

	Operating Revenues	Operating Expenses	Operating Ratio %	Net Surplus
1917	16,996,642	6,529,968	38.42	10,466,674
1918	20,853,532	6,903,148	33.11	13,950,384
1919	19,406,242	7,519,185	38.75	11,887,057
1920	23,146,505	8,528,765	36.85	14,617,740
1921	25,484,742	13,014,650	51.07	12,470,092
1922	20,690,449	12,933,499	62.51	7,756,950
1923	18,288,124	11,336,677	61.99	6,951,447
1924	17,509,533	11,912,901	68.04	5,596,633
1925	24,047,676	13,218,204	54.97	10,829,472
1926	23,487,169	13,598,980	57.90	9,888,189
1927	34,720,466	15,941,157	45.91	18,779,309
1928	21,821,545	10,958,396	50.22	10,863,148
1929	37,514,591	18,512,682	49.35	19,001,909
1930	37,440,088	20,416,402	54.53	17,023,686
1931	—	—	—	—
1932*	8,854,622	—	—	—

Table 10

## OPERATING REVENUES OF PEIPING-MUKDEN RAILWAY CLASSIFIED\*\*

	Passenger Revenues	%	Freight Revenues	%	Other Revenues	%	Total
1903	2,217,588	47.61	2,282,012	48.99	158,635	3.40	4,658,235
1904	2,628,272	44.20	3,012,449	50.66	305,797	5.14	5,946,518
1905	5,136,771	39.69	7,418,920	57.32	387,693	2.99	12,943,384
1906	5,755,828	47.21	6,118,031	50.18	317,330	2.61	12,191,189
1907	5,046,139	50.74	4,652,719	46.79	246,009	2.47	9,944,867
1908	4,898,633	44.26	5,861,195	52.69	307,849	3.05	11,067,677
1909*	6,043,573	42.13	7,532,638	52.51	768,991	5.36	14,345,202
1910	5,141,402	47.04	5,394,226	49.36	392,614	3.60	10,928,242
1911	4,336,997	37.17	5,931,057	50.83	1,400,574	12.00	11,668,628
1912	5,257,592	39.88	6,850,353	51.96	1,075,693	8.16	13,183,639
1913	5,810,218	39.65	7,992,923	54.54	852,123	5.81	14,655,264
1914	5,560,916	40.78	7,344,460	53.86	730,017	5.36	13,635,393
1915	5,909,818	38.73	9,012,108	59.06	356,006	2.21	15,277,931
1916	6,663,420	45.12	7,879,098	53.36	267,206	1.52	14,809,724
1917	7,253,881	42.76	9,491,230	55.95	251,531	1.29	16,996,642
1918	8,895,660	42.66	11,732,106	56.28	230,766	1.06	20,853,532
1919	8,492,877	43.88	10,572,627	54.63	240,738	1.49	19,406,242
1920	10,891,017	47.05	11,914,835	51.48	340,654	1.47	23,146,505

\* Excluding the figures for the Peiping-Shanhaikwan line. The figure for this year is preliminary.

\*\* See the note on page 509.

	Passenger Revenues	%	Freight Revenues	%	Other Revenues	%	Total
1921	10,153,871	39.84	15,031,189	58.98	299,682	1.18	25,484,742
1922	9,501,473	45.92	10,767,778	52.05	421,198	2.03	20,690,449
1923	6,884,562	37.64	11,132,298	60.87	271,265	1.49	18,288,124
1924	7,938,082	45.33	9,249,726	52.83	321,725	1.84	17,509,533
1925	10,671,246	44.37	13,037,442	54.22	338,989	1.41	24,047,676
1926	9,973,646	42.46	13,083,077	55.70	430,446	1.84	23,487,169
1927	14,315,496	41.23	19,920,810	57.37	484,160	1.40	34,720,466
1928	8,992,076	41.21	12,384,003	56.75	445,466	2.04	21,821,545
1930	15,804,420	42.22	20,911,592	55.85	724,076	1.93	37,440,088
1932*	3,650,644	—	4,717,813	—	486,164	—	8,854,622

Table 11

## TRAFFIC INDEX NUMBERS OF PEIPING-MUKDEN RAILWAY

	Passengers		Freight	
	Passengers	Revenues	Freight	Revenues
1915	100 (3,505,475)	100 (5,009,818 Yuan)	100 (5,435,364 Metric tons)	100 (9,012,108 Yuan)
1916	105	113	93	87
1917	108	123	101	105
1918	110	151	112	130
1919	106	144	124	117
1920	145	184	131	132
1921	135	172	147	167
1922	148	161	114	119
1923	115	116	147	124
1924	160	134	126	103
1925	180	181	142	145
1926	142	169	107	145
1927	157	242	160	221
1928	110	152	97	137
1929	—	—	—	—
1930	197	267	158	232

As shown in Tables 10, and 11 the Peiping-Mukden Railway has been making favourable development every year, but its revenue was greatly reduced from 1922 to 1926, as the connection at Shanhaikwan was suspended on account of the First Chihli-Mukden war in 1922, the second Chihli-Mukden war in 1924, and the Kuo Sung-lin revolt at the end of 1925. In short, the business returns of the Peiping-Mukden Railway have been influenced much by the political relations between Peiping and Mukden.

\* Excluding the figures for the Peiping-Shanhaikwan line. Data for 1932 are preliminary.

In viewing the revenue for 1930, it is necessary to consider the extreme drop of the price of silver, which was about 30 percent lower than in the previous year.

**Hsinking-Tumen Railway** (formerly Changchun-Kirin, Kirin-Tunhwa and Tunhwa-Kainei Railways).—Japan's attention was directed to the possibilities of these railway routes from early days. Respecting the Kirin-Changchun Railway, Japan obtained a promise from China to construct it with Japanese loans as mentioned in the Protocol attached to the Peking Treaty of December, 1905. In Article VI of the Sino-Japanese Treaty respecting Chientao of 1909, China promised Japan that a railway connecting Kirin with Kainei (會寧) would be constructed at an opportune time, with Japanese capital. With the completion of the above-mentioned two railways, Japan is not only able to reach Hsinking by the South Manchuria Railway via Dairen, but also by the new route, Japan-Japan Sea-Korea-Kirin-Hsinking, much shorter than the route via Dairen. Particularly as the capital of the new State of Manchoukuo is established at Hsinking, the importance of these lines is greatly enhanced. When the Hsinking-Taonan Railway which was once included in the 'Four Railways of Manchuria and Mongolia' is constructed in some form or other, greater facilities will be available for connecting the Japan Sea with Mongolia and Siberia. In such conditions, the Kirin-Hsinking and Kirin-Kainei Railways have much political importance, but economically also they have good prospects as they are expected to become the routes for the shipment of Kirin lumber. Furthermore, if various industries and particularly mining enterprises in Kirin Province are stimulated to development because of the opening of these railways, their future will become very promising.

Kirin-Changchun Railway, 128 kilometres, was constructed in October, 1912, according to the agreement of 1905, with ¥2,150,000 loaned by the South Manchuria Railway in 1908. At first, however, its operation was not profitable, and the South Manchuria Railway Company had to give it further operating funds, by concluding a new loan contract for ¥6,500,000 (including the first loan), for a period of thirty years at 5% interest in October, 1917. The South Manchuria Railway contracted to undertake during this loan agreement period the operation and management of the railway, for which service 20% of the net profit was agreed to be given to the South Manchuria Railway. Since then the business returns of the railway have improved considerably, as shown in Table 12.

Table 12  
BUSINESS RETURNS OF KIRIN-HSINKING RAILWAY

Year	Operating Revenues	Operating Expenses	Operating Ratio %	Net Surplus or Deficit
1912	207,864	18,322	8.8	189,542
1913	674,522	402,508	59.6	272,014
1914	672,366	687,018	102.2	-14,652
1915	911,102	763,538	83.8	147,564
1916	933,512	756,380	81.0	177,132
1917	1,081,170	754,274	69.8	326,896
1918	1,776,144	1,075,220	60.5	700,924
1919	1,895,651	1,309,288	69.1	586,363
1920	2,188,495	1,430,652	65.4	757,843
1921	2,763,402	1,750,691	63.4	1,012,711
1922	2,789,552	1,790,525	64.2	999,027
1923	2,866,796	1,928,632	67.3	938,164
1924	2,718,656	1,967,332	72.4	751,324
1925	2,680,345	1,786,377	66.7	893,968
1926	2,919,764	1,995,383	68.3	924,381
1927	3,305,005	2,320,812	70.2	984,193
1928	3,608,448	2,553,015	70.4	1,055,433
1929	3,884,751	2,697,007	69.4	1,187,744
1930	3,360,954	2,779,762	82.7	581,192
1931 (a)*	2,823,112	2,193,746	—	629,366
1931 (b)	952,092	772,692	—	179,400

In order to materialize the treaty of 1909 regarding the Kirin-Kainei Railway, Japan caused the three Japanese banks, the Industrial Bank, the Bank of Chosen, and the Bank of Taiwan, to advance the sum of ¥10,000,000 to the Peking Government in June, 1918, with the understanding that China would commence the construction within six months. But this agreement was never fulfilled, and in 1931, the advance paid with its accumulated unpaid interest reached a total of ¥13,900,000 which amount became a total loss to Japan. Only the construction of the railway between Kirin and Tunhwa (敦化), 210 kilometres, which constitutes about one half of the Kirin-Kainei Railway, was undertaken by the South Manchuria Railway under a contract with the Peking Government that the construction cost was to be paid within one year, and that in case it was not paid within that period a loan agreement for that amount was to be signed. But on the ground that the construction was not performed satisfactorily, China refused either to pay the construction cost or to sign the loan agreement.

\* 1931 (a) does not include the figures for November and December, as the line was amalgamated with the Kirin-Tunhwa Railway on November 1. (b) stands for the figures for November and December for the Kirin-Changchun and Kirin-Tunhwa Railways.

After the establishment of Manchoukuo, the former Kirin-Changchun Railway loan and the construction cost of the Kirin-Tunhwa Railway were consolidated into a new loan of ¥36,300,000, and the operation of these two lines was entrusted to the South Manchuria Railway Company together with other government railways.

Manchoukuo undertook the completion of the Tunhwa-Tumen line (unconstructed portion of the Kirin-Kainei railway) which had been pending for many years, and entrusted its construction and operation to the South Manchuria Railway Company. The construction of the line progressed in the following manner:

(a) Northern route, 190 kilometres, Tunhwa (敦化)-Chaoyangchuan (朝陽川)-Chutzuchieh (局子街)-Yenchi (延吉)-Tumen (圖們).—At Tumen it connects with the North Korean Railway's terminal, Nanyo, across the Tumen river, from where the Korean line runs to the ports of Yuki and Rashin. This line was provisionally opened to traffic in May, 1933, and formally opened in September.

(b) The southern route branches off at Chaoyangchuan from the northern route, and running southward reaches the Tumen shore via Lungtsungtsun. Across the river it connects with the North Korean Railway at Sampo, and then with the port of Seishin. The line between Tunhwa and the Tumen shore, 185 kilometres, will be completed shortly.

With the opening of the Tunhwa-Tumen Railway in September, 1933, the above-mentioned three lines—Hsinking (Changchun)-Kirin, Kirin-Tunhwa, and Tunhwa-Tumen—came to be unified and operated as the Hsinking-Tumen Railway (King-Tu Railway).

The business returns of the Kirin-Tunhwa Railway in recent years were as follows:

Table 13

## BUSINESS RETURNS OF KIRIN-TUNHWA RAILWAY

(Yuan)

	Operating Revenues	Operating Expenses	Operating Ratio %	Net Surplus or Deficit
1928 .....	962,539	77,774	8.1	884,765
1929 .....	1,795,591	1,723,479	96.0	72,112
1930 .....	1,685,343	1,774,227	105.3	-88,884
1931* .....	282,206	375,165	132.9	-92,959

\* As this railway was amalgamated with the Kirin-Changchun Railway on November 1, 1931, the figures for 1931 consist of those up to the end of October (based on the report of the Foreign Affairs Office, S.M.R. Co.).

**Lafa (拉法)-Harbin Railway.**—This is a line, 268 kilometres, running northward from Lafa on the Kirin-Tunhwa Railway to Harbin. Manchoukuo entrusted to the South Manchuria Railway Company its construction. Work was commenced in November, 1932, and the line was opened to traffic in January, 1933. This line is the shortest route between the Sea of Japan and Harbin, and much is expected of it as a feeder to the Hsinking-Tumen Railway.

**Ssutao Railway.**—The Ssutao (四洮) or Ssuping kai-Taonan Railway, 426 kilometres, is composed of the main line running from Ssuping kai on the South Manchuria Railway to Taonan (洮南), Inner Mongolia, and the branch line from Chengchiatun (鄭家屯) to Tungliao (通遼) or Paiyintailai (白音太拉). This is the only railway among the so-called 'Five Railways of Manchuria and Mongolia' that was constructed. The whole line was opened to traffic in July, 1924. The loans to the railway made by the South Manchuria Railway Company were all short term loans which were made altogether six times. But both the principal and interest were left unpaid so long that in May, 1929, the total amount including accumulated unpaid interest was made into a new loan of ¥32,000,000 for one year. But as the principal and interest of the new loan contract have not been paid, the total reached ¥44,000,000 in 1931. After the Manchurian incident, the authorities of this railway concluded a new loan agreement with the South Manchuria Railway Company in February, 1932, for the sum of ¥49,000,000 to cover the original loan and its unpaid interest. The management and operation of the railway are entrusted to the South Manchuria Railway Company during the existence of this loan agreement, and this system commenced on March 1, 1933. The Ssuping kai-Taonan Railway is famous for passing through the undeveloped districts of Inner Mongolia, which rapidly absorbed a large number of settlers and immigrants, and also for stimulating on a larger scale agricultural and commercial development. The railway has made the typical development of a colonial railway.

Judged merely from the business results shown in the following Table 14, it made annually a surplus of 2,400,000 to 2,500,000 yuan, although that for 1930 was not so large because of the fall of the silver price. Yet this surplus is not sufficient even to pay the interest on the loan which constitutes its capital.

Table 14

## BUSINESS RETURNS OF SSUPINGKAI-TAONAN RAILWAY

Year	(Yuan)			
	Operating Revenues	Operating Expenses	Operating Ratio %	Net Surplus or Deficit
1918	391,561	—	—	—
1919	660,443	204,248	30.93	456,195
1920	708,438	592,918	83.69	115,520
1921	784,136	789,580	100.69	-5,445
1922	1,661,353	1,167,062	70.25	494,291
1923	2,388,576	1,290,408	54.02	1,098,168
1924	3,478,432	2,042,027	58.71	1,436,404
1925	5,177,316	2,562,860	49.50	2,614,455
1926	7,675,284	3,684,811	48.01	3,990,473
1927	6,066,281	3,758,360	61.95	2,307,920
1928	6,063,294	3,612,460	59.58	2,450,834
1929	6,751,336	4,137,853	61.29	2,613,483
1930	8,946,963	6,541,658	73.12	2,405,305
1931	8,104,565	5,977,923	73.76	2,126,642
1932*	11,233,146	4,421,074	39.36	6,812,072

**Taoang (洮昂) Railway.**—This line of 224 kilometres, which connects Taonan (洮南) with Angangki (or Anganghsi) (昂冬溪), was built according to the construction contract signed between the South Manchuria Railway Company and the Three Eastern Provinces' Government in September, 1924, for the amount of about ¥12,920,000. The railway was opened to traffic in July, 1926. According to the terms of the contract, it was stipulated that in case the construction cost was not paid within six months after the handing over of the railway upon completion, a loan agreement was to be signed for the amount, but the Mukden Government neither paid the amount nor signed the agreement. Manchoukuo concluded a loan agreement for ¥28,800,000 with the South Manchuria Railway Company to cover the investment by the railway company in this line, and entrusted its operation and management to the railway company from March 1, 1933 until the loan is repaid.

According to the report of the Foreign Affairs Office, S.M.R. Co., the business returns of the railway in recent years were as follows:

\* Data for 1932 are preliminary.

Table 15

## BUSINESS RESULTS OF TAONAN-ANGANGKI RAILWAY

	(Yuan)			
	Operating Revenues	Operating Expenditures	Operating Ratio %	Net Surplus or Deficit
1927	632,724	288,223	45.6	344,501
1928	1,140,443	1,908,400	167.3	-767,957
1929	2,147,505	2,126,619	99.0	20,886
1930	2,490,047	2,414,278	97.0	75,769
1931	4,034,068	2,896,667	71.8	1,137,401
1932*	4,480,152	2,666,652	59.5	1,813,500

**Fenghai Railway.**—The Fenghai (奉海) or Shenhai (瀋海) Railway consists of the main line running from Mukden to Chaoyangchen (朝陽鎮) via Hailung (海龍), and the branch line from Meihokou (梅河口) on the main line to Hsihan (西安), the total length being 326 kilometres. It is one of the two oldest railways in Manchuria constructed with Chinese capital, the other being the Tungliao branch of the Peiping-Mukden Railway. Its construction was started in July, 1925, and the whole line was opened to traffic in August, 1928. Along this railway lies the Tungshan (東山) district which is called the granary of South Manchuria, and its future is regarded as very promising. This railway was built and operated by a corporation organized jointly by the governments of Fengtien, Kirin, and Heilungkiang Provinces, and individual capitalists, with a capital of 20,000,000 yuan Fengtien Tayang. The shares of the company were subscribed as follows: 5,000,000 yuan by the Fengtien Provincial Government, 3,000,000 yuan by the Kirin Provincial Government, 2,000,000 yuan by the Heilungkiang Provincial Government, and 10,000,000 yuan by individual investors. Up to the outbreak of the recent Manchurian incident, the South Manchuria Railway and the Peiping-Mukden Railway were rivals for the connection with this railway at Mukden. At one time, it was connected with the South Manchuria Railway, but later the Fengtien Government connected it with the Peiping-Mukden line. Following the Manchurian incident, however, it was connected again with the South Manchuria Railway.

After the Manchurian incident, the South Manchuria Railway Company loaned ¥3,000,000 to this railway as operating capital, and since March 1, 1933, the management and operation of the line have been entrusted to the Railway Company.

The business condition of this railway is as shown in Table 16.

\* Data for 1932 are preliminary.

