge, it received a volley of enemy fire. Two non-commissioned officers leaped into the enemy with their motorcycles. Commander Asai was cutting with his sword the wire connected with dynamite on both sides of the bridge when his body together with the bridge was blown high up into the air as the enemy put the switch in. While the enemy was engrossed in the fighting with this daring squad, another squad came dashing and brought under its control a railway bridge not far from the scene of the battle. From this bridge hung an explosive weighing about one ton, but this



was quickly removed before the enemy could do anything with it. Planks were promptly laid over this bridge to let the mechanized units of the contingent pass as soon as possible and chase the enemy without delay. There was no large-scale battle anywhere, except hand-to-hand fighting. With an amazing speed, our contingent advanced close upon the heels of the enemy, and breaking through Alor Star, occupied six airfields and seized a great quantity of gasoline and food. Thus, we smashed the Jitler line which, the enemy calculated, would hold out at least three months against the attack of the Japanese, and reached the line of the Perak River.

"Now I was confronted by a difficult problem to solve. It was how to reach Kuala Lumpur from the Perak River. Kuala Lumpur was connected by only one road winding through steaming jungles. I had two plans in mind. One was to bring the craft for the landing purposes to the coast facing the Indian Ocean from Singora, and send troops aboard these vessels to the rear of the enemy; the other was to make every preparation against the destruction of bridges by the enemy so that the main force of the contingent may keep on going without delay after repairing the bridges within the shortest possible time. Although the bridge spanning the Perak River was destroyed by the foe, ferries were ready to transport the infantry and tanks across the river. Beyond the river was the impassable jungle stretching for 200 kilometers. So I made the vessels transported from Singora to Taiping by rail and a few regiments of troops landed on Kampar after sailing down south from Taiping on December 31.

"At that time, the enemy naval forces were quite active in the Indian Ocean and British and Dutch planes were frequently visiting Malaya from Sumatra for the bombing of the Japanese land forces advancing south in the peninsula. Under such circumstances the transport of troops aboard unarmed steamers to strike the back of the enemy was evidently against the principle of strategy. I feared that half of the troops might be lost before they reach their destination. By mistake these ships entered an enemy naval port at night. A few enemy gun-boats which were at anchor in that port, thought this group of transports a fleet of Japanese gun-boats, and after having fired a couple of shots they fled. This

ostensively reckless operation had a far-reaching effect on the subsequent battles in Malaya, and as a sequence to it, Kuala Lumpur, capital of the Federated Malay States fell into Japanese hands without much resistance. The capitulation of Kuala Lumpur affected the morale of the enemy very seriously and no doubt precipitated the fall of Singapore.

**The Battle of Slim** "The greatest difference between the Battle of the Jitler Line and the Battle of Slim is that in the former the Japanese completely took the enemy by surprise, and overwhelmed the enemy spiritually but in the latter, the Japanese literally annihilated the whole enemy forces concentrated in that sector of Malaya. Certain infantry regiments and two tank companies took the initiative in the attack. On the morning of January 7, the tank companies, assisted by the members of an engineering corps removed all the land mines planted in front of the position and went through it at 5 a.m. A battalion of infantry had gone behind the enemy to cut its retreat before the offensive started. Our tank companies, infantry and engineering corps swept like a whirlwind over the enemy position, with a depth of some 20 kilometers. In this battle a tank company first arrived at the foot of the Slim Bridge where there was the general headquarters of the enemy brigade. After shelling this headquarters, the tank company rushed into a position of heavy artillery.

"In short, we practically wiped out all the enemy forces in this battle of Slim, and up to January 8, one brigade of the enemy forces was exterminated. The enemy soldiers threw away all they had and crept into the jungle. About a week later when I was riding to the forefront, these enemy soldiers exhausted extremely by hunger came out staggering from the jungle with white flags in their hands.

"The rest of the enemy troops which had escaped the iron hand of the Japanese detachment at Slim retreated in a stampede to Kuala Lumpur, and from there to Singapore as the enemy had lost the confidence of stopping the onrushing Japanese at the line in the northern sectors of Johore Bharu. The waters off Kuantan were guarded heavily by the enemy who, it appears, never dreamed that the Japanese after landing on Kuantan might come through the impassable jungle to attack them in the rear. The

detachment which drove the enemy off Kuantan marched through the dense jungle from 27 to 30 miles a day. The soldiers walked, crept, waded and swam like the denizens of the jungle, day and night without taking enough food or water.

**From Kuala Lumpur to Gemas** "As the contingent which had occupied Kuala Lumpur, and which fought non-stop for 35 days since its landing on Singora began to show signs of exhaustion, I decided to let it rest. However, I organized a special attack corps with the pick of the contingent, and ordered the corps, together with certain tank units and engineering squads to rush on Gemas, which is about 160 kilometers from Kuala Lumpur.

"I calculated that the special attack corps would take at least three days before it reaches Gemas after mopping up enemy remnants and repairing bridges on its way. This would allow the main force of the contingent to take rest for three days at Kuala Lumpur. And if I use trucks and cars for the transport of the main force, the distance between Kuala Lumpur and Gemas can be covered in a few hours, the three-day rest given to the main force at Kuala Lumpur giving no effect whatsoever to the strategy of the subsequent campaign.

"While this contingent was pressing hard the enemy's front, another contingent sailed down along the western coast of the peninsula and threatened to attack the foe from the flank. Determined to stop the Japanese at any cost, the enemy stuck to the defense line of Gemas. Pitched battles were fought from dawn till late at night for a week around Muar, and here one battalion of the contingent lost half of its soldiers. Though the enemy resisted very stubbornly, the line on Gemas, Muar and Kuala Lumpur gave way to the fearless soldiers of Japan in two weeks. Finally the enemy fled into Singapore, Britain's last stand in East Asia.

**The Attack on Singapore** "I had an idea that the defense of Singapore facing the sea is considerably strong, while its defense facing Johore is not complete, and that the much-talked-about 45 centimeter guns installed in the fortresses on the island would prove quite powerful only to the foe trying to attack Singapore from the front. Pending the commencement of a general offensive against what Britain proudly called an "Impreg-

nable Fortress," opinions among our staff members were divided as to the defenses of Singapore. Some of us were of the opinion that the enemy forces defending Singapore would surrender without much resistance while the others asserted that they would fight to the last man. When the main force of our expeditionary forces in the Malay regions entered the City of Kuala Lumpur on January 13, I laid out a plan of attack on Singapore. I decided on the number of shells per cannon and also figured out the number of vessels to be used for the landing operations. It was my plan to throw in all the soldiers and weapons we had into the attack.

"Thereupon I immediately proceeded to get gun-shells delivered to Johore Bharu without delay, and sent thousands of cars and trucks to transport reinforcements from Singora to Johore within the shortest possible time.

"Another important point of my plan was to make the enemy forces scatter by what we call 'demonstration' in military terms.

"There is a tiny islet called Ubin in the Johore waterway. On the night of February 8, our unit of 400 strong landed on this isle. This operation was to attract the attention of the enemy more to the eastern coast of Singapore and let it concentrate more forces for the defense of the eastern side of the island. On that night I was standing on the shore to watch the vessels fully loaded with our soldiers stealthily crossing the water to Ubin Isle. A few minutes later, a signal light, telling the success of landing was shot up. So, I sent several small caliber guns to Ubin, and let the artillery make a great noise.

"In the midnight of the 8th, all the Japanese forces which had been on stand-by in Johore started landings on Singapore according to program. On the morning of the 10th, several other detachments also landed on the island and marched on the Tengah airfield. On this day, the headquarters of the Japanese Expeditionary Forces in the Malay Regions was set up near this airfield. When I went into the field headquarters, I saw the left shoulder of Lieutenant-General Mudaguchi smeared with blood. 'What's the matter?' I asked. He waved his hand and signalled 'silence.' Soon I discovered one of the staff officers was missing. Once more I questioned 'Where is the staff officer Ino?' 'He is wounded heavily,' was the reply. 'By what?' 'By



a hand-grenade,' said one of the officers there. To be wounded by a hand-grenade meant that the battle was fought at very close quarters. As a matter of fact, during the battle around the Tengah airfield, the headquarters of the contingent was within 15 meters of the enemy line. Up to that time, the dead and wounded in the contingent totaled about 1,000.

**The Deadly Battle at Bukit Timah**  
"Standing amid roaring cannons, rattling machine-guns, rumbling tanks, shrieking dive-bombers and all kinds of cracking sounds caused by shells and bombs on the ground, I thought and established a plan of operation to crush the enemy counter-attacking the Japanese from the Bukit Timah height. Picked troops of certain contingents made a thrust at the enemy on this height once or twice, but the enemy position remained intact as if nothing had happened. I saw a squad made up of 3 soldiers rushing to an enemy pill box, and engaging the enemy in a grim hand-to-hand fight with swords, revolvers, bayonets and hand-grenades around the pill-box. More guns were apparently necessary to silence the stubborn resistance of the enemy on the hill. But the intention of the Commander-in-Chief of our attacking forces was to get this position by a night-attack on the 10th. I was quite confident of the capture of Bukit Timah by the night-attack, for I clearly saw unmistakable unrest and dissipation of confidence and morale among the enemy on the hill. The night-attack was started at 5 p.m., and after a series of hand-to-hand fights all through that night, the 177 meter summit of the Bukit Timah height fell into our hands at the dawn of the following morning.