Table 16  
BUSINESS RETURNS OF FENGHAI RAILWAY

	(Yuan)		
	Operating Revenue	Operating Expenditure	Profit
1929 .....	5,733,332	4,799,983	933,348
1930 .....	7,687,755	6,130,141	1,557,614
1931 .....	9,301,238	5,943,193	3,358,045
1932* .....	6,475,413	5,321,707	1,153,705

**Kihai Railway.**—The Kihai (吉海) Railway is 183 kilometres long, running from Chaoyangchen, the terminal of the Fenghai Railway, to Kirin. It was originally a joint undertaking of the Kirin Provincial Government and public investors, but after the Manchurian incident it was purchased by the government and entrusted for management and operation to the South Manchuria Railway Company from March 1, 1933. This line constitutes one of the so-called Four Railways of Manchuria and Mongolia, and the right of supplying loans for their construction had been secured by Japan. Despite Japan's protest against its construction with Chinese capital alone, the construction was started in May, 1927, and it was opened to traffic in May, 1928. By the operation of this railway, Kirin and Mukden, two important centres of Manchuria, were connected by a railway constructed with Chinese capital. The operating revenue in 1930 was 2,090,000 yuan while the expenditure amounted to 2,070,000 yuan and its business condition has not yet become favourable.

**Huhai (呼海) Railway.**—This railway runs for 215 kilometres from Machiachuankou (馬家船口), a station on the Chinese Eastern Railway near Harbin, to Hailun (海倫) via Hulan (呼蘭). Although the Peking Government had already given the loan privilege for the construction of this railway to the Russo-Asiatic Bank in March, 1916, the agreement was not fulfilled because of the desire of China to recover lost national rights, and also of the Russian revolution. The Heilungkiang Provincial government obtaining a part of the required funds from private capital, commenced the construction in October, 1925, and the entire line was completed in December, 1928. In the meanwhile, the Russo-Asiatic Bank protested against the infringement of its acquired right, but giving no attention to such protests, the Heilungkiang Provincial Government constructed the railway by purchasing railway materials from the South

\* Data for 1932 are preliminary.

Manchuria Railway on the terms of annual instalment payments extending over three years. The total construction cost was 10,500,000 Harbin Tayang yuan.

This line was formerly owned by the provincial government, but following the Manchurian incident, it was made a Government railway, and its management and operation were entrusted to the South Manchuria Railway Company from March 1, 1933.

The districts traversed by this line are very fertile, and it is said that the cereal harvest in these districts is double the quantity produced in the districts along the Ssutao and Taoang Railways, for equivalent area. Because of the fertile lands along the line, there developed rapidly towns and villages, and the business condition of the railway is prosperous, as shown in Table 17.

Table 17  
BUSINESS RETURNS OF HUHAI RAILWAY\*  
(in Yuan)

	Operating Revenue	Operating Expenditure	Net Surplus
1927 .....	908,779	495,404	413,375
1928 .....	2,652,034	1,350,045	1,301,989
1929 .....	4,741,598	2,873,702	1,867,896
1930 .....	4,171,717	2,893,402	1,278,315
1931 .....	3,826,561	2,606,029	1,220,532

**Taoso (洮索) Railway.**—It was proposed to construct this railway of 320 kilometres from Taonan Station on the Taoang Railway northwest to Solun (索倫), under the joint operation of the Liaoning (Fengtien) Provincial Government and the former Peking-Mukden Railway. The construction was started in 1929, and at present the line is completed for 84 kilometres to Huiyuanchen (懷遠鎮).

This railway also was made a Government railway after the Manchurian incident, though a provincial line originally, and its management and operation were entrusted to the South Manchuria Railway Company from March 1, 1933.

**Tsiko (齊克) Railway.**—The line is from Tsitsihar northeast to Koshanchen (克山鎮), a distance of 262 kilometres. This line was constructed as far as Taian (泰安) before the establishment of Manchoukuo.

\* Based on a report of the Foreign Affairs Office, S.M.R. Co.

Figures for 1927 and 1928 are for the then operated section of the railway, and those for 1929 and after are for the entire line.

The completion of the entire line was hurried after the establishment of Manchoukuo on account of its necessity in maintaining peace and order, and it was extended to Koshan (克山) by the end of 1932. Then the work of connecting Koshan with Hailun, a distance of 168 kilometres, was pushed forward, and in February, 1933, the line was provisionally opened to traffic.

**Haolikang (鶴立崗) Colliery Railway.**—This line was constructed for the purpose of carrying coal from the Haolikang Colliery to the Sungari River, a distance of 56 kilometres. It is operated by the Haolikang Colliery Company, a joint enterprise of government and private capital, with a capital of 3,000,000 yuan. Its gauge is five feet, the same as that of the Chinese Eastern Railway. The line was completed in November, 1926.

**Tsiang (齊昂) Light Railway.**—This line runs for about 30 kilometres between Tsitsihar and Angangki, having been opened to traffic in October, 1909. It is operated by private Chinese capital.

**Kaifeng (開豐) Light Railway.**—It runs for 64 kilometres from Kaiyuan (開原) on the South Manchuria Railway east to Hsifeng (西豐). Although it covers the same route as the proposed Kaiyuan-Hailun Railway, one of the Four Railways of Manchuria and Mongolia, it was constructed with purely private Chinese capital and opened to traffic in May, 1925. The business condition of this railway is comparatively good.

**Railways Under Construction.**—According to the official announcement of the South Manchuria Railway Company dated December 21, 1933, the Manchoukuo Government caused the South Manchuria Railway Company to undertake the construction of the following three railway lines at the total construction cost of ¥76,900,000.

**Tumen (圖們)—Mutankiang (牡丹江), 257 kilometres.**—This railway extends from Tumen, the terminal of the Hsinking-Tumen Railway northward to Mutankiang, a station on the North Manchuria (Chinese Eastern) Railway. This proposed line has economic significance as a feeder to the Hsinking-Tumen Railway.

**Koupeiyingtzu (扣北營子)—Lingyuan (凌源), 163 kilometres.**—This line is proposed to be constructed from Koupeiyingtzu, a station on the Peipiao (北票) branch line of the Fengtien-Shanhaikwan Railway, southwest to Lingyuan. In future it is expected to be extended to Chengte, capital of Jehol Province, and thus it has much significance in the administration and control of Jehol.

**Peian (北安)—Tierhchan (第二站), 150 kilometres.**—It is to run from Peian, a station on the Hailun-Koshan Railway northward to Tierhchan,

and is expected to extend to Taheiho (大黑河) on the shore of the Amur River in future. It has an important significance in national defence.\*

**Commission of Railway Management and Operation to the South Manchuria Railway Company.**—Manchoukuo adjusted the railway loans obtained from the South Manchuria Railway Company under the former régime, and at the same time entrusted the management and operation of the entire Government railways to the Railway Company from March 1, 1933. The declaration of the Department of Communications issued in connection with this is as follows:—

"1. It is an obvious fact that if peace and order within Manchoukuo are to be secured and industries developed, it is essential that the means of communication and transportation, by particular railways, should be perfected and properly adjusted. Conditions in Manchoukuo, however, are such that the network of railways is not yet fully extended while the separate existence of various minor railways necessitates diverse methods in management entailing serious losses. For this reason, it is imperative that these existing lines be unified and their management rationalized with the view to promoting economic and technical efficiency. In attaining this objective, it is believed that it is most appropriate to assign the task to the South Manchuria Railway Co., which possesses long and continued experience in railway operation in Manchuria. Furthermore, such a proposal would be mutually advantageous in settling the enormous amount of obligations which Manchoukuo owes to that concern in connection with railway lines in this country, and for that account a contract has been entered into between the Government of Manchoukuo and that railway firm whereby the latter is commissioned to manage the different railways of this State. Such an arrangement, moreover, is in accord with the object of the stipulation contained in Paragraph II of the Manchoukuo-Japan Protocol providing for the co-operation of the two nations in the matter of defence.

"2. The substance of the present contract may be summarized as follows:

\* South Manchuria Railway Company announced on April 20, 1934, that it was entrusted by the Manchoukuo Government with the construction of the following seven railway lines at the total construction cost of ¥141,410,000.

Mutankiang (牡丹江)—Chiamussu (佳木斯)	Lingyuan (凌源)—Chengte (承德)
Yehpaishou (葉柏壽)—Chinfeng (赤峰)	Tierhchan (第二站)—Taheiho (黑河)
Hsingking (新京)—Tailai (大賚)	Tailai (大賚)—Taoan (洮安)
Huiyuancheng (懷遠城)—Solun (索倫)	

"The Government of Manchoukuo has decided to fix the total amount of obligations relative to the railways already opened to traffic due to the South Manchuria Railway Co. at Gold Yen 130,000,000, the railways involved being the Kirin-Changchun, Kirin-Tunhwa, Kirin-Hailung, Ssu-ping-kai-Taonan, Taonan-Angangki, Taonan-Solun, Tsitsihar-Koshan, Hulun-Hailun (including a portion of the water transport enterprise on the Sungari River), Shenyang-Hailung, and Mukden-Shanhaikwan (including the Tahushan-Tungliao line and its subsidiary harbours). The total of the said loan is to be secured on the entire property and receipts of the aforementioned railways whose management is to be entrusted to the S.M.R. Co.

"In respect of the claims and obligations relative to railways existing between the Manchoukuo Government and any third party other than the S.M.R., they shall be settled by the S.M.R. upon consultation with the Government. In case payment is required in connection with this matter it shall be effected from the receipts of the aforementioned commissioned railways. The funds necessary for the redemption of the loan of the British and Chinese Corporation secured on the Mukden-Shanhaikwan line also shall be derived from the same source. That portion of the Mukden-Shanhaikwan line relating to the British and Chinese Corporation loan shall be excluded from the mortgage for the present railway contract pending the settlement of the said Corporation loan.

"In addition, the Government of Manchoukuo has granted to the South Manchuria Railway Company the contract for the building of the Tunhwa-Tumenkiang Railway, the Lafa-Harbin Railway, and the Taitung-Hailun Railway lines. The total cost of the construction of these lines is Gold Yen 100,000,000.

"In the construction of the Tunhwa-Tumenkiang Railway, the Manchoukuo Government, in view of the need of purchasing the Tienpaoshan-Tumen Light Railway, has borrowed the sum of Gold Yen 6,000,000 from the S.M.R., and has also entrusted the management of the said light railway to the S.M.R."

### Roads

The roads of Manchuria are undeveloped and primitive, as mentioned at the beginning of the present chapter. The roads more or less available for motor traffic total only 13,200 kilometres in the entire area of the former Three Eastern Provinces. The length of the roads in the respective provinces is as follows :



Street in Taonan.

## MOTOR ROADS OF MANCHOUKUO

(except Jehol Province)

Province	Length of Roads Kilometres	Note
Fengtien.....	2,166	In these figures are included roads especially constructed for motor traffic and also old roads that are available for motor traffic. Roads within cities, towns, and villages are excluded.
Kirin .....	6,261	
Heilungkiang.....	4,758	
Total .....	13,185	

## ROADS ESPECIALLY CONSTRUCTED FOR MOTOR TRAFFIC

Province	Length of Roads Kilometres	Note
Fengtien.....	104	These roads are improved old roads and consist of 81 kilometres between Mukden and Liaochung, and 23 kilometres between Ssupingkai and Lishu.
Kirin .....	35	
Heilungkiang.....	—	Includes those within the province and the road between Hailin and Ninguta.
Total .....	139	

Although these roads are called motor roads, most of them are not paved. Except in winter, these roads are very uncomfortable and unpleasant, becoming muddy in rain and full of dirt and dust in fair weather.

Recognizing the necessity of developing motor roads, Manchoukuo adopted a policy of newly constructing or improving about 60,000 kilometres of motor roads within ten years. The Government started this road construction programme in March, 1933, with ¥15,000,000 out of ¥30,000,000 national bonds floated in Japan in the autumn of 1932. According to this plan, the motor lane and the cart lane will run parallel with a gutter between them so that carts will not damage the motor roads.

For the materialization of this plan, the Manchoukuo Government established the Bureau of National Roads at Hsinking, and also the Road Construction Offices at Hsinking, Mukden, and Tsitsihar; also commenced the construction of urgently required roads. Roads which have already been completed or are now under construction are as follow :



**Table 18**  
PRESENT CONDITION OF THE NATIONAL ROAD CONSTRUCTION FOR 1932 AND 1933 \*  
(As on June 30, 1933 : according to the investigation made by the Bureau of National Roads)

Roads	Length (Kilometre)	Survey		Construction		Progress
		Started	Finished	Started	Completed	
Mukden Construction Office :						
Nantsamu-Hsinping .....	88			Nov. 3, 1932	Aug. 30, 1933	Earthwork 80%
Hsinping-Tungghwa .....	101	Feb. 1933	March, 1933			Completed
Peishanchengchen-Liua .....	37			Nov. 3, 1932	July 20, 1933	" 85%
Liua-Tungghwa .....	98					
Liaoyang-Liaochung .....	59			Oct. 1932	June 14, 1933	Completed
Liaoyang-Lishan .....	21.1			Oct. 1932	June 30, 1933	"
Anshan-Lishan-Chilingtzu .....	14.7			Oct. 1932	Dec. 14, 1933	"
Anshan-Tangk-wangtzu .....	11.7			Oct. 1932	Dec. 14, 1933	"
Antung-Takushan .....	89.5			July 7, 1932	Sept. 3, 1933	"
Chuangho-Chengtzuuan .....	55.7			Oct. 14, 1932	June 5, 1933	"
Takushan-Chuangho .....	71			June 1, 1933	Sept. 1933	Earthwork Completed Building 50%
Peipiao-Chaoyang (Old road) .....	32			March 20, 1933	Aug. 1933	70%
Peipiao-Chaoyang (New road) .....	32			March 29, 1933	Sept. 30, 1933	85%
Chaoyang-Lingyuan .....	130			March 29, 1933	Oct. 30, 1933	75%
Lingyuan-Pingchuan .....	92			Mar. 29, '33	July 15, 1933	80%
Pingchuan-Chengte (Old) .....	83					10%
Pingchuan-Chengte (New) .....	20			April 19, 1933	Oct. 28, 1933	New 15% Old 46%
Chengte-Kupeikou .....	90			April 15, 1933	Aug. 15, 1933	97%
Mukden-Fushun .....	43					
Chienso-Iyuankou .....	33 out of 40					
Penhsihu-Yuchang .....	105	Mar. 5, 1933	May 1, 1933			Completed
Tiehling-Faku-Kuping .....	82	Mar. 30, 1933	June 12, 1933			"
Antung-Kuangtien .....	100	Mar. 5, 1933	May 8, 1933			"

\* This table is based on the Manchuria Economic Annual Report 1933 compiled by S. M. R. Economic Research Committee.

Roads	Length (Kilometres)	Survey		Construction		Progress
		Started	Finished	Started	Completed	
Chiaotou-Taanping .....	35			July 1933	Sept. 30, 1933	70%
Chaoyang-Chifeng .....	187					
Kuangtien-Changtienhokou .....	50					
Kuangtien-Tungghwa (part) .....	10					
Hsinking Construction Office :						
Hsinking-Nungan-Fuyu .....	164	Mar. 25, 1933	May 24, 1933			
Huaite-Kungchuling .....	52	Mar. 28, 1933	May 15, 1933			
Kungchuling-Itung .....	538	Mar. 28, 1933	June 4, 1933			Completed
Itung-Hsinking .....	690	Apr. 6, 1933	May 14, 1933			"
Kirin-Hsinking .....	111.3			June 30, 1933	Oct. 30, 1933	
Pingkiang-Pingsien .....	90	May 21, 1933		June 25, 1933	Oct. 30, 1933	
Hailin-Mulingchan .....	75	Feb. 8, 1933	May 25, 1933			95%
Mulingchan-Mulinghsien .....	11	June 9, 1933	June 12, 1933			Completed
Muling-Suifengho .....	83					"
Chiamussu-Sansing-Poli .....	250.4	Mar. 17, 1933	May 12, 1933			"
Hunchun-Tumentzu .....	114.1	Mar. 5, 1933	June 2, 1933			"
Tungghwa-Ningan .....	196	Feb. 25, 1933				50%
Ningan-Hailin .....	28.3	May 27, 1933	June 5, 1933			Completed
Harbin Construction Office :						
Noho-Nenkiang .....	92.6			June 29, 1933	Oct. 30, 1933	1.6%
Nenkiang-Tabeiho .....	280	June 22, 1933				
Taonan-Wangyehmiao .....	110	June 16, 1933	Sept. 30, 1933			3.3%
Wangyehmiao-Sulun .....	110	Apr. 15, 1933				68%
Sulun-Chanjinmiao .....	322					
Chentung-Niengtzuhsan .....	236					
Koshan-Paichuan .....	62					

### Water Transportation

**Harbours.**—Manchoukuo exports raw materials (mainly soya beans, beancake and coal) and imports finished industrial products. Naturally, therefore, the principal freight carried by the railways of Manchuria is export and import goods. In the rivalry of the railways operated under the capital of Japan, Russia, and China, the one that controlled the best harbour had the best chance. Although China eagerly attempted to attract cargo to her own railways, she was unable to favourably compete with the South Manchuria Railway, as the river at Yingkow is shallow and the Hulutao harbour was uncompleted. On the other hand, with the Chinese Eastern Railway, Russia has been able to compete with the South Manchuria Railway because she has the harbour of Vladivostok. But as long as Vladivostok is inferior to Dairen in climatic, geographical and other conditions, Russia's competition with Japan is much handicapped. The harbours of Manchuria are briefly described as follow:

**Dairen.**—Dairen is the second largest city in Manchuria with a population of 400,000, the first position being occupied by Mukden with 410,000 inhabitants. In the middle of the 19th century, Dairen was only a small fishing village, named Chingniwa (青泥窪). When the allied forces of Great Britain and France advanced to Peking in 1858, its bay was made the naval base of the allied fleet, and named Victoria Bay. Between 1887 and 1892, Li Hung-chang, following the suggestion made by a German, erected fortresses and a torpedo station at this point, naming it Talienswan or Bay of Taliens (Dairen). In 1898, Russia leased the place and gave the Russian name of Dalny to the harbour. During the Russo-Japanese War, the Japanese Army occupied it and since then it has been called Dairen, the Japanese pronunciation of Taliens.

When the South Manchuria Railway Company was established in April, 1907, it began to give the utmost efforts to the completion and improvement of Dairen harbour, which was first undertaken by Russia, and in July, 1907, it was made an open port. Soon the harbour was much improved so as to berth simultaneously 27 steamships, ranging from 1,000 tons to 25,000 tons. Furthermore, in 1930, a coal wharf was constructed at Kanchingtzu (甘井子) on the other side of the bay opposite Dairen. The depth of the water within the harbour is from 8 to 11 metres even at extreme low tide. The difference between high and low tide is comparatively large, being 2.4 metres on the average. The difference between the highest tide in summer and the lowest in winter is 5.5 metres. The harbour is

frozen every winter from December to February, but the freezing is only slight and the entrance and departure of ships are made possible by the use of ice-breakers. The management of the wharf is conducted by the South Manchuria Railway under the supervision of the Kwantung Government.

Dairen is a free port, but the free trade privilege is granted only to exports from and imports to the Kwantung Leased Territory. Import merchandise going into interior districts, goods exported from the interior, and raw materials produced in the interior and exported after being prepared or worked in the Kwantung Leased Territory, are charged the general import and export duty as operating in Manchoukuo. The trade via Dairen now totals about 400,000,000 Haikwan taels a year, or 60% of the entire trade of Manchoukuo. In passenger traffic, Dairen occupies a very important position in the Europe-Asia international route. From this port the South Manchuria Railway operates international trains to connect with the Korean Railway to Japan, and with the North Manchuria Railway and the Trans-Siberian Railway to Europe.

The recent conditions at the port of Dairen are shown in the following tables:

Table 19

#### DISTANCE FROM DAIREN TO THE PRINCIPAL PORTS OF THE WORLD

(Nautical miles)			
Jinsen .....	288	Hongkong .....	1,255
Kobe.....	869	Singapore.....	2,027
Moji .....	614	Bombay .....	5,060
Yokohama .....	1,212	Marseilles.....	9,200
Hakodate .....	1,225	London.....	10,900
Takao .....	1,069	Hamburg .....	11,230
Vladivostok .....	1,050	Honolulu .....	4,520
Tientsin .....	242	San Francisco .....	5,494
Shanghai .....	544	Seattle .....	5,175

Table 20

#### STEAMERS ENTERING AND LEAVING DAIREN, AND VALUE OF FOREIGN TRADE AT DAIREN

	Ships	Registered Tonnage	Value of Foreign Trade (Haikwan Taels)
1926 .....	6,791	11,059,914	351,909,526
1927 .....	7,165	11,565,017	362,772,755

	Ships	Registered Tonnage	Value of Foreign Trade (Haikwan Taels)
1928 .....	7,749	12,455,039	415,619,271
1929 .....	8,211	14,056,392	496,620,502
1930 .....	7,150	12,352,068	415,453,475
1931 .....	7,062	12,342,523	424,247,493

Table 21

STEAMERS ENTERING AND LEAVING DAIREN, CLASSIFIED BY NATIONALITY

	1928		1929		1930		1931	
	Ships	Registered Tonnage	Ships	Registered Tonnage	Ships	Registered Tonnage	Ships	Registered Tonnage
China .....	1,533	1,184,000	1,356	1,083,000	1,119	880,088	1,085	945,516
Japan .....	5,311	8,334,000	5,777	9,373,000	5,099	3,395,359	4,980	8,142,714
Great Britain .....	401	1,158,000	516	1,428,000	434	1,067,291	487	1,303,488
U.S.A. ....	121	491,000	108	428,000	102	428,916	91	379,077
Germany .....	192	740,000	219	880,000	211	848,342	142	654,508
Netherlands ..	52	182,000	51	189,000	71	326,056	76	345,180
France .....	34	26,000	18	72,000	2	8,574	—	—
Norway .....	49	93,000	78	205,000	38	108,936	116	304,152
Italy .....	22	121,000	38	194,000	28	78,550	47	109,190
Denmark .....	18	79,000	26	118,000	20	99,630	16	83,970
U.S.S.R. ....	6	700	—	—	—	—	4	5,452
Sweden .....	10	33,000	18	68,000	16	61,472	18	69,276

*Port Arthur.*—Until 1922, a portion of the harbour of Port Arthur was occupied by a naval station, and later it became a purely commercial port, but on April 20, 1933, it was again made a Japanese naval base. Although it is the only ice-free port in Manchoukuo, it will never be able to compete with Dairen, because the harbour is small, mountains descending almost to the shore, and the construction of wharfs and quays is difficult on account of the fifteen metres of mud at the bottom of the sea.

*Yingkow.*—The narrow strip of river—650 to 850 metres wide and 29 kilometres long—beginning at 21 kilometres above the mouth of the Liao River is called Yingkow harbour. Its depth is from 7 to 20 metres, but the greatest defect of Yingkow harbour is its shallowness, as the water is only 2 to 1.5 metres deep, even in the channel, at low tide. The sand brought down by the Liao River is yearly filling the river mouth. The difference between high and low tide averages about 3 metres. The harbour is frozen from the latter part of December to the middle of March, but steamship navigation is prevented during only about a month.

The present locality of Yingkow was under the sea up to the begin-

ning of the 19th century, but on account of the accumulation of sand carried down by the Liao River, it was raised above the sea level in about 1820-30. It was one of the five first open ports of China brought into existence by the Tientsin Treaty concluded between China and Great Britain in 1858, but it was from 1872 that it was actually made an open port by China. After the management of Dairen harbour was undertaken by the South Manchuria Railway Company, Yingkow lost much cargo traffic, but its trade with China is the largest among all the ports of Manchoukuo. The South Manchuria Railway adopted in 1929 a plan of reducing the transportation cost of coal through exporting it from Yingkow, by constructing a quay, 372 metres long, which is the only concrete quay at Yingkow. By this activity of the South Manchuria Railway, the possible decline of Yingkow may be prevented.

Branches of the South Manchuria Railway and the Peiping-Mukden Railway run to Yingkow, but neither line reaches the commercial centre of the city, and in consequence the use of carts or lighters is necessitated.

Table 22

STEAMERS ENTERING AND LEAVING YINGKOW AND VALUE OF FOREIGN TRADE AT YINGKOW

	Ships	Registered Tonnage	Value of Foreign Trade (Haikwan Taels)
1926 .....	1,373	1,340,611	79,084,843
1927 .....	1,336	1,268,238	71,733,199
1928 .....	1,724	1,569,304	75,918,114
1929 .....	1,711	1,803,527	80,078,669
1930 .....	1,732	1,879,413	98,845,976
1931 .....	2,326	2,836,813	125,035,665

Table 23

STEAMERS ENTERING AND LEAVING YINGKOW, CLASSIFIED BY NATIONALITY

	1929		1930		1931	
	Ships	Registered Tonnage	Ships	Registered Tonnage	Ships	Registered Tonnage
Japan .....	632	689,292	751	880,504	942	1,342,422
China .....	738	616,360	686	583,295	1,021	976,917
Great Britain .....	260	378,868	244	344,090	335	455,836
France .....	12	2,712	8	1,808	—	—
Germany .....	14	12,684	22	24,866	—	—
Netherlands .....	6	10,932	3	5,412	4	9,906
Italy .....	4	2,966	4	4,534	2	2,288

	1929		1930		1931	
	Ships	Registered Tonnage	Ships	Registered Tonnage	Ships	Registered Tonnage
Denmark .....	2	9,420	5	11,722	—	—
Norway .....	39	67,571	5	5,418	22	48,844
Finland .....	2	1,848	—	—	—	—
U.S.A.....	2	10,874	4	17,764	—	—
Total .....	1,711	1,803,527	1,732	1,879,413	2,326	2,836,813

*Antung.*—The harbour of Antung is located 31 kilometres above Hsintao (薪島) at the mouth of the Yalu River. At Antung the river is from 1,000 to 1,500 metres wide, and the water under the Antung Railway Bridge is 3.7 metres deep at average low tide. But the water in front of Wutaokou (五道溝) in the lower stream shoals at low tide is only 0.9 to 1.8 metres deep. This shallowness in the lower stream has greatly hindered the development of Antung. Also, the river freezes from the latter part of November to the latter part of February, during which period navigation is impossible.

Though Antung has such defects, it possesses the advantage of being able to surpass other Manchurian harbours as a shipping port for lumber.

Table 24

STEAMERS ENTERING AND LEAVING ANTUNG AND VALUE OF FOREIGN TRADE AT ANTUNG

	Ships	Registered Tonnage	Value of Foreign Trade (Haikwan Taels)
1926 .....	1,156	543,636	94,175,209
1927 .....	1,161	580,980	107,018,768
1928 .....	996	547,596	98,672,178
1929 .....	906	499,554	92,360,810
1930 .....	888	519,094	93,501,447
1931 .....	1,218	731,568	70,884,538

Table 25

STEAMERS ENTERING AND LEAVING ANTUNG CLASSIFIED BY NATIONALITY

	1929		1930		1931	
	Ships	Registered Tonnage	Ships	Registered Tonnage	Ships	Registered Tonnage
Japan.....	588	299,378	526	238,022	774	383,416
China .....	342	166,714	272	163,744	366	245,414
Great Britain .....	62	77,264	88	114,290	76	98,140
Norway.....	4	4,240	2	3,038	2	4,598
Total.....	996	547,596	888	519,094	1,218	731,568

*Hulutao (葫蘆島).*—Railways in Manchoukuo have to connect with good harbours in order to develop, as already explained. Thus the railways proposed by China to rival and compete with the South Manchuria Railway would become able to fulfil their significance only with a port able to compete with Dairen. It was on this account that the construction of the Hulutao harbour was proposed. The Hulutao harbour was first planned in 1908, and the Three Eastern Provinces' government commenced its construction in 1910. But the work had to be suspended on account of the revolution in 1912. As the government proposed to construct and develop their own railways in 1928, the construction of the Hulutao harbour again became an urgent topic of discussion. With the manoeuvre for recovery of the Chinese Eastern Railway in 1929, this scheme also was decided to be materialized. In January, 1930, the construction contract was signed with the Netherlands Harbour Construction Company for 6,400,000 gold dollars. The payment of this contract amount was secured by the revenue of the Peiping-Mukden Railway. Great Britain, who already had made a loan on the security of the same railway revenue, protested, but China rejected the protest on the ground that the revenue of the railway showed a surplus even after paying the annual instalment on the British loan.

The construction of the harbour was commenced in July, 1930, and according to the contract it was to be completed within 5 years and 6 months after the commencement of work. The progress of the construction was kept secret from foreigners, but after the recent Manchurian incident, it came to be openly known. According to information thus obtained, the construction of wharfs and quays, and the reclamation of land for city lots have already made notable progress.

The Manchoukuo Government decided to suspend the construction plan for the proposed harbour for the present, and cancelled the contract with the Netherlands Harbour Construction Company, by paying it the outlay for the past work and compensating it for the loss caused by the uspension of further work. On the other hand, the Government decided to utilize the port of Rashin on the northeastern coast of Korea as the port for the Hsinking-Tumen Railway. As the Manchoukuo Government entrusted to the South Manchuria Railway Company the operation and management of all Government railways, the Korean Government also commissioned the Railway Company with the construction and management of the harbour of Rashin, port for the Hsinking-Tumen Railway, and management of the two short railway lines connecting the terminal of the

Hsinking-Tumen Railway with the ports of Yuki and Seishin, auxiliary ports to Rashin.

Regarding the port of Harbin, refer to the item under the Sungari River.

**Rivers.**—The rivers of Manchoukuo serve as important transportation routes supplementing the insufficient railway lines, as they run for long distances from their sources to the sea and mostly traverse large plains. The largest river is the Sungari, and the second is the Liao. The Sungari and the Liao Rivers with their numerous branch streams traverse South and North Manchuria in a T shape, and give facilities for boat and steamship navigation.

**Sungari River (松花江).**—The Sungari River is a branch of the Amur or Heilungkiang River and for a distance of about 700 kilometres from its confluence with the Amur River upstream to Harbin, it is wide and deep with more than 7 feet of water, and is possible for navigation by steamships of more than 1,000 tons. The river traffic is very busy in this section. Whence small steamships and junks are able to navigate a further distance of 500 kilometres on the main stream to Kirin, and also on its north-western affluent, the Nonni River, up to Tsitsihar. But the Sungari and its branches have the disadvantage of being frozen in winter for about five months.

Russia originally obtained the navigation right of the river by the Aigun Treaty of 1858, and further extended her rights by the treaty signed in August, 1910. But taking advantage of the Russian revolution, China attempted to recover this navigation right from the Russians, and to have it monopolized by the Chinese. In 1920 China prohibited the navigation of Russian steamships running to Kirin, and in 1924 issued an order prohibiting navigation of the Sungari River by Russian ships in general. Although Russia protested against such a step, China attempted to carry out the prohibition by force. But China did not possess sufficient ships of her own, and she confronted a serious difficulty as Russia refused to either sell or charter ships to China even though she had to pay the expenses of laying up her ships.

By Article II of the Soviet-Mukden agreement of September, 1924, it was agreed that China would permit navigation of the Sungari River within Chinese territory by Russian ships up to and including Harbin, and Russia would allow Chinese ships to operate on the lower stream of the Amur River within Russian territory to the sea. But desiring to gain possession of the ships belonging to the Shipping Department of the Chi-

nese Eastern Railway, China confiscated by force these Russian ships and closed up the Shipping Department of the Chinese Eastern Railway in August, 1926. The Khabarovsk agreement concluded at the end of 1929 agreed to restore all navigation rights according to the above-mentioned Soviet-Mukden agreement, but the question of making this Khabarovsk Provisional Agreement into a formal one was realized.

**Liao River (遼河).**—The Liao River is navigable by small boats (the largest of which has a loading capacity of about 20 tons) for about 880 kilometres on the main stream up to Chengchiatun, and also on the Tatzuho (太子河) and the Hunho (渾河), its branches. This river has the defect of silting sand at the river mouth as already described under the item of Yingkow. Before the opening of railways in Manchuria, this river constituted a very important transportation route, and there were once navigated on it more than 10,000 sailing ships. But since the operation of the South Manchuria Railway, and the Ssuningkai-Taonan Railway, navigation on the Liao River has declined. There are no new ships built for the river and majority of the ships now being used are those constructed more than ten years ago. In winter the river is frozen for about four months.

**Yalu River (鴨綠江).**—The Yalu is navigable from the mouth to the lower stream, about 180 kilometres above Antung, and is available for navigation by junks loading more than 8 tons. The freezing period in winter is about four months, but on the other hand, during two months in summer, it is often flooded. There are shoals at Shihantaokou (十三道溝), a distance of about 600 kilometres, below Antung as already described.

**Tumen River (圖們江).**—Almost the entire length of the Tumen River runs through mountainous districts, and it is very narrow. It is only serviceable for floating down rafts in the rainy season. Small boats navigate near the river mouth, but these are not worth mentioning.

### Air Transportation

Air transportation in Manchoukuo has made its initial development. There were proposed various plans for the improvement of the air transportation in the past, and many also are now in course of projection.

One of such projects is the Europe-Asia Air Route Contract concluded between the Communications Department of the National Government and the Lufthansa Company of Germany. This contract was formally

signed in August, 1930, and an understanding was obtained on January, 1931, with Soviet Russia for the route over Soviet territory. There are three air routes proposed, but the one that concerns Manchoukuo is the Shanghai-Nanking-Tientsin-Peiping-Manchouli-Moscow-Berlin route.

Also it was proposed by the Army Department of the National Government to open an air route between Nanking and Tsitsihar via Harbin. Again the former Manchurian authorities gave sincere attention to the development of air transportation as was proved by the purchase of more than twenty aeroplanes and the construction of a large aerodrome by the North Eastern Army Air Force, and also the establishment of an Army Air Force for all the provinces of Manchuria.

The new Government of Manchoukuo also has much interest in air transportation, and in October, 1932, Manchu Air Transport Company was established. The capital of ¥3,850,000 for the initiation was supplied by the Manchoukuo Government, the South Manchuria Railway Co. and the Sumitomo Co. of Japan.

The regular air routes operated by the company at present are as follows :

- A. Public Passenger Service.
  1. Shingishu (Korea)-Mukden-Hsinking-Harbin-Tsitsihar-Hailar-Manchouli.
  2. Dairen-Mukden.
  3. Antung-Dairen.
  4. Hsinking-Lungchingtsun.
- B. Military Service (ordinary passengers are carried whenever vacant seats are available).
  1. Harbin-Chiamussu-Fuchin.
  2. Tsitsihar-Laha-Peianchen-Lungchen-Taheiho.
  3. Mukden-Chinchou-Chaoyang-Lingyuan-Chengte.
  4. Chinchou-Chaoyang-Chihfeng-Linhsi.

### Other Communications

**Kwantung Leased Territory and South Manchuria Railway Zone.**—Communications in the Kwantung Leased Territory and the South Manchuria Railway Zone are under the control of the Kwantung Government. The communications service with Japan proper is identical with that between points in Japan proper.

*Telegraphs and Telephones.*—There are the following telegraph lines

between Manchoukuo and Japan :

Dairen-Saseho submarine cable, laid during the Russo-Japanese War.

Dairen-Tokyo direct line, via Korea, laid in May, 1919.

Mukden-Osaka direct line, via Korea, laid in June, 1919.

Dairen-Nagasaki submarine cable, laid in April, 1921, by the South Manchuria Railway Company and leased by the Government.

Mukden-Shimonoseki direct line, via Korea, laid in December, 1926.

Within the Kwantung Leased Territory and the Railway Zone, the telegraph and telephone lines extend in all directions.

The telephone and telegraph connections with China are maintained according to the Sino-Japanese Telegraph Agreement of October, 1908. The Dairen-Chefoo submarine cable was laid jointly by China and Japan, according to this agreement.

*Wireless Telegraph.*—The only wireless telegraph station operated by Japan in Manchoukuo is the Dairen wireless telegraph station, in the Dairen General Post Office. This station was erected in November, 1911, for wireless communication with steamships in the neighbouring sea, and also with the Japanese Army wireless station at Chinwangtao (秦皇島). The station was gradually improved and enlarged, and at present communications are exchanged with the Iwaki and Kemigawa wireless stations in Japan, and also with Harbin.

Besides the above-mentioned wireless station on land, there are three wireless stations on ships.

**Manchoukuo.**—Prior to the Manchurian incident the postal service of Manchuria was under the Chinese postal system, being under two postal divisional managements, the Liaoning Postal Managing Office, at Mukden, and the Kirin-Heilungkiang Postal Managing Office at Harbin.

Postal relations with foreign countries also formerly were maintained through the Central Government of China. The new Government of Manchoukuo naturally intends to open postal relations with foreign countries independently, and a step to this end already has been taken by the Hsinking authorities in July, 1932.

The statement issued by the Manchoukuo Government in respect to this is as follows :

ORDER FOR TAKING OVER THE CONTROL OF POSTAL ADMINISTRATION

March 20, 1932.

(Translation)

With the establishment of the State of Manchuria, the postal ad-

ministration and postal affairs were detached from the control of the Republic of China on March 1, 1932.

The Minister of Communications, by order of the Government, in taking over the control of the postal administration and postal affairs within the limits of Manchoukuo, hereby instruct all Postal Commissioners in the State of Manchuria to observe strictly the following.