"On the same morning our planes dropped hand-bills over enemy positions, suggesting surrender. No reply was made by the enemy, although we waited for the answer till the evening of that day. Instead of complying with our wishes, the enemy intensified its counter-attack, and tried to strike back by concentration of gun-fire. During the whole night, guns of all calibers of attackers and defenders on the island kept on roaring without interruption. The hill of Bukit Timah was surrounded by pillars of flames. Our forces on the forefront, however, advanced inch by inch, and on the morning of the 13th, a reservoir near the hill was brought under our control. "At about this time, our artillery join-

ed the battle, and started shelling the park in the center of the City of Singapore and the heavy artillery position around Canning Barracks. I ordered the men of our heavy artillery to destroy all the principal buildings in the city as they were all military establishments. Unable to stand the severe fighting between our forces and the enemy, the wife of the Governor of Singapore, it is said, asked her husband to stop fighting. This might have been one of the positive factors which precipitated the fall of Singapore. The pride of Britain that she is the greatest empire in the world, caused the enemy fight very bravely, and the defenders of Singapore were also well aware of the profound effect the fall of Singapore would have on the war situation in other parts of the world. The battle intensified further on the morning of the 15th with no sign of surrender on the part of the defenders. Our soldiers on the forefront made one thrust after another, with glittering bayonet in one hand, and a hand-grenade in the other.

"Our artillery fired hundreds of shells each at Johore and crossed the waterway with remaining shells. Up to the morning of the 15th, they used another hundreds. As the Mudaguchi-Contingent was reported to have made a charge against the enemy's last stand in the vicinity of the Bukit Timah height at 10 o'clock in the morning, I went to the first battle line for inspection. A little before 10, I arrived at a regimental headquarters on the forefront. The headquarters was literally under a shower of steel fragments. Nobody was able to raise his head. I never put on a steel helmet in all campaigns in which I participated in the past, but this time, I regretted not to have carried one with me. Enemy shells exploded incessantly within a few feet of the headquarters, and I could hardly breathe freely as the sand and the shattered pieces of glass and wood fell on my body and hurt my unguarded head. Nor could I see 10 meters ahead due to the powder-smoke and sand-dust that filled the air. The appointed time to charge came, but the enemy fire continued unabated. We had to postpone the time. Now it was toward noon and the situation remained unchanged. In this fashion, the deadly battle raged on until 3 o'clock in the afternoon.

"The high officers in the regimental headquarters thought it better to charge now than to remain in this manner

awaiting the subsiding of the enemy gun-fire. However, no man was sure whether the charge would succeed or not. I told these officers not to hurry and advised them to attack the hill in the night in order to crush the enemy with smaller losses on our part. Then, I returned to the general headquarters of the Japanese Expeditionary Forces in the Malay Regions, and with a newly conceived plan of operation, I visited the headquarters of the Mudaguchi Contingent where I saw the Contingent's staff officers standing worried and speechless. One of them asked me to advise Lieut.-General Mudaguchi not to go to the forefront. He added that all of the staff officers there tried to keep him there but in vain. So I went to the commander of the contingent and told him that it was not the proper time for the contingent commander to visit the forefront. 'Your men,' I assured him, 'are fighting with all their might. They will make a thrust toward the night-fall. Their morale is quite high. There is no doubt about it. If you go to the forefront now, they might think you had come to press them, and might carry on a reckless attack in sheer disregard of their losses which could be avoided if they wait a little longer and attack the hill in the night.'

"Upon hearing these words of mine Lieutenant-General Mudaguchi seemed obviously moved and said to me, 'No, no, I'm not going to the forefront with such an idea. I haven't the slightest idea of pressing my men whose ideas and feelings I know very well. But I feel that the regiments under my command will make the final thrust tonight and many of my immediate subordinates, —the regiment commander, the battalion commander and others—would be killed. I want to see their faces and shake hands with them once more before they die.' There were tears in his eyes as he finished his speech. I saw in his speech the divine profile of the Imperial Army —the perfect unity of the contingent and the most beautiful, harmonious and humane relations existing between officers and men and those who command and those who obey—which is typical of the armies of His Imperial Majesty the Emperor. Now I had nothing to say about his intention. 'Please go to the forefront,' I told Lieutenant-General Mudaguchi who nodded to my words smilingly.

Fall of Singapore "I was on my

way to the general headquarters to report on the latest conditions on the forefront when I heard the surrender of the enemy forces over the telephone. It was on February 15 at 7:50 p.m. At the time of the surrender, the defenders of Singapore far outnumbered. No wonder that our soldiers had to fight deadly battles one after another in this campaign. I asked one of the prisoners of war, 'How many months did you think Singapore could hold out?' The prisoner replied, 'I never thought it in terms of months, but only in terms of years.' Then he added, 'I thought that Germany would collapse while we were holding Singapore against Japanese attack for a couple of years, and with German collapse, the allies would become much stronger than ever, so that Singapore would never fall into Japanese hands.'

"In short, the Malay campaign was carried out without following the approved theories of military science. Nevertheless, we were always successful in getting the upperhand over our foe. The Army concentrated its energies in the successful prosecution of the operations in Malaya and used the best troops it had in this campaign in close collaboration with the Navy. The concentration of the entire power possessed by the Japanese Expeditionary Forces in the Malay Regions has completed the historical undertaking—the fall of Singapore. Needless to say, our 3,300 men who have given their lives to the country in the campaign offered the foundation upon which the memorial tower of brilliant victories in Malaya was erected.

"When a question as to whether we should make a triumphal entry or not was raised among the high officers a few days after the fall of Singapore, Lieutenant-General Tomoyuki Yamashita, Commander-in-Chief of the Japanese Expeditionary Forces in the Malay Regions declared solemnly, 'What merits have those who have survived? The war has not come to an end yet. We have to make preparations for the operations to come.' Accordingly, he omitted the triumphal entry, but, instead, had a memorial service held for the war dead, attended by all the representatives of the contingents, detachments, regiments and all other smaller units of the army forces in Malaya on the island, re-named 'Shonan,' several days after its fall into the hands of the Japanese Army."



## Chronicle of the Greater East Asia War

November 1941—November 1942

1941:

November 26—The American Government offers new proposals unacceptable to the Japanese Government.

The American Ambassador to Tokyo gives final advice to 860 Americans in Japan to evacuate.

The American landing party evacuates Shanghai.

December 1—Singapore is set on war conditions by the official order.

The Dutch East Indies mobilizes men in services.

December 2—The British capital ship "The Prince of Wales" enters the naval base of Singapore.

December 8—The Beginning of the Greater East Asia War.

At dawn Pearl Harbor is attacked by the Imperial Naval Air Forces and submarines.

The Imperial Army units land on Malaya, attack Hong Kong, make peaceful entrance to Thailand.

Guam, the Philippine Islands, Wake are simultaneously bombed by the Imperial Naval Air Forces.

The Japanese Declaration of War against the United States and the British Empire.

December 9—Singapore attacked by the Imperial Naval Air Forces on the night.

British air forces in Malaya smashed, while Japanese army units occupy points in North Malaya.

December 10—The first landing of the Imperial Army contingents on the soil of the Philippines.

The Prince of Wales and the Repulse sent to the bottom.

Landing of the Japanese forces on Guam.

December 11—Germany and Italy declare war against the United States.

The Agreement between Japan, Germany and Italy concerning the joint prosecution of the war (signed on January 18, 1942).

December 12—Military Agreement between Japan and French Indo-China.

The Information Board of Japan announces that the present war shall

be called "Dai To-A Senso" or the Greater East Asia War, including the campaigns in China.

The Japanese forces succeed in surprise landing on the Southern Luzon.

Kowloon occupied.

Guam occupied.

December 13—General attack began on Hong Kong.

December 15—Rangoon is bombed.

December 16—The Extraordinary Session of The Imperial Diet is convened in Tokyo.

The Japanese forces land on British Borneo.

December 17—The Extraordinary Session of the Imperial Diet adjourns.

The Government of Brazil announces neutrality.

The High Prize Court of Japan established.

December 18—New Guinea and Iloilo are first attacked by the Imperial Naval Air Forces.

Kunming bombed by the Imperial Army Air Forces.

Forced landing of the Japanese forces on Hong Kong Island.

December 19—Penang occupied.

December 20—The Japanese forces land on Mindanao and occupy Davao.

December 21—Alliance between Japan and Thailand concerning mutual assistance in the prosecution of the war.

December 23—Wake Island occupied.

December 24—The 79th Session of the Imperial Diet is convened in Tokyo.

New contingents of the Japanese army land on the Eastern Luzon.