1. On April 1, 1932, the Government will take over the control of the postal administration and postal affairs of the State of Manchuria.
2. The employees in the service are advised that their present status and salaries will remain the same until further notice.
3. The business service shall be maintained as heretofore until further notice.
4. Since the postal administration and its attached properties are now in possession of the State, the transfer of the immovable properties and the creation of security rights is hereby strictly prohibited.
5. Safes, postal stamps and other properties of similar nature must be inspected by the Commissioners empowered to take over the postal affairs.
6. The inventory covering the entire existing properties must be submitted to the Department of Communications.
7. All present and future deposits and receipts must be deposited in the national treasury of Manchoukuo at the Provincial Bank of the Three Eastern Provinces. For the withdrawal of the deposits mentioned above, endorsement by specially appointed officials of the Department of Communications is required.
8. All important documents must be put in order and inspected by authorised Commissioners.

Issued on the 20th day of March, 1932

First Year of Tatung

TING CHIEN-HSU  
Minister of Communications  
Manchoukuo

Regarding the Manchoukuo communications organs, matters to be particularly considered are the wireless telegraph question and the problem of recovering the telegraph and telephone services of the North Manchuria (Chinese Eastern) Railway, which have created international complications.

The first wireless station China possessed in Manchuria was the Harbin wireless station, which she seized from the North Manchuria Railway in December, 1922. This station originally was established in 1908 as a

supplementary organ to the ordinary telegraph service by the Imperial Government of Russia, and then it was improved in 1912 to a 10 kilowatt station. According to the treaty signed at the Washington Conference of 1922, China secured the right of recovering, upon payment, foreign wireless stations established without the permission of the Chinese Government (exceptions were made of the Leased Territory and the South Manchuria Railway Zone). This treaty was signed by nine Powers: Japan, United States, Belgium, Great Britain, France, Italy, Netherlands, Portugal, and China. Russia did not sign this treaty. But taking advantage of the unsettled condition of Russia after the revolution, China applied the terms of this treaty, excepting the condition of paying proper compensation, for the recovery of the Harbin wireless station. Then China improved it by installing a powerful Marconi type machine of 25 kilowatts. In 1922 and 1923, China newly established the Marconi type wireless stations at Mukden (10 kilowatts) and Changchun (2 kilowatts), and also at Kirin and Tsitsihar. Though the wireless telegraph service was formerly used for military purposes only, it has since been opened to public use.

The Chinese wireless station at Mukden is able to communicate with foreign countries. Japan protested against this on the ground that it infringed the right secured by the Mitsui Company of Japan in March, 1918, that the construction of wireless stations in China for communicating with foreign countries would not be permitted to individuals or corporations other than the Mitsui Company and that the Chinese Government would not construct them. But the Japanese protest was not considered by China.

Besides those mentioned above, small wireless stations were established at various cities and towns in Manchoukuo, and in May, 1930, such stations were as follow:

Fengtien Province.....	Mukden (2 stations), Hulutao, Yingkow, Taonan.
Kirin Province .....	Hsinking (Changchun), Harbin (2 stations), Kirin, Fuchin, Yenchi, Suifengho, Mishan.
Heilungkiang Province .....	Tsitsihar, Peiho, Hailar, Manchouli.
Jehol Province .....	None.

China, in recent years, exerted pressure on the North Manchuria Railway from all angles. China's action to recover the railway and the Sungari River navigation right has been already described. Her recovery of the telephone service of the North Manchuria Railway is briefly related here. The Chinese Government had long wished to secure direct control of the telephone service at Harbin which was operated by the North

Manchuria Railway. In about 1926, China planned to establish her own telephone service at Harbin in competition with the Russian service, but this scheme did not materialize because of her inability to secure the required funds. Then at the end of 1928, she recovered by force the telephone service of the North Manchuria Railway. The North Manchuria Railway insisted that the telephone service was to be operated and maintained by themselves as one of the 'matters pertaining to the business operation of the railway' according to the terms of the Soviet-Mukden agreement of September, 1924, but China paid no attention to the protest.

Again in July, 1929, China recovered by armed force the long distance telephone and public telegraph services along the North Manchuria Railway. But these services were restored to the North Manchuria Railway as the result of the conclusion of the Khabarovsk Provisional Treaty at the end of 1929.

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Street Scene, Angankki.



## CHAPTER XVI

# BUSINESS ORGANIZATION

### General Outline

**Trade of Manchoukuo Nationals.**—The merchants in Manchoukuo, as well as in Mongolia, originated, generally speaking, in China. Those established in the interior mostly came from Hopei, Shantung, and Shansi provinces in China, while those doing business at the seaports hail from Canton, and the provinces of Chekiang and Fukien.

As these merchants are in the habit of remitting their surplus profits to their native places, their business organization is simple enough and they do not keep up elaborate establishments. Usually their idea is to get big profits quickly, as a result of which industrial capital and commercial capital rarely cooperate among them, more generally being in competition. This state of affairs is regarded as constituting the chief cause of the commercial inactivity in Manchoukuo.

In the general run of commercial organizations, old-fashioned business methods and more modern ones are so mixed that much confusion is the result. For example, the old system of holding markets at different places on different days for the sale and purchase of various products is still followed extensively. In the far regions of Mongolia caravan transport is still common.

However, merchants who do business at regularly established shops are in the majority nowadays. They comprise retailers, wholesalers, brokers, commission agents, and so forth. Moreover, in the larger cities and towns, modernized stores, and even department stores on a modest scale, have made their appearance.

The ordinary commercial organizations of the old style are under either individual management or joint management. Those under individual management are not at all different from similar establishments in other countries. Ordinary merchants mostly belong to this class. Those of joint management are operated by more than two persons by investing their capital, land, merchandise or labour, but are not legal persons. In Manchoukuo such establishments are quite numerous. There being no safe savings institutions for small capitalists in Manchoukuo,

they usually invest their surplus money in the comparatively safe commercial field. This tendency created numerous commercial establishments of joint management, and consequently those having a capital of 3,000 to 5,000 yuan are most numerous.

The modern commercial system, or so-called company organization, includes four kinds: Wuhsien-Kungssu (無限公司), unlimited companies formed by Kutung (股東), capitalists, of unlimited liability; Liangho-Kungssu (兩合公司), mixed companies formed by Kutung of both unlimited liability and limited liability; Kufenyuhhsien-Kungssu (股分有限公司), limited companies formed exclusively by Kutung of limited liability; and Kufengliangho-Kungssu (股分兩合公司), limited companies having also Kutung of unlimited liability.

Capitalists in joint management establishments are called Tungchia (東家) or Tsaitung (財東) and are also called Kutung (股東) or Lingtung (領東) according to their relation to the management. A Tungchia controls the entire business right, but does not interfere in matters entrusted to the manager. Kutung means a shareholder in a stock company, or a member of a limited or unlimited partnership organization. Tsaitung means one who merely loans capital. Lingtung is one who operates a business in his own name, utilizing the capital of other persons.

A business manager is called Changkueiti (掌櫃的). In case there are several Changkueiti in one establishment, the one of the first rank is called Tou-Changkueiti (頭掌櫃的) or Tsungpan (總辦); the one of the second rank is called Erh-Changkueiti (二掌櫃的) or Futsungpan (副總辦). The number of employees of course differs according to the nature of a business and its scale, but they take pride in a large number of employees. The employees of an establishment are mostly relatives or those from the same native place, and form a sort of guild.

There are two kinds of investment. Cash investment is called K<sup>u</sup> (股) or Chienku (錢股), and contribution of labour, Shenku (身股). The settlement of accounts, called Suanchen (算賬), is carried out in terms of three years as a rule, but sometimes five years. At these accounting times, the final accounting is made and profit is distributed. But organizations with small capital settle their accounts once a year, between December 31 and January 6 by the lunar calendar. The method of dividing profit is decided by the Itan (議單) which is a sort of articles of association, and differs according to the establishment, but generally the Tsaitung takes six parts and the employees four parts.

One special characteristic of these merchants is that they mostly

form firmly organized trade associations which make proper and effective endeavours to obtain mutual profits for the members and the settlement of disputes. Also the Lienhao (聯號) is a system that possesses peculiar features. This system is similar to the branch shop system or the chain stores of other countries. The capital is sometimes invested by one person and sometimes by several. Some have independent accounting, while others have a profit sharing system. The Lienhao in Manchoukou has developed at Dairen, Mukden, Harbin, and all other important cities, and the total number now reaching more than 600.

Manchurian trade has suffered much from the effect of the world depression as well as from the reckless issue of inconvertible notes by the former régime of the Changs and the fall of the silver quotation since 1929. The money market became particularly tight on account of the restriction of loans and the urging of repayment of loans by Japanese and Manchurian banks, and the closing or suspension of business of the Chienpu. Thus numerous merchants of all kinds became bankrupt. The former Northeastern Government adopted various measures for improving the situation, but in vain. Then the Manchurian incident occurred, and as efforts are now being made for the restoration of peace and order, and also for the adjustment of the economic organs of Manchoukou, it is expected that business will be revived to its former prosperity before long.

**Trade of the Japanese.**—The trade of the Japanese in Manchoukou has made extraordinary development since the Russo-Japanese War, although before the war it was insignificant compared with the present condition. Japan's decisive victory in the Russo-Japanese War, the political stabilization of Manchuria and the operation of the South Manchuria Railway by Japan combined to stimulate the activity of Japanese merchants. The active operation of general merchants also prompted the development of banking, warehousing, exchange, and other modern commercial facilities. This tendency was augmented by the general economic boom caused by the world war, which created something of a golden age.

The depression following the close of the great war affected every field, and the commercial field was seriously influenced. The oppression brought by the shortage of funds made the commercial field more depressed and stagnated. Various merchants and companies were obliged to adjust their affairs, to suspend operation or to be amalgamated. The adjustment period after the war was about to end in recent years,

but the unjust oppression by the former Chinese authorities, and the overissue of inconvertible notes, that had extended over several years, prevented commercial activity. Again, with Chang Hsueh-liang siding with the Nanking Government, an anti-Japanese boycott was incited in Manchuria where formerly anti-Japanese sentiment was not so strong. Especially, the general economic depression and the low silver quotation in the recent two or three years greatly reduced the purchasing power of the people, and made transactions exceedingly difficult.

Because of such conditions the rationalization of management came to be seriously studied and considered by merchants, and the utilization of import associations and credit associations greatly increased.

Then following the outbreak of the Manchurian incident, the depressed business condition continued for some time, but later as the unjust official oppression by the former régime was removed and the economic relations between Japan and Manchoukuo steadily improved, the Japanese trade has shown favourable development.

The total investment of individual Japanese merchants in Manchuria is ¥56,190,000, according to the latest figures obtained by the South Manchuria Railway Company. The above figure, however, was the amount prior to the outbreak of the Manchurian incident, and probably it has considerably increased since then.

Despite the recent financial depression, Japanese commercial companies are increasing in number and paid-up capital. The number and paid-up capital of various companies established in the Kwantung Leased Territory and the South Manchuria Railway Zone are shown in the following table :

Table 1

COMMERCIAL ACTIVITIES OF JAPANESE IN  
SOUTH MANCHURIA

	Kwantung Leased Territory		Railway Zone		Total	
	Number of Companies	Paid-up Capital or Invested Amount	Number of Companies	Paid-up Capital or Invested Amount	Number of Companies	Paid-up Capital or Invested Amount
1925 .....	582	¥448,394,780	296	¥81,303,219	878	¥529,697,999
1926 .....	642	471,472,942	319	90,733,569	961	562,206,511
1927 .....	663	494,274,542	355	90,809,544	1,018	585,084,083
1928 .....	698	513,349,917	366	89,446,801	1,064	602,796,718
1929 .....	742	558,171,117	380	82,062,314	1,122	640,233,431
1930 .....	783	557,929,452	397	76,779,114	1,180	634,708,566
1931 .....	827	549,704,251	415	78,119,755	1,242	627,824,006

In the distribution of companies at the end of 1931, Dairen occupies the foremost place with 772 companies having a total paid-up capital of ¥548,116,551; Mukden comes next with 144 companies having ¥30,430,400 paid-up capital. Other important cities having Japanese firms are Antung, Anshan, Yingkow, Hsinking, and Penhsihu.

The following table shows the number of companies, and the paid-up capital or invested amount classified by their fields of activity as standing at the end of 1931.

Table 2

JAPANESE COMPANIES IN SOUTH MANCHURIA CLASSIFIED  
BY NATURE OF BUSINESS, 1931

	Kwantung Leased Territory		Railway Zone		Total	
	No. of Companies	Paid-up Capital or Invested Amount	No. of Companies	Paid-up Capital or Invested Amount	No. of Companies	Paid-up Capital or Invested Amount
Agriculture .....	20	¥6,366,000	11	¥3,233,000	31	¥9,599,000
Marine Products.	6	414,600	—	—	6	414,600
Mining.....	17	2,882,300	6	12,171,905	23	15,054,205
Manufacture ...	275	62,478,400	138	33,119,100	413	95,597,500
Commerce .....	432	67,954,251	250	28,506,250	682	96,460,501
Transport .....	76	409,604,700	10	1,089,500	86	410,694,200
Others .....	1	4,000	—	—	1	4,000
Total .....	827	549,704,251	415	78,119,755	1,242	627,824,006

In the above statistics are given only the companies in the Kwantung Leased Territory and the South Manchuria Railway Zone; if those in the Japanese consular districts and other places are to be included, many more have to be added.

Table 3

JAPANESE COMPANIES IN SOUTH MANCHURIA CLASSIFIED  
BY TRADE, 1931

	Kwantung Leased Territory		Railway Zone		Total	
	Number of Companies	Paid-up Capital or Invested Amount	Number of Companies	Paid-up Capital or Invested Amount	Number of Companies	Paid-up Capital or Invested Amount
Selling Trade						
Cereal and Flour Trade ...	13	¥306,000	5	¥332,000	18	¥638,000
Wine and other Beverage Trade .....	12	409,500	2	40,000	14	449,500
Other Comestible Trade....	33	767,900	6	61,500	39	829,400
Machine and Machinery Trade .....	41	1,275,000	20	557,500	61	1,832,500

	Kwantung Leased Territory		Railway Zone		Total	
	Number of Companies	Paid-up Capital or Invested Amount	Number of Companies	Paid-up Capital or Invested Amount	Number of Companies	Paid-up Capital or Invested Amount
Metal and Metal Manufacture Trade .....	11	1,255,000	3	32,500	14	1,287,500
Pottery, Glass and Glass Manufacture Trade.....	3	20,000	—	—	3	20,000
Medicine, Dye, Paint and Toilet Requisites Trade..	25	459,500	6	75,000	31	534,500
Fuel Trade .....	14	245,000	9	808,000	23	1,053,000
Building Material, Furniture Trade.....	22	1,360,000	10	3,339,500	32	4,699,500
Cloth and Clothing Trade	14	242,500	11	100,000	25	342,500
Cotton, Yarns and Miscellaneous Piece-goods Trade .....	2	83,000	1	8,000	3	91,000
Other Selling Trades.....	69	2,460,900	36	708,000	105	3,168,900
Brokerage, Agency.....	28	7,961,260	21	3,728,000	49	11,689,260
Export and Import Trade ...	43	7,497,700	24	2,735,000	67	10,232,700
Exchange.....	1	1,250,000	1	500,000	2	1,750,000
Market.....	1	15,000	7	291,800	8	306,800
Warehousing .....	5	1,585,000	5	787,500	10	2,372,500
Newspaper and Other Publishing .....	6	1,045,000	7	2,000,000	13	3,045,000
Financing						
Bank.....	4	10,731,037	13	4,152,000	17	14,883,037
Investment Trust.....	15	11,975,000	16	1,287,000	31	13,262,000
Money Lending.....	14	3,629,000	7	58,700	21	3,687,700
Pawnshop .....	4	41,500	9	2,691,500	13	2,733,000
Insurance.....	2	600,000	—	—	2	600,000
Commission Agency .....	1	12,000	—	—	1	12,000
Land and House Leasing ...	14	9,047,804	14	3,079,000	28	12,126,804
Commodity Leasing .....	2	19,350	—	—	2	19,350
Hotels and Restaurants .....	11	1,003,000	4	165,000	15	1,168,000
Theatres and Others .....	7	196,000	4	232,000	11	428,000
Other Trades .....	15	2,461,300	9	736,750	24	3,198,050
Total .....	432	67,954,251	250	28,506,250	682	96,460,501

**Trade of Other Foreigners.**—It was after the opening of Newchwang, stipulated by the Sino-British Tientsin Treaty of 1858, that foreigners began to carry on business in Manchuria. Later, with the economic development of Manchuria, the number of European merchants steadily increased, particularly by the advance of Russian merchants.

At Dairen, Mukden, Hsinking (新京) and other important cities in

the Kwantung Leased Territory and the South Manchuria Railway Zone, Russians are most numerous, but also there are British, Americans, Germans, French and other foreigners in fairly large numbers. In North Manchuria, there are more than 100,000 Russians, Harbin having the largest number and Manchouli and Tsitsihar coming next. Numbers of British, Americans, Germans, Poles, Czecho-Slovakians and others also reside at Harbin. Although all such foreign residents are not engaged in commerce, their number gives some idea as to their commercial activity. The foreign residents in the Kwantung Leased Territory, the South Manchuria Railway Zone, and the Japanese consular districts are as shown in the following table :

Table 4  
FOREIGN RESIDENTS IN MANCHOUKUO  
(Japanese Excluded)

District	1930	1931
City of Port Arthur .....	23	18
City of Dairen .....	709	636
Total for Kwantung Leased Territory.....	<b>734</b>	<b>657</b>
Newchwang Consular District.....	121	115
Liaoyang " " .....	10	15
Mukden " " .....	1,839	1,638
Antung " " .....	65	68
Chientao " " .....	89	75
Chengchiatun " " .....	24	24
Tiehling " " .....	18	15
Hsinking " " .....	2,653	2,503
Kirin " " .....	121	85
Harbin " " .....	80,461	74,360
Tsitsihar " " .....	5,508	4,494
Manchouli " " .....	10,489	10,702
Chifeng " " .....	66	95
Total for Manchuria (Including Kwantung Leased Territory) .....	<b>102,198</b>	<b>94,846</b>

As may be judged by the above table, the commercial activities of these foreigners are centred in Dairen, Newchwang, Mukden, and Harbin. Large merchants are engaged in the sale of kerosene oil, deals in staple produce, manufacture and sale of cigarettes, import and sale of machinery and tools, and as agents for steamship and insurance companies, while others are engaged in banking.