December 25—Fall of Hong Kong.

Kuching in British Borneo occupied.

December 27—The Government of the Philippine Commonwealth evacuate Manila.

The Japanese forces cross the Perak River on the Malay Front.

December 28—Formal entrance of the Imperial Army into Hong Kong.

Ipoh in Malaya reduced.

December 29—Singapore is bombed by a large number of the Imperial Army Air Forces.

December 31—Kuantan on the eastern coast of the Malay Peninsula occupied.

1942:

January 2—Manila falls into the hands of the Imperial Army.

January 4—Changsha of China occupied.

January 5—Brunel in British Borneo occupied.

Japanese new contingents' surprise landing on Selangor, Malaya.

January 7—Manila is placed under the Military Administration of the Imperial Army in the Philippines.

January 8—The American aircraft-carrier Langley sent to the bottom near Johnston Island.

January 10—Burmese cities attacked by the Imperial Army Air Forces.

January 11—Kuala Lumpur occupied.

Imperial Navy contingents land on Tarakan Island and at Menado on Celebes Island.

Moulmein and Tavoy in Burma bombed by the Imperial Army Air Forces.

January 13—Kakas Airfield in the Dutch East Indies occupied.

January 14—Minahassa in Celebes reduced by a special landing party of the Imperial Navy.

January 15—Malacca in Malaya occupied.

Attack of the Imperial Army Air Forces on Sembawang and Tengah Airfields in Singapore.

Attack of the Imperial Navy Air Forces on Babo and Sorong in New Guinea, Amboina in the Moluccas Islands and Rabaul in New Britain.

January 16—Likoepong in Celebes occupied.

Landing of the Japanese forces in Malaya at Batu Pahat and occupation of the airfield.

January 17—Bombing raids on Singapore.

Mengtze in Yunnan Province, China, attacked by the Imperial Army Air squadron.

January 18—The Imperial Navy Air Forces attack enemy ships along the coast of Cebu Island in the Philippines,

and stage a bombing raid on Singapore.

Signing of the Military Agreement among Japan, Germany and Italy in Berlin.

January 19—Occupation of Tavoy in Burma.

Lieutenant-General Rensuké Isogai appointed the first Governor-General of the Hong Kong Occupied Area.

January 20—Air raid on Singapore. Occupation of Endau in Malaya.

January 21—Air raids on Singapore.

Prime Minister General Hidéki Tōjō enunciates in his address before the Diet Japan's basic policy for the prosecution of the current war into the final victory. (See Chapter on Parties and Politics.)

January 22—Attacks of the Imperial Navy Air Forces on Balikpapan in Borneo, Macasar, Palopo, Kolonedale and Kendari in Celebes, Ternate and Labuha in the Habmahera Islands, Amboina in Ceram Island, Singapore and Sumatra.

A special landing party of the Imperial Navy lands at Kavieng in New Ireland.

Attack of Mingaladon Airport, Rangoon.

January 24—Occupation of Taou in the British Borneo.

Bombing of Seletar Airfield in Singapore.

Landing of Japanese forces on Balikpapan in Borneo and Kendari in Celebes.

January 25—Occupation of Balikpapan.

Thailand declares war against the United States and the British Empire.

Occupation of Kavieng in New Ireland.

January 26—Occupation of Kendari.

Air fight over the vicinity of Endau in Malaya and attack on Tengah Airfield in Singapore.

January 27—Two Japanese destroyers meet two British destroyers off Endau and sink one of the enemy.

January 28—Attack of Seletar Airfield in Singapore.

Occupation of Pontianak in Borneo.

Tripartite Alliance among Britain, Soviet Russia and the United States signed in London.



January 31—Johore Bahru occupied. Moulmelen occupied. Landing of Japanese forces at Ambolna in Ceram Island.

February 1—The Imperial Navy stages a counterattack on an enemy naval unit coming to attack the Marshall Islands.

February 3—The Imperial Navy Air Forces attack Sourabaya and Nalang in Java. The Imperial Army Air Forces bomb plants and dockyards in Singapore and Toungoo Airfield in Burma.

February 4—Occupation of Powan in South Burma. Bombing of Rangoon and Hlegn airfields. Commencement of bombarding on Singapore. **Java Sea Battle.** The Dutch East Indies Navy practically annihilated.

February 5—The Imperial Army in China commences a new operation in the southern part of Shantung Province.

February 6—Bombing of Mingaladon Airport in Burma and Muntok Airfield in Banka Island, Sumatra.

February 7—Bombing of Palembang Airfield, Sumatra and Mingaladon Airport in Burma.

February 8—Bombing of Palembang Airfield, Sumatra.

February 9—The Imperial Army crosses Johore Straits at 12:16 a.m. and occupies Tengah Airfield in Singapore. Bombing of Batavia, capital of the Dutch colony. Occupation of Macassar in Celebes, and Gasmata in New Britain. The Imperial Headquarters announces the name of the Supreme Commander of the Imperial Army on the Malay front as Lieutenant-General Tomoyuki Yamashita.

February 10—Occupation of Banjarmasin in Borneo and Martaban in Burma.

February 11—A contingent of the Imperial Army thrusts into the city of Singapore.

February 14—Some 32 enemy warships and transports trying to escape from Singapore sunk or destroyed by the Imperial Navy between Feb. 10 and 14. Occupation of Seletar Naval Base, in Singapore.

The Imperial Army Parachuters descend on Palembang, Sumatra and occupy the airfield.

February 15—**The Fall of Singapore.** British Commander A. E. Percival surrenders unconditionally at 7:50 p.m.

The Imperial Headquarters announces the name of the Highest Commander-in-Chief of All Imperial Armies in the South Seas as General Hisaichi Terauchi and that of the Chief of the General Staff as Lieutenant-General Osamu Tsukada.

Occupation of Palembang, Sumatra.

February 17—Singapore is renamed as "Shōnan."

The Imperial Navy enters into the Shonan Naval Station.

February 18—Bombing of Sourabaya in Java.

February 19—The Imperial Army and Navy units occupy Den Pasar in Bali.

Extensive air raids on Port Darwin, Australia.

February 20—Occupation of Dell in Timor Island, and Tandjoengkarang in Sumatra.

February 24—Bombardment of the coast of California by an Imperial submarine.

Occupation of Bankulen, Sumatra.

American attempt of attacking Otori Island (Wake) of Japan frustrated by the Imperial Navy units.

February 25—Bombing of airfields in Java.

February 27-28—**The Naval Battle off Java.** Complete defeat of the combined fleet of British, American and Dutch navies.

March 1—Landing of the Imperial Army units on Java.

Sea battle off Sourabaya between the Imperial Fleet and the British fleet escaping toward India.

March 2—Landing of the Imperial Navy units at Zamboanga, Mindanao.

Activities of the Imperial submarines near San Francisco on March 1 and near Mendocino on March 2.

The American cruiser Marblehead sunk off the west coast of Australia.

March 3—Air attack on Broome, Australia.

March 4—Bombing of Pearl Harbor. Some 30 enemy warplanes appear

over Minami-Torishima Island of Japan and are driven away, losing 7.

March 5—**Occupation of Batavia.**

March 6—The Imperial Headquarters publishes the activities and personnel of the Special Attack Flotilla in Pearl Harbor on December 8, 1941.

March 7—Occupation of Sourabaya in Java and Pegu in Burma.

The East Indies is placed under the Imperial Military Administration.

March 8—Occupation of Rangoon in Burma.

Landing of the Imperial forces on the east coast of the Dutch New Guinea.

The Imperial Headquarters announces the name of the Supreme Commander of the Imperial Army in Burma as Lieutenant-General Shojiro Iida.

March 9—Surrender of the enemy combined forces in Java.

The Imperial Headquarters announces the name of the Supreme Commander in the East Indies as Lieutenant-General Hitoshi Imamura.

March 10—The Imperial Naval ensign hoisted on Buka in the Solomon Islands.

March 11—Malaya and Shonan Island are placed under the Imperial Military Administration.

March 12—Landing of the Imperial Army units on North Sumatra.

March 13—Occupation of Medan, Sumatra.

Bombing of Port Moresby, New Guinea.

March 16—Occupation of San Jose, Mindanao.

March 23—Landing of the Japanese forces at Port Blair, South Andaman Island in Bengal Bay.

March 25—The Imperial Diet closes its 79th Session.

March 26—Surrender of enemy troops in the mountains in Sumatra.

March 28—The 7th bombing of Port Darwin, Australia.

March 31—Occupation of Christmas Island south of Java.

Continued air raids on Corregidor Island in Manila Bay since March 24.

April 5—Colombo, Ceylon, attacked by the Imperial Navy Forces.

The 15th bombing of Port Darwin.

April 6—Bombing of Vizagapatam and Cocanada in Madras province, India.

The 23rd bombing of Port Moresby.

April 8—The Imperial Navy units storm Trincomalee, Ceylon, and sink one British aircraft carrier, two cruisers and others.

April 10—Landing of the Imperial Naval units on Cebu in the Philippines.

April 11—Complete occupation of the Bataan Peninsula, Luzon.

Lieutenant-General Marquis Toshitame Mayeda appointed Supreme Commander of the Highest Army Headquarters established in North Borneo.

April 16—Landing of the Japanese forces on Panay Island in the Philippines and occupation of Iloilo.

April 18—American bombers make a show over Tokyo and other cities, aiming at no military establishment but willingly killing school boys playing on a school ground and burning a few number of private houses.

April 19—The Imperial Air Forces attack enemy airfields at Chinchow, Lishui, and Yushan in China during 3 days.

April 29—Occupation of Cota Bato, Mindanao.

Bombing of Sian, China.

Occupation of Lahsio, Burma.

April 30—The General Election of House of Representatives of Japan.

May 1—Occupation of Mandalay, Burma.

May 3—Occupation of Bhamo, Burma.

May 4—Occupation of Akyab Airfield in Burma.

May 5—The Imperial forces make forced landing on Corregidor.

May 6—Occupation of Myitkyna, Burma.

May 7—**Fall of the Corregidor Fortress.**

**The Coral Sea Battle.** The Imperial Navy sends 2 enemy battleships, two aircraft carriers, and one cruiser to the bottom of the Coral Sea on May 7 and 8.

May 8—Bombing of Chittagong, India.

May 9—The Imperial Navy enters into Manila Bay.

The Imperial Army in the Philippines under the Supreme Commander



- Lieutenant-General Masaharu Homma triumphantly enters the city of Manila at noon.
- May 10—Occupation of Tengyueh, West Yunnan, China.
- May 17—Air attack on Bahadurpur and Silchar in Assam Province, India.
- May 18—Air raid on Paoshan airfield in Yunnan Province, China.
- May 19—Bombing of enemy air bases at Kweilin and Linchow in Kwangsi Province, China.
- May 21—Commencement of the clean-up operations of the Imperial Army in China in the eastern and northern regions of China.
- May 25—The 80th Session of the Imperial Diet convened and closed on May 28.
- May 31—Attack of the Imperial Special submarines on Diego Saurez of Madagascar and the port of Sydney, Australia.
- June 4—A surprise attack on Dutch Harbor in the Aleutian Islands.  
Burma is placed under the Imperial Military Administration.
- June 5—The Imperial Navy attacks the American naval base of Midway, and sinks two American aircraft carriers.
- June 7—The Imperial Naval units reduce a number of important points in the Aleutian Islands within a few days following June 7.
- June 13—Aerial combats over Port Darwin on June 13 and 14.
- June 16—Occupation of Kweiki in Kwangsi Province, and Sanshui in Kwangtung Province, China.
- June 21—The Imperial submarines bombard the U.S. military establishments near Port Brown and West Port, Oregon.
- June 24—Occupation of the Chinese airfield at Lishui in Chekiang Province.
- July 5—American air forces in China defeated in air combats over several airports in Kwangsi and Hunan provinces.
- July 7—Occupation of Halkowshih in Chekiang Province.
- July 11—Occupation of Wenchow in Chekiang Province.
- July 13—Occupation of Julian in Chekiang Province.
- July 25—The Imperial Navy Air units conducts night raids on Townsville, Australia on July 25, 27 and 28.
- July 30—Air attack on Port Headland, Australia.
- August 1—The inauguration of the Central Administrative Organ of Burma under Dr. Ba Maw.
- August 7—The Sea Battle off the Solomon Islands. The battle lasted 3 days, and the Imperial Navy sent 25 enemy warships and 10 transports to the bottom. This is the beginning of the deadly sea battles in the South Pacific Ocean.
- August 8—The Imperial Naval units beat off an enemy naval force which appeared in the Aleutian waters.  
The Indian Congress Party adopts an Anti-British Decision and Mahatma Gandhi issues order of nonobedience.
- August 9—British wholesale arrest of Indian Leaders. Beginning of the death struggle of the Indian people for Independence.
- August 24—The Second Battle off the Solomon Islands. The Enemy fleet again defeated.
- September 23—Bombing of Nosan Bay in Atka Island, the Aleutians.
- September 25—The Imperial Headquarters announces that a part of the Japanese Naval Forces has turned its operations to the Atlantic.
- November 12—The sea battle off Guadalcanar Island in the Solomon Islands.  
The battle continued for 3 days and eight enemy cruisers and four or five destroyers were sent to the bottom while 9 warships were heavily damaged, including 2 battleships.
- November 30—The night battle off Lunga, Guadalcanar.

## APPENDIX



## THE CONSTITUTION

### CHAPTER I THE EMPEROR

ARTICLE I The Empire of Japan shall be reigned over and governed by a line of Emperors unbroken for ages eternal.

ARTICLE II The Imperial Throne shall be succeeded to by Imperial male descendants, according to the provisions of the Imperial House Law.

ARTICLE III The Emperor is sacred and inviolable.

ARTICLE IV The Emperor is the head of the Empire, combining in Himself the rights of sovereignty, and exercises them according to the provisions of the present Constitution.

ARTICLE V The Emperor exercises the legislative power with the consent of the Imperial Diet.

ARTICLE VI The Emperor gives sanction to laws, and orders them to be promulgated and executed.

ARTICLE VII The Emperor convokes the Imperial Diet, opens, closes and prorogues it, and dissolves the House of Representatives.

ARTICLE VIII The Emperor, in consequence of an urgent necessity to maintain public safety or to avert public calamities, issues, when the Imperial Diet is not sitting, Imperial Ordinances in the place of law.

Such Imperial Ordinances are to be laid before the Imperial Diet at its next session, and when the Diet does not approve the said Ordinances, the Government shall declare them to be invalid for the future.

ARTICLE IX The Emperor issues, or causes to be issued, the Ordinances necessary for the carrying out of the laws, or for the maintenance of the public peace and order, and for the promotion of the welfare of the subjects. But no Ordinance shall in any way alter any of the existing laws.

ARTICLE X The Emperor determines the organization of the different branches of the administration, and salaries of all civil and military officers, and appoints and dismisses the same.

Exceptions especially provided for in the present Constitution or in other laws shall be in accordance with the respective provisions bearing thereon.

ARTICLE XI The Emperor has the supreme command of the Army and Navy.

ARTICLE XII The Emperor determines the organization and peace standing of the Army and Navy.

ARTICLE XIII The Emperor declares war, makes peace, and concludes treaties.

ARTICLE XIV The Emperor declares a state of siege.

The conditions and effects of a state of siege shall be determined by law.

ARTICLE XV. The Emperor confers titles of nobility, rank, orders and other marks of honor.

ARTICLE XVI The Emperor orders amnesty, pardon, commutation of punishments and rehabilitation.

ARTICLE XVII A Regency shall be instituted in conformity with the provisions of the Imperial House Law.

The Regent shall exercise the powers appertaining to the Emperor in His name.

### CHAPTER II RIGHTS AND DUTIES OF SUBJECTS

ARTICLE XVIII The conditions necessary for being a Japanese subject shall be determined by law.

ARTICLE XIX Japanese subjects may, according to qualifications determined in laws or ordinances, be appointed to civil or military or any other public offices equally.

ARTICLE XX Japanese subjects are amenable to service in the Army or Navy according to the provisions of law.

ARTICLE XXI Japanese subjects are amenable to duty of paying taxes according to the provisions of law.

ARTICLE XXII Japanese subjects shall have the liberty of abode and of changing the same within the limits of law.



ARTICLE XXIII No Japanese subject shall be arrested, detained, tried or punished, unless according to law.

ARTICLE XXIV No Japanese subject shall be deprived of his right of being tried by the judges determined by law.

ARTICLE XXV Except in the cases provided for in the law, the house of no Japanese subject shall be entered or searched without his consent.

ARTICLE XXVI Except in the cases mentioned in the law, the secrecy of the letters of every Japanese subject shall remain inviolate.

ARTICLE XXVII The right of property of every Japanese subject shall remain inviolate.

Measures necessary to be taken for the public benefit shall be provided for by law.

ARTICLE XXVIII Japanese subjects shall, within limits not prejudicial to peace and order, and not antagonistic to their duties as subjects, enjoy freedom of religious belief.

ARTICLE XXIX Japanese subjects shall, within the limits of law, enjoy the liberty of speech, writing, publication, public meetings and associations.

ARTICLE XXX Japanese subjects may present petitions, by observing the proper forms of respect, and by complying with the rules specially provided for the same.

ARTICLE XXXI The provisions contained in the present chapter shall not affect the exercise of the powers appertaining to the Emperor, in times of war or in cases of a national emergency.

ARTICLE XXXII Each and every one of the provisions contained in the preceding Articles of the present chapter, that are not in conflict with the laws or the rules and discipline of the Army and Navy, shall apply to the officers and men of the Army and of the Navy.

### CHAPTER III

#### THE IMPERIAL DIET

ARTICLE XXXIII The Imperial Diet shall consist of two Houses, a House of Peers and a House of Representatives.