### Trade Organs

**Trade Organs of the Manchurians.**—As organs for protecting and fostering the interests of the Manchurian merchants there are the Shangkung-tungyehkunghui or Trade and Industrial Association (商工同業公會), Shanghui (商會) or Chamber of Commerce, and Shanghuilienhohui (商會聯合會) or Federation of Chambers of Commerce. In the South Manchuria Railway Zone there is a similar organ called Shangwuhui (商務會), which is called in the Kwantung Leased Territory Kuihui (公議會).

**Shanghui (商會).**—Shanghui, or Chamber of Commerce, is an institution for protecting and fostering the interests of merchants, and in former days also collected taxes for the government. The Shanghui came into existence as economic relations with foreign powers became closer and more complicated. It was first established in Manchuria in about 1900, and from 1909 to 1911 it was formed in numerous districts. According to the 8th, 9th, and 10th Agricultural and Commercial Statistical Reports of China, there are 66 Shanghui in Fengtien Province, 38 in Kirin Province, 29 in Heilungkiang Province, and 16 in Jehol Province, a total of 149 in the Four Northeastern Provinces.

The National Government promulgated in August 1929 the Chamber of Commerce Law, Law of Trade and Industrial Associations (商工同業公會法), and the law for controlling and unifying these organs. According to these laws, those engaged in the same trade or industry in one district may form a Trade and Industrial Association; and Shanghui, or Chamber of Commerce may be formed upon the proposal of more than five Associations in each unit of a city or district, or upon the proposal of more than fifty shops in case there is no association; a Chamber of Commerce is given the authority to act as a legal person. Chambers of Commerce within one province may join together and form a Federation of Chambers of Commerce (商會聯合會). This system, adopted before the establishment of Manchoukuo, is still followed, but the Manchoukuo Government plans new Chamber of Commerce Regulations in order to enable them to become effectively and rationally active, conforming to the changed conditions.

**Shangwuhui (商務會).**—With the object of fostering the merchants in the South Manchuria Railway Zone and of giving them mutual aid, the South Manchuria Railway Company issued in 1913 the regulations for Shangwuhui. At present Shangwuhui are established at Hsinking, Kungchuling, Ssuningkai, Shuangmiaotzu, Changtu, Tsaohokou, Wafangtien,

Mukden, Haicheng, Hsiungyocheng, Antung, Fanchiatun, and Kaiyuan. But these Shangwuhui are different from the previously mentioned Shanghui and Japanese Chambers of Commerce in not being legal persons and not possessing power of compulsion. In the Kwantung Leased Territory is the Kuihui (公議會), an organ similar to Shangwuhui, and established at Dairen, Port Arthur, Chinchou, Pulantien, and other places.

**Japanese Trade Organs.**—Japanese organs for protecting and fostering the interests of Japanese merchants include the Chambers of Commerce and Industry, Business Associations (實業協會), Business Societies (實業會), and others. There are also various Mutual Unions (共同組合) for the welfare and interests of those engaged in the same branch of commercial activity, which have recently been remarkably active. Commercial museums also are important in the commercial activity of the Japanese.

**Chambers of Commerce and Industry.**—Japanese Chambers of Commerce and Industry are established at seven places, Dairen, Yingkow, Mukden, Antung, Tiehling, Hsinking, and Harbin; those at Dairen and Harbin are most active. At Anshan, Liaoyang, Fushun, Kaiyuan, Ssuningkai and other important commercial and industrial cities along the South Manchuria Railway line there are business associations, business societies, and trade and industrial societies, and although they are not legal persons, they are exercising almost the same functions and power as chambers of commerce and industry.

**Trade Associations.**—With the development of various enterprises the tendency of those engaged in one branch of activity to form a union for their mutual benefit has become evident, and the number of such associations has recently greatly increased. The number of associations and their members in the Kwantung Leased Territory and the South Manchuria Railway Zone are shown in the following table:

Table 5

#### TRADE ASSOCIATIONS IN KWANTUNG LEASED TERRITORY AND RAILWAY ZONE

	Number of Associations	Members			Total	Annual Expenditure (Yen)
		Japanese	Manchurian	Others		
1925 .....	197	6,161	52,579	10	58,750	431,613
1926 .....	211	5,158	49,235	3	54,396	441,568
1927 .....	246	5,782	58,487	13	64,282	525,051
1928 .....	296	10,592	79,858	19	90,469	646,672
1929 .....	313	11,086	75,821	39	86,946	894,040
1930 .....	328	11,207	86,205	14	97,426	869,206
1931 .....	328	13,211	89,878	24	103,113	958,435

The principal associations formed by Japanese in Manchoukuo include the Manchuria Import Association (滿洲輸入組合), Urban Credit Association (都市金融組合), Dairen Bean Mill Operators' Association (大連油房聯合會), Manchuria Staple Produce Dealers' Association (滿洲重要物產組合), Manchuria Civil Engineering and Building Association (滿洲土木建築協會), Manchuria Architectural Association (滿洲建築協會), Dairen Exchange Staple Produce Brokers' Association (大連取引所重要物產取引人組合), Dairen Share and Merchandise Exchange Brokers' Association (大連株式商品取引所株式取引人組合), Dairen Municipal Central Market Wholesalers' Association (大連市設中央卸賣市場卸賣人組合), Dairen Coal Dealers' Association (大連石炭商組合), Pulantien Stock Breeders' Association (普蘭店畜產組合), Wafangtien Fruit Growers' Association (瓦房店果樹組合), and Mukden Exchange Brokers' Association (奉天取引所取引人組合). Of these associations, the Manchuria Import Association and the Urban Credit Association are most active.

The Manchuria Import Association was established at Mukden in 1927 with the object of fostering the development of Japanese merchants in Manchoukuo who received a serious blow from the post-war financial depression, and of increasing the import of Japanese products into Manchoukuo. Within a short period, many other cities and districts formed similar associations, and in August, 1928, the Federation of Import Associations was organized in order to control all import associations in Manchoukuo. The associations supply funds to members for the import of merchandise, aid them in the improvement of managing systems and commercial customs, arrange for import and purchase of merchandise, act as intermediaries in making consignment sales, develop markets, and endeavour to reduce freight and other charges. The associations obtained a loan of ¥5,000,000 from the South Manchuria Railway Company as a fund for carrying on their activities. In 1930 there were 17 associations established at Dairen, Port Arthur, Yingkow, Antung, Harbin, Mukden and other cities. The members of these associations have somewhat decreased recently, but the associations have made signal development in recent years.

At the end of the fiscal year of 1931 (April 1, 1931 to March 31, 1932) the total of investments in the fund stood at ¥2,116,711.08. At the end of the previous fiscal year, the outstanding loans reached ¥3,158,100.90, but during the fiscal year of 1931, new loans amounting to ¥17,635,636.82 were made, while former loans were recalled to the amount of ¥17,646,559.35, making the outstanding loan total

¥3,147,178.37 at the year end. From this it may be seen that the association is fairly active.

The Urban Credit Association is a new system in effect since October, 1928, for the improvement of financial facilities for small and medium sized commercial and industrial operators who suffered much on account of difficulty in securing funds. At the end of 1928 such associations were set up at Port Arthur, Dairen, Shahokou, and Mukden, and in the following years the number increased, reaching in all 15 at the end of March, 1932. This system has had a very favourable development and at the end of March, 1932, the total number of members in the associations reached 2,105 with 13,206 investment shares, and paid-up investments totalling ¥660,300.

*Consumers' Associations.*—As consumers' associations, there are the South Manchuria Railway Consumers' Cooperative Association, Kwantung Government Officials' Dairen Purchase Association, Communications Department Officials' Purchase Associations and others. The South Manchuria Railway Consumers' Cooperative Association, having a great number of members, is having a serious effect upon retail merchants.

*Trade Organs of Other Foreigners.*—The commercial activity of foreigners other than Japanese is limited to Dairen and Harbin, and consequently their trade organs are only at Harbin and Dairen, for the welfare and benefit of their respective nationals. Foreign Chambers of Commerce and Industry are established at the following places:

British :	Dairen, Newchwang, Harbin.
American :	Harbin
German :	Harbin
French :	Harbin
Russian :	Harbin

### Joint Enterprises

*Japanese-Manchurian Joint Enterprises.*—The first joint enterprise in Manchoukuo was begun at the end of 1905 with the establishment of the Penhsihu Colliery and Iron Works (本溪湖煤鐵公司) by the joint investment of the Okura Company of Japan and Chinese capital. Soon afterward the Yingkow Water Supply and Electric Company, and the Shoryu Bank were established as joint enterprises, and since then a considerable number of enterprises have followed their example. But the spread of anti-Japanese sentiment in recent years, and the oppressive measures taken

by Chinese authorities greatly hindered the development of such joint enterprises. The lack of harmony in joint management and the general financial depression also have made their operation extremely difficult.

Such joint enterprises will come to play a very important part in the development of Manchoukuo, when the importance of economic cooperation between Japan and Manchoukuo becomes clear to the general public. Japanese-Manchurian joint enterprises in all branches of industry having a capital of more than ¥500,000 each, number 70 and those having a capital of more than ¥1,000,000 are as follow :

Table 6

## JAPANESE-MANCHURIAN JOINT ENTERPRISES

Classification	Name	At	Capital (Yen)	
Mining	Penhsihu Colliery and Iron Works (本溪湖煤鐵有限公司)	Penhsihu .....	7,000,000	
	Kungchangling Iron Mining Co. (弓張嶺鐵礦有限公司)	Kungchangling and 3 other mines ...	1,000,000	
	Chinhsi Colliery and Iron Mining Co. (錦西煤鐵有限公司)	Tayaokou, Lungipa .....	3,000,000	
Timber	Fengtsai Timber Co. (豐林股份有限公司)	Hsinking .....	5,000,000	
	Hsinglin Paper Co. (興林造紙股份有限公司)	Kirin .....	5,000,000	
	Hualin Timber Co. (華林製材公司)	Kirin .....	2,000,000	
	Funing Timber Co. (富寧股份有限公司)	Kirin .....	1,000,000	
	Huangchuan Timber Co. (黃泉採木有限公司)	Kirin .....	4,000,000	
	Chungtung Hailin (Nakashoji) Co. (中東海林實業公司)	Harbin .....	3,000,000	
	Manchuria-Korea Mine-posts Co. (滿鮮枕木株式會社)	Antung .....	3,000,000	
	Yalu Timber Co. (鴨綠江採木公司)	Antung .....	3,000,000	
	Yalu Lumber Co. (鴨綠江製材有限公司)	Antung .....	1,000,000	
	Chamien Timber Co. (札克採木公司)	Harbin .....	6,000,000	
Banking	Shoryu Bank (正隆銀行)	Dairen .....	12,000,000	
	Manshu Bank (滿洲銀行)	Dairen .....	10,000,000	
	Toka Bank (東華銀行)	Wafangtien .....	3,000,000	
	Shinko Bank (振興銀行)	Yingkow .....	1,175,000	
	Nanman Bank (南滿銀行)	Anshan .....	1,500,000	
	Kyosei Bank (協成銀行)	Antung .....	1,000,000	
	Harbin Bank (哈爾濱銀行)	Harbin .....	2,000,000	
	Kaiyuan Bank (開原銀行)	Kaiyuan .....	1,000,000	
	Exchanges and Exchange Trust	Harbin Exchange (哈爾濱交易所)	Harbin .....	10,000,000
		Dairen Currency Exchange Trust Co. (大連錢鈔信託株式會社)	Dairen .....	3,000,000
Dairen Exchange Trust Co. (大連交易所信託株式會社)		Dairen .....	15,000,000	

Classification	Name	At	Capital (Yen)	
Exchanges and Exchange Trust	Dairen Stock and Merchandise Exchange (大連株式商品取引所)	Dairen .....	10,000,000	
	Mukden Exchange Trust Co. (奉天取引所信託株式會社)	Mukden .....	3,200,000	
	Companies	Kaiyuan Exchange Trust Co. (開原取引所信託株式會社)	Kaiyuan .....	2,000,000
		Changchun Exchange Trust Co. (長春取引所信託株式會社)	Hsinking .....	1,000,000
Nikka Security Trust Co. (日華證券信託株式會社)		Dairen .....	5,000,000	
Other Enterprises				
	Eastern Asia Civil Engineering Co. (東亞土木企業株式會社)	Dairen .....	5,000,000	
	Jihhua Bean Oil Mill Company (日華油房株式會社)	Dairen .....	1,000,000	
	South Manchuria Building Co. (南滿建物株式會社)	Dairen .....	1,000,000	
	Dairen Merchandise Trust Co. (大連商品信託株式會社)	Dairen .....	1,000,000	
	Dairen Fire and Marine Insurance Co. (大連火災海上保險株式會社)	Dairen .....	2,000,000	
	Jihhua Industrial Co. (日華興業株式會社)	Dairen .....	1,000,000	
	Jihhua Staple Produce Co. (日華特產株式會社)	Dairen .....	2,000,000	
	South Manchuria Warehouse and Building Co. (南滿洲倉庫建物株式會社)	Dairen .....	5,000,000	
	Shuangho Foodstuff Co. (雙合棧糧業株式會社)	Dairen .....	1,000,000	
	Huangtsi Security Co. (廣濟證券株式會社)	Dairen .....	3,000,000	
	Manchuria Enterprise Co. (滿洲企業株式會社)	Dairen .....	1,000,000	
	Second Manchuria Fertilizer Co. (第二滿洲肥料株式會社)	Dairen .....	1,500,000	
	Liaoyang Ice-Making Co. (遼陽製冰株式會社)	Dairen .....	1,000,000	
	Manchuria Transport Co. (滿洲運輸株式會社)	Dairen .....	10,000,000	
	Chinfu Railway Co. (金福鐵路公司)	Dairen .....	4,000,000	
	Huatung Trust Co. (華東信託株式會社)	Dairen .....	1,500,000	
	Manchuria Produce Co. (滿洲物產株式會社)	Yingkow .....	1,000,000	
	Yingkow Water Works and Electric Co. (營口水道電氣株式會社)	Yingkow .....	2,000,000	
	Manchuria-Mongolia Woollen Manufacturing Co. (滿蒙毛織株式會社)	Mukden .....	3,000,000	
	Tungsheng Industrial Co. (東省實業株式會社)	Mukden .....	3,000,000	

Classification	Name	At	Capital (Yen)
Other Enterprises	South Manchuria Sugar Co. (南滿洲製糖株式會社)	Mukden .....	10,000,000
	Asia Flour Milling Co. (亞細亞製粉株式會社)	Kaiyuan .....	3,000,000
	Manchuria Flour Milling Co. (滿洲製粉株式會社)	Tiehling .....	5,750,000
	Hsingfa Company. (興發公司)	Chengchiatun .....	4,000,000
	Harbin Race Course. (哈爾濱競馬場)	Harbin .....	1,000,000
	North Manchuria Electric Co. (北滿電氣株式會社)	Harbin .....	1,200,000
	Harbin Building Co. (哈爾濱建物株式會社)	Harbin .....	2,000,000
	North Manchuria Industrial Co. (北滿興業株式會社)	Harbin .....	2,000,000

Since the establishment of Manchoukuo, Japanese-Manchurian joint enterprises have been seriously considered, and already the Manchuria Air Transportation Company, the Manchuria Telegraph and Telephone Company, and the Pinchiang Cereal Exchange have commenced activities under this system. It is expected that various other joint enterprises will be planned in the future.

**Other Joint Enterprises.**—Besides the above-mentioned Japanese-Manchurian joint enterprises, there are Russo-Japanese, Russo-Manchurian, and others. Besides those mentioned below there were formerly the Lita Kungssu (利達公司), a Manchurian-American enterprise, Tungfang-hsingyeh Kungssu (東方興業公司), a Russo-Manchurian enterprise, and Lienhoyen Kungssu (聯合煙公司), a British-American-Russian enterprise, but none of them exist today. The Sino-American Chunghuamouyeh (中華懋業) Bank was nominally a joint enterprise, but its actual rights are entirely in American hands; moreover the bank is now in liquidation. Joint enterprises now existing are as follow:

**Russo-Japanese Joint Enterprises:**

- Commercial and Industrial Company  
(formerly the Fukuda Gumi)
- Fukuda-Marks Company

**Russo-Manchurian Joint Enterprises:**

- Muling Colliery Company
- Haimin Lumber Company
- Tungfang Kungssu (Eastern Company)
- Chinese Eastern Railway Company (North Manchuria R. Co.)

**Japanese-Manchurian-Russian Joint Enterprise:**

- Chamien Lumber Company

## Exchanges

**Brief Outline of Japanese Exchanges.**—Japanese economic activities in Manchuria gradually expanded after the Russo-Japanese War, but at that time there was no facility for commercial dealings in Manchuria, and produce was bought and sold at different places where the people concerned gathered on convenient dates. Consequently different market prices were quoted and buyers could not know which was the proper price, and transactions were greatly impeded. There was no means of preventing any breach of contract, and particularly between Japanese and Manchurians there arose many disputes on account of the difference of language and custom. In view of this situation, exporters of produce, obtaining the support of merchants, opened a produce market by renting a portion of the South Manchuria Railway wharf office at Dairen.

After considering the above-mentioned conditions and also a proposal made by traders, the Kwantung Government-General recognized the necessity of a well-organized public organ to foster the development of Manchurian industries and general economic progress, and in 1911 decided upon the establishment of produce exchanges. After preparing regulations for the organization and use of exchanges, the first exchange was established at Dairen and opened to business in September, 1913. In 1916 exchanges were opened at Kaiyuan and Hsinking, in 1919 at Kungchuling and Ssuping kai, and in 1920 at Mukden. Exchanges at Tiehling, Liaoyang, Yingkow, and Antung were established between 1918 and 1921.

When these exchanges were established, the Manchurian merchants in general did not possess any knowledge respecting such institutions, and they followed their own old-fashioned methods despite the existence of the exchanges. But gradually realizing that dealing through exchanges is safe and convenient, the Manchurian merchants using them gradually increased in number. With the economic development of Manchuria, exchanges were opened at various places as mentioned above, but all except those at Dairen and Kaiyuan were placed in extreme difficulties because of the depression following the close of the Great War, the establishment of Manchurian exchanges, and the adoption of a mixed storage system by the South Manchuria Railway Company. Particularly the three exchanges at Tiehling, Yingkow, and Liaoyang were seriously affected; they had practically no business from 1923, soon after their opening, and finally they were closed on October 31, 1924.

The above is a brief outline of the history of the Japanese exchanges



in Manchoukuo. They include both government and private exchanges. The former are at Dairen, Kaiyuan, Hsinking, Kungchuling, Ssupingkai, and Mukden. These government exchanges cannot guarantee transactions because of their official nature, and connected with them are exchange trust companies to undertake guaranteeing transactions. The private exchanges are at Dairen, Antung, and Mukden.

*Kwantung Government Exchanges.*—The government exchanges were established according to the Kwantung Government Exchange Regulations, and strictly speaking, they are government offices, their expenses being included in the budget of the Kwantung Government. Each government exchange has a director, deputy director, manager, clerks, and examiners. The director directs the affairs of the exchange and supervises the staff, under the instructions of the Governor of Kwantung. Each exchange has a board of counsellors, and may have advisors according to the conditions in its locality.

The authority of the director is extensive, and he not only possesses the authority exercised by the director of an ordinary exchange, but also has authority to appoint and discharge brokers, to admit and exclude their agents, and to examine the books of the brokers, which is ordinarily exercised by officials of higher rank. As the exchange trust company established at each exchange is a security company, the director of the government exchange has the authority of supervising it. The condition of the government exchanges and their trust companies at the end of 1931 was as follows:

Table 7  
GOVERNMENT EXCHANGES, 1931

	Business Security	Brokers	
		Number	Security
Dairen Exchange.....	¥750,000	147	¥588,000
Mukden Exchange .....	70,000	74	99,500
Kaiyuan Exchange .....	150,000	15	44,000
Ssupingkai Exchange .....	75,000	19	55,000
Kungchuling Exchange .....	75,000	21	60,000
Hsinking Exchange .....	75,000	31	73,000
Total (6 Exchanges).....	1,195,000	307	919,500
End of 1930 (6 Exchanges).....	1,195,000	326	1,079,500
" " 1929 (6 " ).....	1,195,000	359	1,180,500
" " 1928 (6 " ).....	1,195,000	398	1,230,000
" " 1927 (6 " ).....	1,195,000	406	1,250,000
" " 1926 (6 " ).....	1,195,000	462	1,214,000
" " 1925 (6 " ).....	1,195,000	298	1,071,400

## TRUST COMPANIES, 1931

	Paid-up capital	Reserve fund	Annual total income	Annual total expenditure
Dairen Exchange Trust Co. ....	¥5,375,000	795,045	1,203,614	643,697
Mukden Exchange Trust Co. ....	500,000	263,421	163,430	102,290
Kaiyuan Exchange Trust Co.....	875,000	842,085	121,621	47,880
Ssupingkai Exchange Trust Co. ....	125,000	41,630	23,557	23,557
Kungchuling Exchange Trust Co. ....	375,000	224,079	22,129	17,273
Hsinking Exchange Trust Co. ....	250,000	175,242	240,890	238,177
Total .....	7,500,000	2,341,502	1,775,241	1,072,874
End of 1930 .....	9,375,000	2,499,440	1,875,501	935,911
" " 1929 .....	9,375,000	2,268,956	2,458,584	869,072
" " 1928 .....	9,375,000	1,755,915	2,384,681	888,687
" " 1927 .....	9,875,000	1,697,977	2,505,579	796,825
" " 1926 .....	9,875,000	1,675,364	2,844,096	1,661,417
" " 1925 .....	9,750,000	1,407,404	2,156,928	1,378,583

Table 8

## PRODUCE TRANSACTIONS AT GOVERNMENT EXCHANGES

	Spot Transactions		Time Transactions	
	1931	1930	1931	1930
Dairen Exchange	¥168,382,759	¥107,540,605	¥495,798,657	¥591,313,139
Mukden Exchange	—	—	Yuan 477,767	—
Kaiyuan Exchange.....	Yuan 6,875,099	Yuan 174,576,101	Yuan 32,212,620	{ Hsiaoyang Yuan 2,686,974,762 Tayang Yuan 441,175,674
Ssupingkai Exchange.....	—	—	Yuan 5,059,707	{ Tayang Yuan 14,581,639 Fengtien-piao Yuan 55,344,217
Kungchuling Exchange.....	—	—	{ Tayangchen 17,038,818 Tayangpiao 365,669	34,322,650
Hsinking Exchange.....	¥3,058,201	¥6,241,427	¥9,595,020	¥23,706,231

In spot and time transactions, soya bean is the most important item listed, and constitutes the bulk of the entire value. Kaoliang, beancake, and bean oil come next in value.

Table 9

## CURRENCY TRANSACTIONS AT GOVERNMENT EXCHANGES

	Spot Transactions		Time Transactions	
	1931	1930	1931	1930
Dairen Exchange .....	¥52,974,642	¥55,335,875	¥1,016,734,908	¥1,398,865,235
Mukden Exchange.....	—	—	Yuan 768,437,397	Yuan 7,632,249,155
Kaiyuan Exchange.....	—	—	„ 12,562,999	„ 3,121,527,037
Ssuping kai Exchange...	—	—	„ 5,372,090	„ 329,051,005
Kungchuling Exchange.....	—	—	—	„ 21,907,275
Hsinking Exchange ...	—	—	¥211,018 Tiao 9,421,205,500 Yuan 30,080	¥4,782,008 Tiao 36,377,855,605 Yuan 8,405,714

*Private Exchange.*—There are three private exchanges operated by Japanese in Manchoukou, as already mentioned. Of the three, the Dairen Share and Merchandise Exchange was originally formed according to the Kwantung Government Exchange Regulations, but the Antung Exchange was formed at first according to Japanese law and later came to conform to that of the Kwantung Government. The Manshu Exchange at Mukden being situated outside the South Manchuria Railway Zone is not subject to the Exchange Regulations of the Kwantung Government unless so specified in its articles of association and business regulations, but in its articles of association and operating regulations it is not mentioned that it is subject to the Kwantung Government Exchange Regulations, and therefore it cannot be recognized as conforming to the said regulations, neither can it be recognized as subject to Japanese law. The three private exchanges are all joint-stock companies. The conditions of the two exchanges established according to the Kwantung Government Exchange Regulations were as follow at the end of 1931:

Table 10

## DAIREN AND ANTUNG PRIVATE EXCHANGES

	1931			Total of 1930
	Dairen Exchange Co.	Antung Exchange Co.	Total	
Members				
{ Shareholders .....	1,346	235	1,581	1,641
{ Brokers .....	32	24	56	57
Capital				
{ Nominal Capital.....	¥5,000,000	2,000,000	7,000,000	7,500,000
{ Paid-up Capital .....	1,250,000	500,000	1,750,000	1,875,000

	1931		Total of 1930	
	Dairen Exchange Co.	Antung Exchange Co.		
Reserve Fund .....	¥221,565	56,920	278,485	404,315
Brokers' Security .....	180,000	98,860	278,860	257,458
Annual Income.....	142,810	13,993	156,803	293,671
Annual Expenditure.....	131,571	8,709	140,280	964,273
Net Surplus .....	11,239	5,284	16,523	(-)670,602
Dividend .....	—	—	—	25,000

The Manchu Exchange at Mukden has an authorized capital of ¥1,000,000 with ¥250,000 paid-up, but its business condition is not satisfactory.

Table 11

## TRANSACTION RESULTS OF DAIREN AND ANTUNG PRIVATE EXCHANGES

	1931	(Yen)				
		Periodical Transaction (Yen)	Short-term Time Transaction	Time Transaction	Spot Transaction	
Dairen	Stocks .....	2,299,772	—	21,366,116	7,560,677	
	Commodity	Gunny Bags .....	758,798	—	209,880	—
		Cotton Yarns.....	4,926,540	—	14,655	—
		Cotton Goods.....	—	—	211,941	—
		Wheat Flour .....	—	—	—	—
Total .....	7,985,110	—	21,802,592	7,560,677		
Antung	Stocks .....	261,170	—	—	—	
	Currents	Chenping Silver	—	—	—	
		Gold Notes ...	418,319,990	—	—	—
Total .....	418,581,160	—	—	—		
Total of two Exchanges .....	426,566,270	—	21,802,592	7,560,677		
1925 .....	195,393,089	387,467	21,365,893	21,429,064		
1926 .....	264,664,821	—	22,242,380	6,885,749		
1927 .....	313,149,541	—	16,739,917	23,416,449		
1928 .....	188,529,428	—	13,009,033	9,335,583		
1929 .....	146,699,711	—	9,331,423	15,372,357		
1930 .....	528,093,731	—	13,327,552	1,504,503		

*Exchanges of Manchurians.*—As transactions came to be systematical-ly and reliably carried on after the establishment of the Japanese exchanges, the benefit of exchanges began to be gradually known among the Manchurian merchants, and there developed a tendency toward the establishment of similar organs by themselves. In 1920 the Shangwuhui, Chamber of Commerce, at Mukden resolved on the establishment of the Chiaopao-cheng-so (交易保證所) or exchange, and drafting exchange laws, the

Mukden Exchange Regulations, and regulations respecting Shanghai guarantees acknowledged by the exchange, presented a formal demand to the government authorities urging the opening of exchanges. This Mukden Exchange was the first exchange established by Manchurians, and as it proved successful, similar exchanges have been established at several other places.

Their exchanges are generally small in scale, and the goods listed are limited to a few articles, but yet their appearance has brought considerable progress in the methods of dealing.

Present Condition of Exchanges of Manchurians :

(A) Principal Exchange in Manchoukuo :—

Name : Harbin Exchange (哈爾濱交易所).

At : Harbin.

Capital : 2,000,000 yuan New Manchoukuo Currency (one-half paid-up).

Japanese-Manchurian joint management.

History : The Pinchiang Cereal Exchange (濱江糧食交易所) established in 1916 with a capital of 500,000 roubles, fully paid-up, was the forerunner of the present exchange. Later due to the fall of the rouble value, its capital was changed to 500,000 yuan in 1920, and again to 800,000 Harbin Tayang yuan in 1927. However, further to enable it to function properly as the organ for settling and guaranteeing exchange transactions and also to strengthen its financial foundation, it was reorganized to a Japanese-Manchurian joint organization in October 1, 1933, and adopted the present name.

Listed goods : Soya beans, beancake, bean oil, wheat, wheat flour, other cereals, gunny bags, cotton fabrics.

Subsidiary Business : As subsidiary business, it also conducts warehousing.

Business condition : Viewing the business condition of the former period under the Pinchiang Cereal Exchange, dealings were only in soya beans and wheat, and the average annual turnover between 1922 and 1930 was 100,000 carloads of soya beans and 70,000 carloads of wheat. Thus formerly the business condition was extremely good, but since the Manchurian incident it has been affected by the general economic depression, and at present the amount of business shows a decrease more or less.

(B) Locally Important Exchange :—

Name : Hsinking-cheng Currency Exchange (新京城內錢鈔交易所).

At : Hsinking-cheng.

History : In 1916, it was opened as a subsidiary business of the Hsinking-cheng Shangwuhui, and has continued to the present day.

Listed goods : Spot deals in Chao-piao to new Manchoukuo currency and gold notes to new Manchoukuo currency only, and no time deals are made.

Business condition : Daily the amount of dealings reaches 300,000 to 500,000 yen, but the total charge revenue is insufficient to cover all expenses, showing more or less deficit.

(C) Exchanges which only nominally exist and have no actual dealings :—

There are also cereal exchanges at Shuangchengpao (雙城堡) in Kirin Province ; Anta (安達), and Mankou (滿溝) on the western line of the Chinese Eastern Railway (North Manchuria Railway) ; Angangchi (昂冬溪), Taihaichen (泰海鎮), and Hailun (海倫) in Heilungkiang Province ; and Shanchengchen (山城鎮) in Fengtien Province. Also there are currency exchanges at Mukden, Harbin and other places. But all these practically have no dealings, only nominally existing.

### Warehousing

**Japanese Warehousing Enterprises.**—The warehousing business was introduced in Manchuria with the opening of the Dairen Kigyo Warehouses at Dairen in 1909. The South Manchuria Railway Company started a warehousing enterprise in 1911, and since then several warehouse operators have appeared. Later, due to the prosperity brought by the Great War, there came into existence besides the South Manchuria Railway warehouses about 30 warehouses at Dairen, Mukden, Fushun, Hsinking, Yingkow, Kirin, Harbin, Antung, and other places. But the post-war depression and the development of the South Manchuria Railway warehouses seriously affected these warehouse operators, some of whom were gradually forced to leave the field. At present there exist warehouses operated by more than ten Japanese companies. But as the South Manchuria Railway warehouses control more than 90 percent of the entire goods for storage, these warehouses other than the South Manchuria Railway warehouses store only some cereals produced in their immediate localities and merchandise of small merchants, and they are consequently insignificant. But as these warehouse operators are also engaged in forwarding, banking or other businesses, they are managing to exist. Here will be described only the warehousing enterprise of the South Manchuria

Railway Company.

The warehousing business of the South Manchuria Railway Company was started in 1911, as above-mentioned. But actually it was commenced in October, 1908, when the Railway Company stored at the Dairen Wharf goods arriving by steamship or railway under the name of wharf storage, and issued warehouse certificates, and in 1909, free storage of produce and other goods was made at the principal stations along the railway for which warehouses were erected and open storage spaces provided. But this storage system was imperfect and small in scale. To improve the system, the South Manchuria Railway Company obtained government sanction for operating a warehousing business in 1910, and announced warehousing regulation in 1911. The Dairen Wharf and 15 important railway stations were designated as warehousing places, and a general warehousing business was opened in September, 1911. At present the places where warehousing business is conducted number 31. At the end of March, 1932, the warehouses and storage sheds at these places totalled 177, with a total floor space of about 512,736 square metres. Besides there are at the Dairen Wharf 14 tanks for storing bean oil and crude oil, with a total capacity of 18,600 metric tons, and at Antung a lumber pond of 145,596 square metres. The open storage space at the Dairen Wharf is 347,078 square metres, and every railway station has some open storage space in its compound.

Besides ordinary separate storage, there is a mixed storage system, which was started at Dairen in April, 1912, with bean oil mixed storage. Beancake mixed storage was commenced at the Dairen Wharf in 1913, and also at Kaiyuan and Tichling in 1915. At the end of 1929 soya bean mixed storage was commenced. In 1912 the system of Tun (屯) storage of cereals was adopted. With these activities, the South Manchuria Railway Company has created a new epoch in the warehousing business and the produce trade of Manchoukuo.

At present the goods stored by the mixed storage system are soya beans, wheat, beancake and bean oil. Soya beans for mixed storage are accepted at the receiving stations of the South Manchuria Railway and the Chinese Eastern (North Manchuria) Railway under the same conditions, but the mixed storage system is not applied to all kinds of soya beans. The yellow soya bean is the specified kind, and of this kind only the Huangtou (黄豆) and Heichi (黑豉) varieties are accepted for mixed storage. Beancake is classified into Dairen cake, Yingkow cake, and interior cake, which are accepted for mixed storage according to slightly different conditions,

and in quality the mixed storage beancake is limited to the round cake of the above-mentioned yellow soya bean variety. Wheat and bean oil are accepted for mixed storage only at the Dairen Wharf. Wheat is restricted to the Manchoukuo wheat shipped to Dairen by the South Manchuria Railway or bearing the certificate of the Dairen Customs; bean oil is limited to that extracted from yellow soya beans. To encourage the mixed storage of soya beans the South Manchuria Railway Company grants a subsidy for those delivered at the Dairen Wharf, Hsiaokangtzu, Yingkow, Pulantien, and Antung.

The following tables show the recent condition of the warehousing enterprise of the South Manchuria Railway Company:

Table 12

QUANTITY RECEIVED AND DELIVERED AT SOUTH MANCHURIA RAILWAY WAREHOUSES

Fiscal Year	(metric tons)				
	Brought forward	Received	Delivered	Balance	Average per day
1925.....	458,093.0	5,238,390.2	5,198,236.6	498,246.6	278,937.1
1926.....	498,246.6	5,374,655.4	5,260,539.1	612,362.9	361,916.1
1927.....	612,362.9	5,276,268.4	5,318,247.7	570,383.6	340,699.3
1928.....	570,383.6	4,985,097.3	5,010,285.2	545,195.7	331,924.8
1929.....	545,195.7	5,523,004.3	5,612,414.3	455,785.7	393,120.8
1930.....	413,488.8	3,590,693.3	3,484,086.8	520,095.3	267,209.6
1931.....	520,095.3	5,397,364.7	5,189,053.0	728,407.0	403,195.0

Table 13

MIXED STORAGE AND SEPARATE STORAGE OF SOYA BEANS, BEANCAKE AND BEAN OIL AT SOUTH MANCHURIA RAILWAY WAREHOUSES IN 1931\*

	(metric tons)				
	Mixed Storage Beans	Mixed Storage Beancake	Mixed Storage Bean oil	Separate Storage	Total
Brought forward...	295,470.0	22,216.6	3,310.5	199,098.2	520,095.3
Received .....	2,069,730.0	851,290.2	20,815.8	2,455,528.7	5,397,364.7
Delivered.....	2,049,120.0	755,235.7	22,705.5	2,361,991.8	5,189,053.0
Balance .....	316,080.0	118,271.1	1,420.8	292,635.1	728,407.0
Average quantity stored per day...	197,809.2	53,706.6	2,024.2	149,655.0	403,195.0

\* Fiscal Year.....April, 1931—March, 1932

**Warehousing Enterprises of Manchurians.**—There is no modern warehousing enterprise operated by Manchurians, but there exist Chanfang (棧房) or Hangchan (行棧), and Tuichan (堆棧) which merely receive goods for custody and collect low charges. They do not issue warehouse certificates, and consequently merchants cannot obtain financing facilities by entrusting their goods to the care of such establishments. Besides these, there is Liangchan (糧棧) which plays an important rôle in the produce transactions in Manchoukuo, conducting a sort of warehousing business as a side enterprise.

For merchants dealing with it, the Liangchan stores goods and gives banking facilities, at very high charges. It is an important warehousing organ outside the South Manchuria Railway Zone. Even along the South Manchuria Railway line, when the station warehouses are full and can not accept any more, goods are temporarily entrusted to the Liangchan for storage. But in point of equipment and storage charges, the Liangchan can not compete with the Japanese warehouses.

### Insurance

**Japanese Insurance Business.**—Before the Russo-Japanese War, the insurance business in Manchuria was in the hands of British merchants at Yingkow. This port had been opened under the Tientsin Treaty, and the merchants acted as agents for marine insurance companies, and later handled both marine and fire insurance, covering cargo after landing.

Of Japanese insurance companies, the Meiji Life Insurance Company first opened an agency at Dairen in 1906. Since then various Japanese insurance companies have started business in Manchoukuo, and prospered together with the general economic development of the country.