ARTICLE XXXIV The House of Peers shall, in accordance with the Ordinance concerning the House of Peers, be composed of the members of

the Imperial Family, of the orders of nobility, and of those persons who have been nominated thereto by the Emperor.

ARTICLE XXXV The House of Representatives shall be composed of Members elected by the people according to the provisions of the Law of Election.

ARTICLE XXXVI No one can at one and the same time be a Member of both Houses.

ARTICLE XXXVII Every law requires the consent of the Imperial Diet.

ARTICLE XXXVIII Both Houses shall vote upon projects of law submitted to them by the Government, and may respectively initiate projects of law.

ARTICLE XXXIX A Bill which has been rejected by either the one or the other of the two Houses shall not be again brought in during the same session.

ARTICLE XL Both Houses can make representations to the Government as to laws or upon any other subject. When, however, such representations are not accepted, they cannot be made a second time during the same session.

ARTICLE XLI The Imperial Diet shall be convoked every year.

ARTICLE XLII A session of the Imperial Diet shall last during three months. In case of necessity, the duration of a session may be prolonged by Imperial Order.

ARTICLE XLIII When urgent necessity arises, an extraordinary session may be convoked in addition to the ordinary one.

The duration of an extraordinary session shall be determined by Imperial Order.

ARTICLE XLIV The opening, closing, prolongation of session and prorogation of the Imperial Diet, shall be effected simultaneously for both Houses.

In case the House of Representatives has been ordered to dissolve, the House of Peers shall at the same time be prorogued.

ARTICLE XLV When the House of Representatives has been ordered to dissolve, Members shall be caused by Imperial Order to be newly elected, and the new House shall be convoked within five months from the day of dissolution.

ARTICLE XLVI No debate can be opened and no vote can be taken in either House of the Imperial Diet, unless not less than one-third of the whole number of the Members thereof is present.

ARTICLE XLVII Votes shall be taken in both Houses by absolute majority. In the case of a tie vote, the President shall have the casting vote.

ARTICLE XLVIII The deliberations of both Houses shall be held in public. The deliberations may, however, upon demand of the Government or by resolution of the House, be held in secret sitting.

ARTICLE XLIX Both Houses of the Imperial Diet may respectively present addresses to the Emperor.

ARTICLE L Both Houses may receive petitions presented by subjects.

ARTICLE LI Both Houses may enact, besides what is provided for in the present Constitution and in the Law of the Houses, rules necessary for the management of their internal affairs.

ARTICLE LII No Member of either House shall be held responsible outside the respective Houses for any opinion uttered or for any vote given in the House. When, however, a Member himself has given publicity to his opinions by public speech, by documents in print or in writing, or by any other similar means, he shall, in the matter, be amenable to the general law.

ARTICLE LIII The Members of both Houses shall, during the session, be free from arrest, unless with the consent of the House, except in cases of flagrant delicts, or of offences connected with a state of internal commotion or with a foreign trouble.

ARTICLE LIV The Ministers of State and the Delegates of the Government may, at any time, take seats and speak in either House.

### CHAPTER IV

#### THE MINISTERS OF STATE AND THE PRIVY COUNCIL

ARTICLE LV The respective Ministers of State shall give their advice to the Emperor, and be responsible for it.

All Laws, Imperial Ordinances and Imperial Rescripts of whatever kind, that relate to the affairs of the State,

require the countersignature of a Minister of State.

ARTICLE LVI The Privy Councilors shall, in accordance with the provisions for the organization of the Privy Council, deliberate upon important matters of State, when they have been consulted by the Emperor.

### CHAPTER V

#### THE JUDICATURE

ARTICLE LVII The Judicature shall be exercised by the Courts of Law according to law, in the name of the Emperor.

The organization of the Courts of Law shall be determined by law.

ARTICLE LVIII The judges shall be appointed from among those who possess proper qualifications according to law.

No judge shall be deprived of his position, unless by way of criminal sentence or disciplinary punishment.

Rules for disciplinary punishment shall be determined by law.

ARTICLE LIX Trials and judgments of a Court shall be conducted publicly. When, however, there exists any fear, that such publicity may be prejudicial to peace and order, or to the maintenance of public morality, the public trial may be suspended by provision of law or by the decision of the Court of Law.

ARTICLE LX All matters, that fall within the competency of a special Court, shall be specially provided for by law.

ARTICLE LXI No suit at law, which relates to rights alleged to have been infringed by the illegal measures of the administrative authorities, and which shall come within the competency of the Court of Administrative Litigation specially established by law, shall be taken cognizance of by a Court of Law.

### CHAPTER VI

#### FINANCE

ARTICLE LXII The imposition of a new tax or the modification of the rates of an existing one shall be determined by law.

However, all such administrative fees or other revenue having the nature of compensation shall not fall within the category of the above clause.



The raising of national loans and the contracting of other liabilities to the charge of the National Treasury, except those that are provided in the Budget, shall require the consent of the Imperial Diet.

ARTICLE LXIII The taxes levied at present shall, in so far as they are not remodelled by a new law, be collected according to the old system.

ARTICLE LXIV The expenditure and revenue of the State require the consent of the Imperial Diet by means of an annual Budget.

Any and all expenditures overpassing the appropriations set forth in the Titles and Paragraphs of the Budget, or that are not provided for in the Budget, shall subsequently require the approbation of the Imperial Diet.

ARTICLE LXV The Budget shall be first laid before the House of Representatives.

ARTICLE LXVI The expenditures of the Imperial House shall be defrayed every year out of the National Treasury, according to the present fixed amount for the same, and shall not require the consent thereto of the Imperial Diet, except in case an increase thereof is found necessary.

ARTICLE LXVII Those already fixed expenditures based by the Constitution upon the powers appertaining to the Emperor, and such expenditures as may have arisen by the effect of law, or that appertain to the legal obligations of the Government, shall be neither rejected nor reduced by the Imperial Diet, without the concurrence of the Government.

ARTICLE LXVIII In order to meet special requirements, the Government may ask the consent of the Imperial Diet to a certain amount as a Continuing Expenditure Fund, for a previously fixed number of years.

ARTICLE LXIX In order to supply deficiencies, which are unavoidable, in the Budget, and to meet requirements unprovided for in the same, a Reserve Fund shall be provided in the Budget.

ARTICLE LXX When the Imperial Diet cannot be convoked, owing to the external or internal condition of the country, in case of urgent need for the maintenance of public safety, the Government may take all necessary financial measures, by means of an Imperial Ordinance.

In the case mentioned in the preceding

clause, the matter shall be submitted to the Imperial Diet at its next session, and its approbation shall be obtained thereto.

ARTICLE LXXI When the Imperial Diet has not voted on the Budget, or when the Budget has not been brought into actual existence, the Government shall carry out the Budget of the preceding year.

ARTICLE LXXII The final account of the expenditures and revenue of the State shall be verified and confirmed by the Board of Audit, and it shall be submitted by the Government to the Imperial Diet, together with the report of verification of the said Board.

The organization and competency of the Board of Audit shall be determined by law separately.

#### CHAPTER VII

##### SUPPLEMENTARY RULES

ARTICLE LXXIII When it has become necessary in future to amend the provisions of the present Constitution, a project to that effect shall be submitted to the Imperial Diet by Imperial Order.

In the above case, neither House can open the debate, unless not less than two-thirds of the whole number of Members are present, and no amendment can be passed, unless a majority of not less than two-thirds of the Members present is obtained.

ARTICLE LXXIV No modification of the Imperial House Law shall be required to be submitted to the deliberation of the Imperial Diet.

No provision of the present Constitution can be modified by the Imperial House Law.

ARTICLE LXXV No modification can be introduced into the Constitution, or into the Imperial House Law, during the time of a Regency.

ARTICLE LXXVI Existing legal enactments such as laws, regulations, Ordinances, or by whatever names they may be called, shall, so far as they do not conflict with the present Constitution, continue in force.

All existing contracts or orders, that entail obligations upon the Government, and that are connected with expenditure, shall come within the scope of Art. LXVII.

## THE IMPERIAL HOUSE LAW

### CHAPTER I

#### SUCCESSION TO THE IMPERIAL THRONE

ARTICLE I The Imperial Throne of Japan shall be succeeded to by male descendants in the male line of Imperial Ancestors.

ARTICLE II The Imperial Throne shall be succeeded to by the Imperial eldest son.

ARTICLE III When there is no Imperial eldest son, the Imperial Throne shall be succeeded to by the Imperial eldest grandson. When there is neither Imperial eldest son nor any male descendant of his, it shall be succeeded to by the Imperial son next in age, and so on in every successive case.

ARTICLE IV For succession to the Imperial Throne by an Imperial descendant, the one of full blood shall have precedence over descendants of half blood. The succession to the Imperial Throne by the latter shall be limited to those cases only, when there is no Imperial descendant of full blood.

ARTICLE V When there is no Imperial descendant, the Imperial Throne shall be succeeded to by an Imperial brother and by his descendants.

ARTICLE VI When there is no such Imperial brother or descendant of his, the Imperial Throne shall be succeeded to by an Imperial uncle and by his descendants.

ARTICLE VII When there is neither such Imperial uncle nor descendant of his, the Imperial Throne shall be succeeded to by the next nearest member among the rest of the Imperial Family.

ARTICLE VIII Among the Imperial brothers and the remoter Imperial relations, precedence shall be given, in the same degree, to the descendants of full blood over those of half blood, and to the elder over the younger.

ARTICLE IX When the Imperial heir is suffering from an incurable disease of mind or body, or when any other weighty cause exists, the order of succession may be changed in accordance with the foregoing provisions, with the advice of the Imperial Family Council and with that of the Privy Council.

### CHAPTER II

#### ASCENSION AND CORONATION

ARTICLE X Upon the demise of the Emperor, the Imperial heir shall ascend the Throne, and shall acquire the Divine Treasures of the Imperial Ancestors.

ARTICLE XI The ceremonies of Coronation shall be performed and a Grand Coronation Banquet (Daijōsai) shall be held at Kyoto.

ARTICLE XII Upon an accession to the Throne, a new era shall be inaugurated, and the name of it shall remain unchanged during the whole reign, in agreement with the established rule of the 1st year of Meiji.

### CHAPTER III

#### MAJORITY, INSTITUTION OF EMPRESS AND OF HEIR-APPARENT

ARTICLE XIII The Emperor, the Kōtaishi and the Kōtaison shall attain their majority at eighteen full years of age.

ARTICLE XIV Members of the Imperial Family, other than those mentioned in the preceding Article, shall attain their majority at twenty full years of age.

ARTICLE XV The son of the Emperor, who is Heir-apparent, shall be called "Kōtaishi." In case there is no Kōtaishi, the Imperial grandson, who is Heir-apparent, shall be called "Kōtaison."

ARTICLE XVI The institution of Empress and that of Kōtaishi or of Kōtaison shall be proclaimed by an Imperial Rescript.

### CHAPTER IV

#### STYLES OF ADDRESS

ARTICLE XVII The style of address for the Emperor, the Grand Empress Dowager, the Empress Dowager and of the Empress, shall be His, or Her or Your Majesty.

ARTICLE XVIII The Kōtaishi and his consort, the Kōtaison and his consort, the Imperial Princes and their consorts, the Imperial Princesses, the



Princes and their consorts, and the Princesses shall be styled His, Her, Their, or Your Highness or Highnesses.

#### CHAPTER V REGENCY

ARTICLE XIX When the Emperor is a minor, a Regency shall be instituted.

When He is prevented by some permanent cause from personally governing, a Regency shall be instituted, with the advice of the Imperial Family Council and with that of the Privy Council.

ARTICLE XX The Regency shall be assumed by the Kotalshi or the Kotalson, being of full age of majority.

ARTICLE XXI When there is neither Kotalshi nor Kotalson, or when the Kotalshi or the Kotalson has not yet arrived at his majority, the Regency shall be assumed in the following order:

1. An Imperial Prince or a Prince.
2. The Empress.
3. The Empress Dowager.
4. The Grand Empress Dowager.
5. An Imperial Princess or a Princess.

ARTICLE XXII In case the Regency is to be assumed from among the male members of the Imperial Family, it shall be done in agreement with the order of succession to the Imperial Throne. The same shall apply to the case of female members of the Imperial Family.

ARTICLE XXIII A female member of the Imperial Family to assume the Regency shall be exclusively one who has no consort.

ARTICLE XXIV When, on account of the minority of the nearest related member of the Imperial Family, or for some other cause, another member has to assume the Regency, the latter shall not, upon the arrival at majority of the above mentioned nearest related member, or upon the disappearance of the aforesaid cause, resign his or her post in favor of any person other than of the Kotalshi or of the Kotalson.

ARTICLE XXV When a Regent or one who should become such, is suffering from an incurable disease of mind or body, or when any other weighty cause exists therefor, the order of the Regency may be changed, with the advice of the Imperial Family Council and with that of the Privy Council.

#### CHAPTER VI

##### THE IMPERIAL GOVERNOR

ARTICLE XXVI When the Emperor is a minor, an Imperial Governor shall be appointed to take charge of His bringing up and of His education.

ARTICLE XXVII In case no Imperial Governor has been nominated in the will of the preceding Emperor, the Regent shall appoint one, with the advice of the Imperial Family Council and with that of the Privy Council.

ARTICLE XXVIII Neither the Regent nor any of his descendants can be appointed Imperial Governor.

ARTICLE XXIX The Imperial Governor cannot be removed from his post by the Regent, unless upon the advice of the Imperial Family Council and upon that of the Privy Council.

#### CHAPTER VII

##### THE IMPERIAL FAMILY

ARTICLE XXX The term "Imperial Family" shall include the Grand Empress Dowager, the Empress Dowager, the Empress, the Kotalshi and his consort, the Kotalson and his consort, the Imperial Princes and their consorts, the Imperial Princesses, the Princes and their consorts, and the Princesses.

ARTICLE XXXI From Imperial sons to Imperial great-great-grandsons, Imperial male descendants shall be called Imperial Princes; and from Imperial daughters to Imperial great-great-granddaughters, Imperial female descendants shall be called Imperial Princesses. From the fifth generation downwards, they shall be called, male descendants, Princes, female ones, Princesses.

ARTICLE XXXII When the Imperial Throne is succeeded to by a member of a branch line, the title of Imperial Prince or Imperial Princess shall be specially granted to the Imperial brothers and sisters, being already Princes or Princesses.

ARTICLE XXXIII The births, namings, marriages and deaths in the Imperial Family shall be announced by the Minister of the Imperial Household.

ARTICLE XXXIV Genealogical and other records relating to the matters mentioned in the preceding Article shall be kept in the Imperial archives.

ARTICLE XXXV The members of the Imperial Family shall be under the control of the Emperor.

ARTICLE XXXVI When a Regency is instituted, the Regent shall exercise the power of control referred to in the preceding Article.

ARTICLE XXXVII When a member, male or female, of the Imperial Family is a minor and has been bereft of his or her father, the officials of the Imperial Court shall be ordered to take charge of his or her bringing up and education. Under certain circumstances, the Emperor may either approve the guardian chosen by his or her parent, or may nominate one.

ARTICLE XXXVIII The guardian of a member of the Imperial Family must be himself a member thereof and of age.

ARTICLE XXXIX Marriages of members of the Imperial Family shall be restricted to the circle of the Family, or to certain noble families specially approved by Imperial Order.

ARTICLE XL Marriages of the members of the Imperial Family shall be subject to the sanction of the Emperor.

ARTICLE XLI The Imperial writs sanctioning the marriages of members of the Imperial Family shall bear the countersignature of the Minister of the Imperial Household.

ARTICLE XLII No member of the Imperial Family can adopt any one as his son.

ARTICLE XLIII When a member of the Imperial Family wishes to travel beyond the boundaries of the Empire, he shall first obtain the sanction of the Emperor.

ARTICLE XLIV A female member of the Imperial Family, who has married a subject, shall be excluded from membership of the Imperial Family. However, she may be allowed, by the special grace of the Emperor, to retain her title of Imperial Princess or of Princess, as the case may be.

#### CHAPTER VIII

##### IMPERIAL HEREDITARY ESTATES

ARTICLE XLV No landed or other property that has been fixed as the Imperial Hereditary Estates shall be divided up and alienated.

ARTICLE XLVI The landed and other property to be included in the Imperial Hereditary Estates shall be settled by Imperial writ with the advice of the Privy Council, and shall be announced by the Minister of the Imperial Household.

#### CHAPTER IX

##### EXPENDITURES OF THE IMPERIAL HOUSE

ARTICLE XLVII The expenditures of the Imperial House of all kinds shall be defrayed out of the National Treasury at a certain fixed amount.

ARTICLE XLVIII The estimates and audit of accounts of the expenditures of the Imperial House and all other rules of the kind shall be regulated by the Finance Regulations of the Imperial House.

#### CHAPTER X

##### LITIGATIONS, DISCIPLINARY RULES FOR THE MEMBERS OF THE IMPERIAL FAMILY

ARTICLE XLIX Litigation between members of the Imperial Family shall be decided by judicial functionaries specially designated by the Emperor to the Ministry of the Imperial Household, and execution issued, after Imperial sanction thereto has been obtained.

ARTICLE L Civil actions brought by private individuals against members of the Imperial Family, shall be decided in the Court of Appeal in Tokyo. Members of the Imperial Family shall, however, be represented by attorneys, and no personal attendance in the Court shall be done in agreement with the Court.

ARTICLE LI No member of the Imperial Family can be arrested, or summoned before a Court of Law, unless the sanction of the Emperor has been first obtained thereto.