**Life Insurance.**—Life insurance in Manchoukuo is handled by Japanese insurance companies only, and their clients are mostly Japanese. With the lack of proper registration, it is now impossible, as before, to obtain death statistics for Manchurian nationals, and difficult to secure proper certificates of death, while on account of their rudimentary ideas of sanitation, the death rate is very high, and there is inconvenience in paying insurance money because of the difference in standards of currency. These factors have hindered the development of life insurance business in Manchoukuo, but gradually they are realizing the benefits of it, and are beginning to make contracts with Japanese life insurance companies.

In the Kwantung Leased Territory and the South Manchuria Railway

Zone the Communications Bureau administers postal life insurance for Japanese residents under the same conditions as in Japan proper.

**Insurance Against Loss.**—The Japanese Fire Insurance Company, which was established at Port Arthur after the conclusion of the Russo-Japanese War, made its headquarters at Dairen, thence developing into the economic centre of Manchoukuo. Prior to this, foreign insurance companies had already been active in handling transport and marine insurance, seeing good prospects in the large volume of produce shipments. At that time, Japanese insurance companies were not yet soundly established, and insurance contracts mostly went to foreign companies, but with the outbreak of the Great War, it became difficult for foreign insurance companies to maintain their activities and some had to close their agencies—a state of affairs which encouraged the development of Japanese companies. Mitsui & Co., Suzuki & Co., the Fuchang Kungssu and the Okura Trading Co., have shown successful results in acting as agents for Japanese and foreign insurance companies. In 1922, the Dairen Marine Insurance Company was established.

Insurance statistics for the companies in the Kwantung Leased Territory and South Manchuria Railway Zone are as follow:

Table 14  
JAPANESE INSURANCE BUSINESS

	Number of firms at the end of the year	Collected Premiums	Amount of Insurance paid	Insurance Contracted		Insurance Cancelled		Total Insurance at the end of the year	
				Number	Amount	Number	Amount	Number	Amount
<b>Life Insurance</b>									
1926	192	¥1,998,659	¥584,104	7,833	¥14,354,574	4,615	¥8,394,611	31,012	¥50,986,350
1927	188	1,923,097	537,742	7,087	15,161,253	5,853	10,771,766	32,111	55,064,220
1928	166	1,907,471	636,309	9,074	14,546,274	7,772	9,647,803	31,481	56,648,373
1929	157	2,266,706	737,066	7,657	18,374,986	4,300	8,865,628	32,507	62,679,499
1930	147	2,368,182	824,406	8,054	16,959,142	4,519	10,372,567	35,389	67,977,149
1931	149	3,028,133	922,061	7,779	19,608,974	6,709	16,217,542	35,956	70,905,748
<b>Insurance against loss</b>									
1926	229	1,640,391	1,112,409	76,358	660,029,872	76,481	634,447,002	49,007	328,637,551
1927	209	2,299,511	659,838	90,731	1,024,167,364	84,858	982,219,589	54,322	367,864,945
1928	197	1,880,733	1,092,617	113,096	1,081,934,589	103,595	1,048,614,615	67,915	415,521,400
1929	205	2,001,331	635,343	110,376	1,204,547,886	91,464	958,470,993	81,234	631,905,315
1930	203	1,661,531	1,563,261	90,484	845,592,202	99,842	894,173,428	69,654	562,000,426
1931	208	1,364,704	787,088	93,985	678,567,159	101,419	808,366,990	61,472	428,149,551
<b>Other Insurance</b>									
1926	18	26,307	3,436	368	408,600	90	102,700	1,094	1,052,441
1927	18	32,007	5,464	535	456,545	251	233,645	1,294	1,235,100
1928	25	68,011	3,747	1,019	803,300	468	471,100	1,984	1,734,300
1929	26	85,364	5,215	1,229	1,379,950	281	316,412	3,295	3,722,038
1930	20	226,372	112,034	1,207	1,527,500	604	841,188	3,636	3,872,800
1931	13	136,837	16,563	701	871,500	1,224	1,370,300	2,871	3,226,700
<b>Total</b>									
1926	439	3,665,357	1,699,949	84,559	674,793,046	81,186	642,944,313	81,113	380,676,342
1927	415	4,254,615	1,203,044	98,353	1,039,785,162	90,962	993,225,000	87,727	424,164,265
1928	388	3,856,215	1,732,673	123,189	1,097,284,163	111,835	1,058,733,518	101,380	473,904,073
1929	388	4,353,401	1,377,624	119,262	1,224,302,822	96,045	967,653,033	117,036	698,306,852
1930	370	4,256,085	2,499,701	99,745	864,078,844	104,965	905,387,183	108,679	633,850,375
1931	370	4,529,674	1,725,712	102,465	699,047,633	109,352	825,954,832	100,399	502,281,999

**Insurance Business of Manchurians**—The people in Manchoukuo have still a very primitive conception of insurance, and the majority do not know what is meant by that word. In cities and towns, among those who are associating with foreigners or are conducting extensive business, the importance of insurance is gradually becoming known, but as native insurance organizations are still undeveloped, they are contracting with foreign insurance companies. Since ancient times, there has been an insurance system called Shuihsien (水險) or water insurance, in such special districts as Antung or Yingkow, for insuring against flood damages, and also another form of insurance against the attacks of mounted bandits.

**Commodity Prices**

As different kinds of currencies were formerly circulated together in Manchoukuo, commodity prices were based on different standards. When commodity prices were viewed from the economic standpoint of the Japanese, the gold yen was the basis, while the silver yen and silver yuan were the standard when viewed from the economic standpoint of the Manchoukuo nationals. Japanese merchandise is controlled by the prices in Japan, while products in Manchoukuo are governed by the fluctuations of silver.

The wholesale prices at Dairen reached their peak in 1920 and showed a sudden decline in the following year. Then for two or three years they were almost stationary, and from the end of 1923 a slight revival was shown. In 1924 and 1925 an upward tendency, more or less, was recorded, but from the end of 1925 the downward tendency again commenced. In recent years, the fall has been notable. The latest figures are less than one half of the peak prices shown in 1920.

The index wholesale prices at Dairen are shown in the following table, taking the average of three years from 1921 to 1923 as 100.

Table 15  
WHOLESALE PRICE INDEX NUMBERS AT DAIREN

	Cereals	Seasonings and Fancy Provisions	Meat	Clothing	Building Materials	Fuel	Miscellaneous	Average
1920	159.2	132.9	130.6	146.8	157.0	123.5	144.7	145.4
1921	95.4	104.0	93.6	104.5	103.0	106.8	103.5	102.1
1922	99.5	99.9	104.5	98.8	97.4	100.3	97.1	99.0
1923	105.1	96.7	101.8	96.7	99.6	93.0	99.5	99.0



	Dairen	Port Arthur	Yingkow	Fushun	Mukden	Sauping-kai	Hsinking	Antung	
1933	Nov....	87.6	86.9	88.5	83.9	83.1	89.3	89.0	87.5
	Dec....	87.7	87.0	90.1	87.4	85.7	92.3	90.2	91.0
	Jan....	88.4	87.8	91.8	87.3	86.8	93.5	92.3	90.9
	Feb....	87.6	87.9	92.9	88.4	89.5	92.8	92.7	92.1
	Mar....	86.5	88.1	92.2	87.8	90.3	93.6	94.1	92.4
	Apr....	85.7	86.9	91.7	86.9	90.2	91.0	93.4	90.4
	May...	85.8	86.7	91.4	87.3	89.2	90.6	92.9	90.6
June...	86.1	87.1	91.6	87.7	89.5	92.0	93.3	90.7	

In the following table the index numbers for wholesale prices at Dairen are compared with those of North China and of various other cities. The basic index of 100 is taken from the price average for July, 1914.

As the Chinese index is based on the silver basis, the index figure for the silver quotation is added in the next column. The silver rate index shows the geometrical mean of the three markets, London, New York and Dairen.

Table 18

WHOLESALE PRICE INDEX NUMBERS IN DAIREN  
AND IN OTHER IMPORTANT CITIES

	Dairen (Research Office, S.M.R.)	North China (On silver basis)*	Tokyo (Bank of Japan)	London (Economist)	New York (Bradstreets)	Silver Quotation
1914.....	100.0	100.0	100.0	100.0	100.0	100.0
1915.....	106.9	102.8	101.6	129.2	114.8	92.6
1916.....	128.3	111.1	122.9	168.3	138.5	119.8
1917.....	162.2	119.7	154.7	214.4	183.6	151.0
1918.....	216.4	122.9	202.6	236.0	215.4	178.6
1919.....	260.2	121.1	248.1	246.8	216.1	211.6
1920.....	299.0	133.8	272.8	297.4	208.6	204.9
1921.....	214.3	132.9	210.8	190.1	129.3	125.6
1922.....	207.8	129.5	206.8	167.3	141.4	128.8
1923.....	207.8	135.0	209.5	170.2	153.5	121.8
1924.....	221.2	139.7	217.3	174.7	148.4	133.0
1925.....	226.7	145.4	212.2	169.1	160.2	134.2
1926.....	197.7	149.5	188.2	157.0	148.4	115.3
1927.....	187.0	153.9	178.6	151.0	147.5	104.7
1928.....	186.4	161.3	178.9	148.2	152.0	108.8
1929.....	181.8	166.5	174.8	139.6	144.3	99.4
1930.....	147.2	173.5	143.9	117.6	121.3	70.0
1931.....	118.9	183.2	121.7	98.0	98.9	54.6
1932.....	140.4	—	128.1	94.8	80.6	—

\* The index number of Nankai Institute of Economics; quoted in 'The Shanghai Market Prices Report,' 1931, issued by National Tariff Commission and, in the case of the figure for 1931, 'Nankai Weekly Statistical Service.'

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## CHAPTER XVII

### FOREIGN TRADE

**General Outline.**—The foreign trade of Manchuria began with the opening of the port of Newchwang, in 1864. That Newchwang should be opened to international commerce was stipulated in the China-British treaty of 1858. This was not carried out until six years later, however. Thereafter trade with the outside world began to develop, though on a small scale for some time.

Sudden impetus to Manchuria's foreign commerce was given some 40 years later when, following the close of the Russo-Japanese War, Antung, Dairen, Tatungkou, Manchouli, Suifenho, Aigun, Sansing, Harbin, Hunchun, and Lungtsingsun acquired the status of trading ports. The opening of these ports, together with the restoration of peace and comparative order after the sanguinary conflict between Japan and Russia, and the consequent economic development, stimulated phenomenally Manchuria's foreign commerce.

Particularly at Dairen, trade rapidly increased due to improvement of the harbour facilities there, and the efficient operation of the South Manchuria Railway under Japanese auspices. In a very few years, consequently, Dairen became the greatest port of the country in both fame and reality, surpassing Newchwang, which had a start of nearly half a century as the leading trading port.

Trade at Antung also greatly expanded with the opening of the Antung-Mukden Railway and the completion of the railway bridge over the Yalu River, affording rail connection with Chosen, and it became one of the important ports of southern Manchuria. Important in northern Manchuria was the Sungari River port of Harbin, and in the jurisdiction of the Harbin customs were Manchouli and Suifenho, through which trade with the Soviet Union was carried on. In eastern Manchuria were Lungtsingsun and Hunchun, trading with Chosen. Though all these ports were opened to international trade comparatively recently, they made remarkable progress.

The ports in Manchuria and the dates of their opening were as shown in the following table :



Tao-erh-ho River near Taonan.

		By Treaty with	
Newchwang	Fengtien Province	Great Britain, 1858	May, 1864
Antung	"	U.S.A., 1907	March, 1907
Dairen	"	Japan, 1907	July, 1907
Tatungkou	"	"	March, 1907
Manchouli	Heilungkiang Province	Japan, 1905	February, 1907
Aigun	"	"	July, 1909
Sansing	Kirin Province	"	"
Harbin	"	"	"
Suifenho	"	Russia, 1908	February, 1908
Hunchun	"	Japan, 1905	January, 1910
Lungtsingtsun	"	"	"
Lahasusu	"	—	July, 1909

After its establishment, Manchoukuo made various preparations for the acquisition of the custom-houses in its territory, and on June 18, 1932, issued an important declaration respecting its tariff independence. Immediately afterwards, the new government completed the acquisition of all the custom-houses. The Government of Manchoukuo was then considering the adoption of a system of customs, and on August 2, 1933, announced the Customs Regulations of Manchoukuo. According to this regulation, some changes were made in the location of custom-houses, and they were re-established at Dairen, Harbin, Antung, Yingkow, Lungtsingtsun, and were established newly at Tumen (圖門), Chengte (承德), and Shanhaikwan. Therefore, the custom-houses of Manchoukuo are now at eight places in all.

Respecting the foreign trade situation in recent years, no accurate information is available, but the progress since 1907, when the custom-houses were opened one after another at Antung, Dairen, Tatungkou, Manchouli and other places, may be seen in the following table :

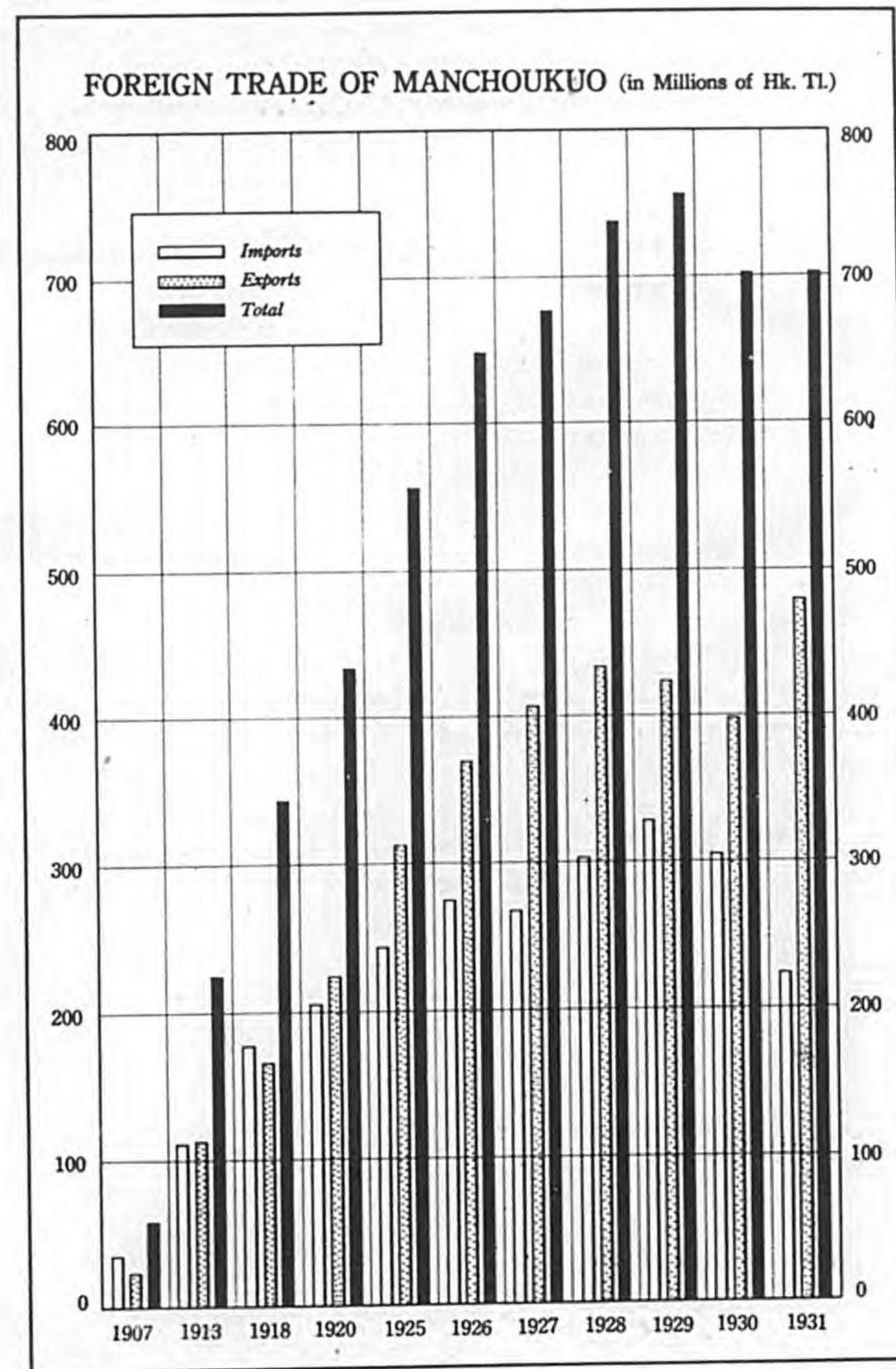
Table 1  
VALUE OF TRADE AND INDEX NUMBERS OF MANCHOUKUO  
1907 TO 1931 (Haikwan Taels)\*

	Exports	Imports	Total	Excess of Exports or Imports (-)
1907 .....	24,421,617	35,516,802	59,938,419	(-) 11,095,185
	100	100	100	
1908 .....	55,060,040	60,309,023	115,369,063	(-) 5,248,983
	225	170	192	
1909 .....	90,917,919	79,014,530	169,932,449	11,903,389
	372	222	284	

\* Figures of the table include the amounts of internal trade among the respective custom-houses in Manchoukuo.

	Exports	Imports	Total	Excess of Exports or Imports (-)
1910 .....	93,555,572	88,857,464	182,413,036	4,698,108
	383	250	304	
1911 .....	109,005,756	103,945,767	212,951,523	5,059,989
	446	293	355	
1912 .....	103,347,172	106,193,401	209,540,573	(-) 2,846,229
	423	299	350	
1913 .....	113,932,815	112,033,168	225,965,983	1,899,647
	467	315	377	
1914 .....	108,872,936	112,409,981	221,282,917	(-) 3,537,045
	446	316	369	
1915 .....	130,084,502	108,111,646	238,196,148	21,972,856
	533	304	397	
1916 .....	130,807,129	129,555,872	260,363,001	1,251,257
	536	365	434	
1917 .....	161,120,501	158,562,010	319,682,511	2,558,491
	660	446	533	
1918 .....	166,856,166	177,219,156	344,075,322	(-) 10,362,990
	683	499	574	
1919 .....	212,008,762	231,303,593	443,312,355	(-) 19,294,831
	868	651	740	
1920 .....	225,926,429	205,129,451	431,055,880	20,796,978
	925	578	719	
1921 .....	234,407,892	218,187,674	452,595,566	16,220,218
	960	614	755	
1922 .....	274,661,906	196,432,072	471,093,978	78,229,834
	1,125	553	786	
1923 .....	293,928,940	207,055,228	500,984,168	86,873,712
	1,204	583	836	
1924 .....	269,018,082	200,648,470	469,666,552	68,369,612
	1,102	565	784	
1925 .....	312,368,194	244,721,505	557,089,699	67,646,689
	1,279	689	929	
1926 .....	370,742,398	276,840,619	647,583,017	93,901,779
	1,518	779	1,080	
1927 .....	408,036,179	268,913,586	676,949,765	139,122,593
	1,671	757	1,129	
1928 .....	434,035,424	302,955,904	736,991,328	131,079,520
	1,777	853	1,230	
1929 .....	425,651,491	329,603,869	755,255,360	96,047,622
	1,743	928	1,260	
1930 .....	396,714,056	306,999,437	703,713,493	89,714,619
	1,624	864	1,174	
1931 * .....	478,553,787	223,432,118	701,985,905	255,121,669
	1,960	629	1,171	

\* The figures for 1931 do not include the trade amount through Aigun.