ARTICLE LII When a member of the Imperial Family has committed an act derogatory to his (or her) dignity, or when he has exhibited disloyalty to the Imperial House, he shall, by way of disciplinary punishment and by order of the Emperor, be deprived of the whole or a part of the privileges belonging to him as a member of the Imperial



Family, or shall be suspended therefrom.

ARTICLE LIII When a member of the Imperial Family acts in a way tending to the squandering of his (or her) property, he shall be pronounced incapable by the Emperor, prohibited from administering his property, and a manager shall be appointed therefor.

ARTICLE LIV The two foregoing Articles shall be enforced upon the advice of the Imperial Family Council.

#### CHAPTER XI

##### THE IMPERIAL FAMILY COUNCIL

ARTICLE LV The Imperial Family Council shall be composed of the male members of the Imperial Family, who have reached the age of majority. The Grand Keeper of the Imperial Seals, the President of the Privy Council, the Minister of the Imperial Household, the Minister of State for Justice and the President of the Supreme Court shall be ordered to take part in the deliberations of the Council.

ARTICLE LVI The Emperor personally presides over the meeting of the Imperial Family Council, or directs one of the members of the Imperial Family to do so.

#### CHAPTER XII

##### SUPPLEMENTARY RULES

ARTICLE LVII Those of the present members of the Imperial Family of the fifth generation and downwards, who have already been invested with the title of Imperial Prince, shall retain the same as heretofore.

ARTICLE LVIII The order of succession to the Imperial Throne shall in every case relate to the descendants of absolute lineage. There shall be no admission to this line of succession for any one, as a consequence of his being an adopted Imperial son, Koyushi or heir to a princely house.

ARTICLE LIX The grades of rank among the Imperial Princes, Imperial Princesses, Princes and Princesses shall be abolished.

ARTICLE LX The family rank of Imperial Princes and all usages conflicting with the present Law shall be abolished.

ARTICLE LXI The property, annual expenses and all other rules concerning the members of the Imperial Family shall be specially determined.

ARTICLE LXII When in the future it shall become necessary either to amend or make additions to the present Law, the matter shall be decided by the Emperor, with the advice of the Imperial Family Council, and with that of the Privy Council.

##### A SUPPLEMENT TO THE IMPERIAL HOUSE LAW

(February 11, 1907)

ARTICLE I A Prince may be granted a family name and be caused to join the order of nobility by Imperial Order or through a petition.

ARTICLE II A Prince may become, by obtaining the sanction of the Emperor, the successor to the headship of a noble family, or be adopted into a noble family, with the object of succeeding to its headship.

ARTICLE III The wife and direct descendants of a Prince, who has, in accordance with the two preceding Articles, become a subject, and the wives of such descendants, enter such subject's family. This rule does not apply, however, to females married to other members of the Imperial Family and the direct descendants of such females.

ARTICLE IV A member of the Imperial Family, who has been deprived of its privileges may, by Imperial order, be caused to descend to the status of subject.

ARTICLE V The cases provided for in Articles I, II, and IV (of the supplementary law) shall be subject to the advice of the Imperial Family Council and that of the Privy Council.

ARTICLE VI A member of the Imperial Family who has become a subject cannot be restored into the Imperial Family.

ARTICLE VII Regulations relating to personal status and other rights and duties of members of the Imperial Family, shall be especially determined besides those prescribed in the present Law.

The regulations referred to in the preceding clause apply when a member of the Imperial Family and a private

individual are parties to a matter, concerning which different rules are provided to apply to such parties respectively.

ARTICLE VIII Provisions in Laws and Ordinances, which are set down as applicable to members of the Imperial Family, shall be applicable only when there are no special provisions in the present Law or in Regulations that

may be issued in conformity with the present Law.

##### A SUPPLEMENT TO THE IMPERIAL HOUSE LAW (November 28, 1918)

A female member of the Imperial Family may marry a Prince of the principal House or of the branch Houses of the Imperial Family.

#### LIST OF EMPERORS

No. of Emperor Reign	Year Name (with its duration in parenthesis) (B. C.)	Duration of Reign	No. of Emperor Reign	Year Name (with its duration in parenthesis)	Duration of Reign
1	JIMMU	660-581	40	TEMMU	672-686
2	SUIZEI	581-548		Hakuhō (672-686), Suchō (686- )	
3	ANNEI	548-510	41	JITŌ (Empress)	686-697
4	ITOKU	510-475		Suchō (686-697)	
5	KOSHŌ	475-392	42	MOMMU	697-707
6	KŌAN	392-290		Taihō (701-704), Keiun (704-707)	
7	KŌREI	290-214	43	GEMMEI (Empress)	707-715
8	KŌGEN	214-157		Keiun (707-708), Wadō (708-715)	
9	KAIKA	157-97	44	GENSHŌ (Empress)	715-724
10	SUJIN	97-29		Reiki (715-717), Yōrō (717-724)	
11	SUININ	29-71	45	SHŌMU	724-749
12	KEIKŌ	71-131		Jinki (724-729), Tempyo (729-749), Tempyokanhō (749)	
13	SEIMU	131-192	46	KŌKEN (Empress)	749-758
14	CHŌAI	192-201		Tempyōshōhō (749-757) Tempyōhōji (757-758)	
15	ŌJIN	201-270	47	JUNNIN	758-764
	(Jingo, Regent)			Tempyōhōji (758-764)	
16	NINTOKU	270-313	48	ShŌTOKU (Empress)	764-770
17	RICHU	313-400		Tempyōhōji (764-765). Tempyōjingo (765-767), Jingokelun (767-770)	
18	HANZEI	400-406	49	KŌNIN	770-781
19	INGYŌ	406-412		Jingokelun (770), Hōki (770-781), Ten-ō (781)	
20	ANKŌ	412-453	50	KAMMU	781-806
21	YŌRYAKU	453-456		Ten-ō (781-782), Enryaku (782-806)	
22	SEINEI	456-480	51	HEIZEI	806-809
23	KENZO	480-485		Enryaku (806), Daidō (806-809)	
24	NINKEN	485-488	52	SAGA	809-823
25	BURETSU	488-499		Daidō (809-810), Kōnin (810-823)	
26	KEITAI	499-507	53	JUNNA	823-833
27	ANKAN	507-531		Kōnin (823-824), Tenchō (824-833)	
28	SENKA	531-535			
29	KIMMEI	535-539			
30	BIDATSU	539-572			
31	YŌMEI	572-585			
32	SUSHUN	585-587			
33	SUIKO (Empress)	587-592			
34	JOMEI	592-629			
35	KŌGYOKU (Empress)	629-642			
36	KŌTOKU	642-645			
	Taika (645-650), Hakuchi (650-654)				
37	SAIMEI (Empress)	645-654			
38	TENJI	655-661			
39	KŌBUN	661-671			
		671-672			



No. of Emperor Reign	Year Name (with its duration in parenthesis)	Duration of Reign
54	NIMMYŌ Tenchō (833-834), Jowa (834-848), Kashō (848- 850)	833-850
55	MONTOKU Kashō (850-851), Ninju (851-854), Salkō (854- 857), Tennan (857-858)	850-858
56	SEIWA Tennan (858-859), Jō- gwan (859-876)	858-876
57	YŌZEI Jōgwan (876-877), Gwan- gyō (877-884)	876-884
58	KŌKŌ Kwangyō (884-885), Nin- na (885-887)	884-887
59	UDA Ninna (887-889), Kwanpyō 889-897)	887-897
60	DAIGO Kwampyō (897-898), Shōtai (898-901), Engl (901-923), Enchō (923- 930)	897-930
61	SUZAKU Enchō (930-931), Jōhei (931-938), Tengyō (938- 946)	930-946
62	MURAKAMI Tengyō (946-947), Ten- ryaku (947-957), Tentoku (957-961), Ōwa (961-964), Kōhō (964-967)	946-967
63	REIZEI Kōhō (967-968), Anna (968-969)	967-969
64	ENYŌ Anna (969-970), Tenroku (970-973), Ten-en (973- 976), Jōgen (976-978), Tengen (978-983), Elkan (983-984)	969-984
65	KAZAN Elkan (984-985), Kanna 985-986)	984-986
66	ICHIJŌ Kanna (986-987), Elen 987-989), Eiso (989-990), Shōryaku (990-995), Chō- toku (995-999), Chōho (999-1004), Kankō (1004- 1011)	986-1011
67	SANJŌ Kankō (1011-1012), Chō- wa (1012-1016)	1011-1016
68	GOICHIJŌ Chōwa (1016-1017), Kan-	1016-1036

No. of Emperor Reign	Year Name (with its duration in parenthesis)	Duration of Reign
	nin (1017-1021), Chian (1021-1024), Manju (1024- 1028), Chōgen (1028- 1036)	
69	GOSUZAKU Chōgen (1036-1037), Chō- ryaku (1037-1040), Chō- kyū (1040-1044), Kantoku (1044-1045)	1036-1045
70	GOREIZEI Kantoku (1045-1046), Eijō (1046-1053), Tenki (1053-1058), Kōhei (1058- 1065), Chiryaku (1065- 1068)	1045-1068
71	GOSANJŌ Chiryaku (1068-1069), Enkyū (1069-1072)	1068-1072
72	SHIRAKAWA Enkyū (1072-1074), Jōho (1074-1077), Jōryaku (1077-1081), Eiho (1081- 1084), Ōtoku (1084-1086)	1072-1086
73	HORIKAWA Ōtoku (1086-1087), Kanji (1087-1094), Kaho (1094- 1096), Eichō (1096-1097), Jōtoku (1097-1099), Kōwa (1099-1104), Chōji (1104- 1106), Kajō (1106-1107)	1086-1107
74	TOBA Kajō (1107-1108), Tennin (1108-1110), Ten-ei (1110- 1113), Eikyū (1113-1118), Gen-ei (1118-1120), Hōan (1120-1123)	1107-1123
75	SUTOKU Hōan (1123-1124), Tenji- (1124-1126), Daiji (1126- 1131), Tenjō (1131- 1132), Chōjō (1132-1135), Hōen (1135-1141), Eiji (1141)	1123-1141
76	KONOYE Eiji (1141-1142), Kōji (1142-1144), Ten-yō (1144- 1145), Kyūan (1145-1151), Nimpel (1151-1154), Kyū- ju (1154-1155)	1141-1155
77	GOSHIRAKAWA Kyūju (1155-1156), Hogen (1156-1158)	1155-1158
78	NIJŌ Hogen (1158-1159), Heiji (1159-1160), Eiryaku (1160-1161), Ōho (1161- 1163), Chōkan (1163- 1165), Elman (1165)	1158-1165

No. of Emperor Reign	Year Name (with its duration in parenthesis)	Duration of Reign
79	ROKUJŌ Elman (1165-1166), Nin- nan (1166-1168)	1165-1168
80	TAKAKURA Ninnan (1168-1169), Kaō (1169-1171), Jōan (1171- 1175), Angen (1175-1177), Jishō (1177-1180)	1168-1180
81	ANTOKU Jishō (1180-1181), Yōwa (1181-1182), Juēi (1182- 1184), Genryaku (1184- 1185)	1180-1185
82	GOTŌBA Bunji (1185-1190), Ken- kyū (1190-1198)	1185-1198
83	TSUCHIMIKADO Kenkyū (1198-1199), Shō- ji (1199-1201), Kennin (1201-1204), Genkyū (1204-1206), Ken-ēi (1206- 1207), Jōgen (1207-1210)	1198-1210
84	JUNTOKU Jōgen (1210-1211), Ken- ryaku (1211-1213), Kenho (1213-1219), Jōkyū (1219- 1221)	1210-1221
85	CHŌKYŌ Jōkyū (1221)	1221
86	GOHORIKAWA Jōkyū (1221-1222), Jō-ō (1222-1224), Gennin (1224-1225), Karoku (1225-1227), Antei (1227- 1229), Kanki (1229-1232), Jōei (1232)	1221-1232
87	SHIJŌ Jōei (1232-1233), Tempu- ku (1233-1234), Bunryaku (1234-1235), Katel (1235- 1238), Ryakuin (1238- 1239), Ennō (1239-1240), Ninji (1240-1242)	1232-1242
88	GOSAGA Ninji (1242-1243), Kangen (1243-1246)	1242-1246
89	GOFUKAKUSA Kangen (1246-1247), Hōji (1247-1249), Kenchō (1249-1256), Kogen (1256- 1257), Shōka (1257-1259) Shōgen (1259)	1246-1259
90	KAMEYAMA Shōgen (1259-1260), Bun- nō (1260-1261), Kōchō (1261-1264), Bunēi (1264- 1274)	1259-1274
91	GOUDA	1274-1287

No. of Emperor Reign	Year Name (with its duration in parenthesis)	Duration of Reign
	Bunēi (1274-1275), Kenji (1275-1278), Kōan (1278- 1287)	
92	FUSHIMI Kōan (1287-1288), Shō-ō (1288-1293), Einin (1293- 1298)	1287-1298
93	GOFUSHIMI Einin (1298-1299), Shōan (1299-1301)	1298-1301
94	GONJŌ Shōan (1301-1302), Ken- gen (1302-1303), Kagen (1303-1306), Tokujū (1306- 1308)	1301-1308
95	HANAZONO Tokujū (1308), Enkyō (1308-1311), Ōchō (1311- 1312), Shōwa (1312-1317), Bumpo (1317-1318)	1308-1318
96	GODAIGO Bumpo (1318-1319), Gennō (1319-1321), Genkyō (1321-1324), Shōchū (1324- 1326), Karyaku (1326- 1329), Gentoku (1329- 1331), Genkō (1331-1334), Kemmu (1334-1336), En- gen (1336-1339)	1318-1339
97	GOMURAKAMI Engen (1339-1340), Kōko- ku (1340-1346), Shōhei (1346-1368)	1339-1368
98	CHŌKEI Shōhei (1368-1370), Ken- toku (1370-1372), Bunchū (1372-1375), Tenju (1375- 1381), Kōwa (1381-1383)	1368-1383
99	GOKAMEYAMA Kōwa (1383-1384), Gen- chū (1384-1392)	1383-1392
100	GOKOMATSU Genchū (1392), Meitoku 1393-1394), Ōei (1394- 1412)	1392-1412
101	Shōkō Ōei (1412-1428), Shōchō (1428)	1412-1428
102	GOHANAZONO Shōchō (1428-1429), Eikyō (1429-1441), Kakitsu (1441-1444), Bunnan (1444-1449), Hōtoku (1449-1452), Kyōtoku (1452-1455), Kōshō (1455- 1457), Chōroku (1457- 1460), Kanshō (1460-1464)	1428-1464
103	GOTSUCHIMIKADO	1464-1500



No. of Emperor Reign	Year Name (with its duration in parenthesis)	Duration of Reign	No. of Emperor Reign	Year Name (with its duration in parenthesis)	Duration of Reign
	Kamshō (1464-1468), Bunshō (1468-1467), Onin (1467-1469), Hummei (1469-1487), Chōkyō (1487-1489), Entoku (1489-1492), Meiō (1492-1500)			ku (1688-1704), Hōei (1704-1709)	
104	GOKASHIWABARA	1500-1526	114	NAKAMIKADO	1709-1735
	Meiō (1500-1501), Bunki (1501-1504), Eishō (1504-1521), Daiō (1521-1526)			Hōei (1709-1711), Shōtoku (1711-1716), Kyōho (1716-1735)	
105	GONARA	1526-1557	115	SAKURAMACHI	1735-1747
	Daiō (1526-1528), Kyōroku (1528-1532), Temmō (1532-1555), Kōji (1555-1557)			Kyōho (1735-1736) Gem-bun (1736-1741), Kampō (1741-1744), Enkyō (1744-1747)	
106	OGIMACHI	1557-1586	116	MOMOZONO	1747-1762
	Kōji (1557-1558), Eiroku (1558-1570), Genki (1570-1573), Tenshō (1573-1586)			Enkyō (1747-1748), Kan-ōn (1748-1751), Hōryaku (1751-1762)	
107	GOYOZEI	1586-1611	117	GOBAKURAMACHI	1762-1770
	Tenshō (1586-1592), Bunroku (1592-1596), Keichō (1596-1611)			(Empress) Hōryaku (1762-1764), Meiwa (1764-1770)	
108	GOMIZUNO-O	1611-1629	118	GOMOMOZONO	1770-1779
	Keichō (1611-1615), Genna (1615-1624), Kan'ei (1624-1629)			Meiwa (1770-1772), An-ōi (1772-1779)	
109	MEISHIŌ (Empress)	1629-1643	119	KOKAKU	1779-1817
	Kan'ei (1629-1643)			An-ōi (1779-1781), Temmei (1781-1789), Kansel (1789-1801), Kyōwa (1801-1804), Bunka (1804-1817)	
110	GOKOMYŌ	1643-1654	120	NINKŌ	1817-1846
	Kan'ei (1643-1644), Shōho (1644-1648), Kelan (1648-1652), Jō-ō (1652-1654)			Bunka (1817-1818), Bunsei (1818-1830), Tempō (1830-1844), Kōka (1844-1846)	
111	GOSAI	1654-1663	121	KŌMEI	1846-1866
	Jō-ō (1654-1655), Mei-ryaku (1655-1658), Manji (1658-1661), Kanbun (1661-1663)			Kōka (1846-1848), Kaōi (1848-1854), Ansei (1854-1860), Man-ōn (1860-1861), Bunkyū (1861-1864), Genji (1864-1865), Keiō (1865-1866)	
112	REIGEN	1663-1687	122	MEIJI	1867-1912
	Kanbun (1663-1673), Empō (1673-1681), Tenna (1681-1684), Jōkyō (1684-1687)			Keiō (1867-1868), Meiji (1868-1912)	
113	HIGASHIYAMA	1687-1709	123	TAISHŌ	1912-1926
	Jōkyō (1687-1688), Genrō			Taishō (1912-1926)	
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