As is seen from the above table, the total export and import trade of Manchuria in 1907 was only 60,000,000 Haikwan taels, but in the following year it increased to almost twice that amount, in 1910 to three times, and in 1915 to more than four times. Such a rapid increase is not recorded in other countries. This tendency was even accentuated in later years, and in 1926 it increased to 647,000,000 Haikwan taels, or 10.8 times the amount shown in 1907, and in 1929, to 755,000,000 Haikwan taels, or 12.6 times that for 1907.

Classifying the foreign trade by nations, it is seen that the trade with Japan proper is the largest, amounting to 228,454,701 Haikwan taels in 1930, or 45.8% of the entire foreign trade of Manchoukuo. This enormous trade with Japan proves clearly the intimate economic relations existing between Japan and Manchoukuo. In 1930, the Pacific ports of the U. S. S. R. came second with 62,751,871 Haikwan taels, or 12.6% of the total; Korea third with 48,954,329 Haikwan taels, or 9.8%; Netherlands, 36,201,887 Haikwan taels, or 7.3%; the United States, 27,743,538 Haikwan taels, or 5.6%; England, 20,869,401 Haikwan taels, or 4.2%; Hongkong, 19,558,973 Haikwan taels, or 3.9%; Germany, 15,519,021 Haikwan taels, or 3.1%.

In 1931, Japan still occupied the first position with 246,461,908 Haikwan taels or 51.5%, showing an increase of 18,007,207 Haikwan taels over the figure for the previous year. The second rank again was occupied by the Pacific ports of the U. S. S. R. with 54,602,660 Haikwan taels or 11.4%. The ranking of other important trading countries was slightly changed in 1931, the Netherlands taking up 8.2%, Korea 6.3%, England 4.4%, the United States 3.9%, Hongkong 3.4%, and Germany 2.2%.

Further details of the foreign trade may be seen in the following table:

Table 2  
EXPORTS AND IMPORTS OF MANCHOUKUO, CLASSIFIED BY COUNTRIES,  
1930 & 1931  
(Haikwan Taels)

COUNTRIES	1930			1931		
	Exports	Imports	Total	Exports	Imports	Total
ASIA						
Japan .....	117,524,081	110,930,620	228,454,701	159,192,710	87,269,198	246,461,908
Korea .....	39,500,648	9,453,681	48,954,329	23,519,125	6,797,237	30,316,362
Hongkong .....	6,727,569	12,831,404	19,558,973	7,588,028	8,542,322	16,130,350
Macao .....	40	—	40	249	—	249
British India .....	9,037	1,230,553	1,239,590	264,202	6,001,767	6,265,969
Singapore, Straits etc. ....	761,380	134,460	895,840	663,983	37,357	701,340
Dutch Indies .....	6,121,547	3,072,021	9,193,568	6,741,387	1,351,327	8,092,714
Borneo.....	—	—	—	—	168,902	168,902
French Indo-China .....	45,810	107,900	153,710	1,712	9,191	10,903
U. S. S. R., Pacific Ports .....	50,722,263	12,029,608	62,751,871	42,644,118	11,958,542	54,602,660
U. S. S. R., Siberia .....	72,342	3,734,991	3,807,333	1,953,743	2,504,332	4,458,075
U. S. S. R., Amur Ports.....	1,831	6,864	8,695	878,694	8,858	887,552
Philippine Islands .....	1,711,713	45,446	1,757,159	1,423,493	27,973	1,451,466
Siam .....	173	—	173	1,654	—	1,654
Turkey .....	35	—	35	—	157,466	157,466
Persia .....	—	—	—	—	1,125,413	1,125,413
Palestine.....	—	—	—	—	274	274
Total .....	223,198,469	153,577,548	376,776,017	244,873,098	125,960,159	370,833,257
			75.5			77.5

COUNTRIES	1930			1931		
	Exports	Imports	Total	Exports	Imports	Total
EUROPE						
Great Britain .....	10,385,259	10,484,142	20,869,401	16,443,494	4,376,320	20,819,814
France.....	912,544	984,635	1,897,179	1,533,252	705,658	2,238,910
Germany .....	3,386,919	12,132,102	15,519,021	5,588,178	4,883,955	10,472,133
Belgium .....	1,638,484	3,701,696	5,340,180	350,368	2,194,648	2,545,016
Netherlands .....	347,335,89	1,468,298	36,201,887	38,596,723	565,709	39,162,432
Denmark.....	293,860	123,717	417,577	723,916	69,001	792,917
Poland.....	299	11,113	11,412	318	18,915	19,233
Latvia .....	58	2,887	2,945	9	1,962	1,971
Finland .....	37	636	673	—	26	26
U. S. S. R., European Ports .....	12	375	387	3,457	1,554	5,011
Sweden .....	195,385	377,344	572,729	76,888	85,245	162,133
Norway .....	69,932	321,474	391,406	505,043	1,847	506,890
Danzig .....	—	—	—	—	—	—
Spain .....	35,810	580	36,390	17,064	2,105	19,169
Portugal .....	40,463	—	40,463	40,221	4,587	44,808
Italy .....	692,778	786,919	1,479,697	3,018,185	643,344	3,661,529
Switzerland.....	98	110,157	110,255	44	86,267	86,311
Austria.....	777	17,504	18,281	—	18,594	18,594
Hungary .....	—	1,304	1,304	—	2,031	2,031
Czechoslovakia .....	8	9,616	9,624	67	16,052	16,119
Greece .....	32	1,368	1,400	160	—	160

COUNTRIES	1930			1931		
	Exports	Imports	Total %	Exports	Imports	Total %
Rumania .....	15	—	15	—	1,968	1,968
Bulgaria .....	—	—	—	6	—	6
<b>Total</b> .....	52,386,359	30,535,867	82,922,226	66,897,393	13,679,788	80,577,181
<b>AMERICA</b>						
U. S. of America .....	6,990,048	20,753,490	27,743,538	6,120,053	12,624,104	18,744,157
Canada .....	336,199	762,481	1,098,680	309,048	102,379	411,427
Mexico and Central America .....	76,700	—	76,700	544,304	348	544,652
Cuba .....	23	—	23	1,260	—	1,260
Brazil .....	9	—	9	—	—	—
South America .....	129	104,485	104,614	3,377	37,884	41,261
<b>Total</b> .....	7,403,108	21,620,456	29,023,564	6,978,042	12,764,715	19,742,757
<b>ALL OTHER</b>						
Egypt .....	—	—	—	7,215,712	9,753	7,225,465
North Africa .....	—	—	—	84,942	—	84,942
East Africa .....	—	—	—	—	15,260	15,260
South Africa .....	—	262,156	262,156	—	2,402	2,402
Australia, New Zealand .....	3,146	286,965	290,111	20,535	220,705	241,240
Other .....	9,134,554	521,510	9,656,064	18,090	—	18,090
<b>Total</b> .....	9,137,700	1,070,631	10,208,331	7,339,279	248,120	7,587,399
<b>Grand Total</b> .....	292,125,636	206,804,502	498,930,138	326,087,812	152,652,782	478,740,594

Classifying the export and import trade of Manchoukuo by custom-houses, Dairen handled the largest amount, reaching 422,885,456 Haikwan taels in 1930, or 60.1% of the entire foreign trade, proving the premier importance of this port. Next come Antung and Newchwang which occupy almost the same rank, but in 1930, Newchwang handled a little more than Antung with 103,914,509 Haikwan taels, or 14.8%, while Antung had 97,075,504 Haikwan taels, or 13.8%. Although in the past Harbin handled sometimes more foreign trade than Antung or Newchwang, it ranked below these two ports in 1929 and 1930, with 70,762,199 Haikwan taels, or 10.1%, in 1930. The foreign trade of Lungtsingsun, Aigun, and Hunchun was very small, handling only 0.8%, 0.2%, and 0.2% of the entire foreign trade, respectively, in 1930. The foreign trade amounts of these different customs districts are shown in the following table:

Table 3  
VALUE OF THE WHOLE TRADE OF EACH PORT\*

(Thousand Haikwan Taels)

	Dairen	Newchwang	Antung	Harbin	Aigun	Lungtsingsun	Hunchun	Total
1907 .....	14,845	39,937	5,157	—	—	—	—	59,938
1908 .....	35,927	53,539	8,051	17,852	—	—	—	115,369
1909 .....	48,996	70,442	9,179	39,960	1,355	—	—	169,932
1910 .....	56,630	65,601	9,638	46,418	3,667	131	327	182,413
1911 .....	67,820	74,534	10,987	54,134	4,616	147	714	212,952
1912 .....	69,654	62,335	12,042	57,283	6,781	472	973	209,541
1913 .....	82,640	59,980	17,769	56,862	6,731	846	1,138	225,966
1914 .....	89,473	47,346	24,447	52,166	6,391	565	894	221,283
1915 .....	101,006	51,964	29,109	49,897	5,079	443	699	238,196
1916 .....	108,659	40,842	32,976	71,966	4,237	890	792	260,363
1917 .....	160,020	40,574	43,751	65,354	7,400	1,538	1,046	319,683
1918 .....	205,588	45,157	41,712	36,098	11,505	2,770	1,245	344,075
1919 .....	259,240	54,353	63,457	51,169	10,542	3,315	1,235	443,312
1920 .....	239,609	59,934	63,252	52,888	12,334	2,248	791	431,056
1921 .....	241,293	69,907	65,349	62,533	8,955	3,083	1,475	452,596
1922 .....	249,041	72,510	73,712	62,083	8,866	3,360	1,522	471,094
1923 .....	259,960	86,651	88,180	52,461	7,125	5,026	1,582	500,984
1924 .....	263,967	64,386	67,415	61,916	5,729	4,650	1,604	469,667
1925 .....	304,910	92,720	86,729	63,169	3,931	3,940	1,691	557,090
1926 .....	362,315	91,150	94,175	86,489	4,121	7,177	2,155	647,583
1927 .....	376,420	82,218	107,019	96,881	2,615	9,434	2,363	676,950
1928 .....	431,411	84,335	98,672	108,978	2,381	8,123	3,091	736,991
1929 .....	508,528	86,565	92,361	58,014	680	7,187	1,920	755,255
1930 .....	422,885	103,915	97,076	70,762	1,609	5,711	1,756	703,713
1931 .....	428,665	126,478	71,967	66,465	?	5,491	2,920	—

\* These figures include the amounts of internal trade among the custom-houses in Manchoukuo.

**Foreign Trade Development of Manchoukuo Compared with China.**—The foreign trade of Manchoukuo has made remarkable development in recent years, as already mentioned; it is here compared with that of China.

Taking 1913 as the index year, the export trade of Manchoukuo in that year was 67,608,512 Haikwan taels, but in 1918 it increased to 109,389,208 Haikwan taels or 1.62 times, and in 1919 to 156,296,550 Haikwan taels or 2.31 times. Then for two or three years, the trade was stationary on account of the depression following the close of the Great War. But in 1924 it became more than 200,000,000 Haikwan taels or more than three times the previous amount.

In 1927, three years later, it increased 4.28 times, and in 1929 4.86 times, reaching the record height of 328,573,567 Haikwan taels. In 1930, it declined to 288,672,832 Haikwan taels on account of the low silver quotation and the world depression, but still it was 4.27 times the amount shown in 1913. Then in 1931 it increased to 322,075,837 Haikwan taels or 4.76 times the figure for 1913. Compared with the export trade of China which made only an increase of less than twofold in the same period, the rapid development of the exports of Manchoukuo may be regarded as remarkable.

The import trade of Manchoukuo in 1913 was only 64,479,336 Haikwan taels, but in 1918 it increased to 101,236,512 Haikwan taels or 1.57 times, and in 1919 to 143,227,186 Haikwan taels or 2.22 times. In the following four or five years, it showed some decrease, but about 1925 it again began to show an increase, and in 1928 it increased to 213,721,263 Haikwan taels or 3.31 times the amount for 1913, and in 1929 to 230,022,224 Haikwan taels or 3.57 times. The imports in 1930 slightly declined and showed 206,784,772 Haikwan taels, but even this amount was 3.21 times that of 1913.

One point that should be noted from the foregoing description is that the total of exports from Manchoukuo almost always has showed a surplus compared with the amount of imports. This shows the favourable tendency of the export and import trade of Manchoukuo. The favourable trade balance has in the recent few years increased about 30 times compared with that of 1913, and especially in 1931 the increase shown was 54 times.

The development of the foreign trade of Manchoukuo as compared with that of China is shown in the following table:

Table 4

## DEVELOPMENT OF DIRECT FOREIGN TRADE OF MANCHOUKUO AND CHINA COMPARED\*

		Manchoukuo		China	
		Value	Index No.	Value	Index No.
1913	Exports .....	67,608,512	100	335,697,034	100
	Imports .....	64,479,336	100	505,683,221	100
	Total .....	132,087,848	100	841,380,255	100
	Excess of Exports or Imports	3,129,176	100	-169,986,187	100
1918	Exports .....	109,389,208	162	376,493,823	112
	Imports .....	101,236,512	157	453,656,570	90
	Total .....	210,625,720	159	830,150,393	99
	Excess of Exports or Imports	8,152,696	261	-77,162,747	45
1919	Exports .....	156,296,550	231	474,512,861	141
	Imports .....	143,227,186	222	503,770,495	100
	Total .....	299,523,736	227	978,283,356	116
	Excess of Exports or Imports	13,069,364	418	-29,257,634	17
1920	Exports .....	147,646,611	218	393,984,689	117
	Imports .....	122,196,444	190	640,053,786	127
	Total .....	269,843,055	204	1,034,038,475	123
	Excess of Exports or Imports	25,450,167	813	-246,069,097	145
1921	Exports .....	153,530,670	227	447,724,867	133
	Imports .....	114,959,626	178	791,162,813	156
	Total .....	268,490,296	203	1,238,887,680	147
	Excess of Exports or Imports	38,571,044	1,233	-343,437,946	202
1922	Exports .....	164,641,449	244	490,250,484	146
	Imports .....	121,219,645	188	823,830,005	163
	Total .....	285,861,094	216	1,314,080,489	156
	Excess of Exports or Imports	43,421,804	1,388	-333,579,521	196
1923	Exports .....	196,011,378	290	556,906,038	166
	Imports .....	120,742,908	187	802,659,979	159
	Total .....	316,754,286	240	1,359,566,017	162
	Excess of Exports or Imports	75,268,470	2,405	-245,753,941	145
1924	Exports .....	208,477,112	308	563,307,356	168
	Imports .....	126,495,474	196	891,715,203	176
	Total .....	334,972,586	254	1,455,022,559	173
	Excess of Exports or Imports	81,981,638	2,620	-328,407,847	193
1925	Exports .....	213,921,146	316	562,431,791	168
	Imports .....	150,575,765	234	797,289,179	158
	Total .....	364,496,911	276	1,359,720,970	162
	Excess of Exports or Imports	63,345,381	2,028	-234,857,388	138

\* The figures given in this table are net totals, but in the handling of re-exports there are some inaccuracies due to the nature of the available information.

	Manchoukuo		China	
	Value	Index No.	Value	Index No.
1926 Exports .....	264,652,086	391	599,642,685	179
1926 Imports .....	178,642,325	277	945,578,928	187
1926 Total .....	443,294,411	336	1,545,221,613	184
1926 Excess of Exports or Imports	86,009,761	2,749	-345,936,243	204
1927 Exports .....	289,337,013	428	629,282,649	187
1927 Imports .....	179,509,236	278	833,422,388	165
1927 Total .....	468,846,249	355	1,462,705,037	174
1927 Excess of Exports or Imports	109,827,777	3,510	-204,139,739	120
1928 Exports .....	319,632,574	473	671,722,414	200
1928 Imports .....	213,721,263	331	982,248,008	194
1928 Total .....	533,353,837	404	1,653,970,422	197
1928 Excess of Exports or Imports	105,911,311	3,385	-310,525,594	183
1929 Exports .....	328,573,567	486	687,113,751	205
1929 Imports .....	230,022,224	357	1,035,756,597	205
1929 Total .....	558,595,791	423	1,722,870,348	205
1929 Excess of Exports or Imports	98,551,343	3,149	-348,642,846	205
1930 Exports .....	288,672,832	427	606,170,762	181
1930 Imports .....	206,784,772	321	1,102,970,970	218
1930 Total .....	495,457,604	375	1,709,141,732	203
1930 Excess of Exports or Imports	81,888,060	2,617	-496,800,208	292
1931 Exports .....	322,075,837	476	587,399,688	175
1931 Imports .....	152,676,476	237	1,280,812,718	253
1931 Total .....	474,752,313	359	1,868,212,406	222
1931 Excess of Exports or Imports	169,399,361	5,414	-693,413,030	408

**Export Trade.\***—In the foregoing the development of the export trade of Manchoukuo has been described in detail, and here it may be classified by destinations, articles, and custom-houses.

Viewing the export trade of Manchoukuo by destinations, it is seen that the trade with China and Japan is fairly large, being generally about one-third of the total amount of the export, respectively. Among the destinations of Manchoukuo exports, Japan occupies the foremost rank, followed by the Pacific ports of the U. S. S. R., Korea, Netherlands, England, U. S. A., Hongkong, Dutch East Indies, and others. The export to Japan proper reached 117,524,081 Haikwan taels in 1930 or 30.1% of the total Manchoukuo exports and in 1931 increased to 159,192,710 Haikwan taels or 33.6%; but when the amount of 50,796,436 Haikwan taels exported to Korea is added, the total exports to the Empire of Japan reached in 1930 157,024,729 Haikwan taels, or 40.3% of the entire exports, and in 1931 the figure reached 182,711,835 Haikwan taels, or 38.6% of the total. Thus

\*New statistics of foreign trade are given at the end of this chapter.

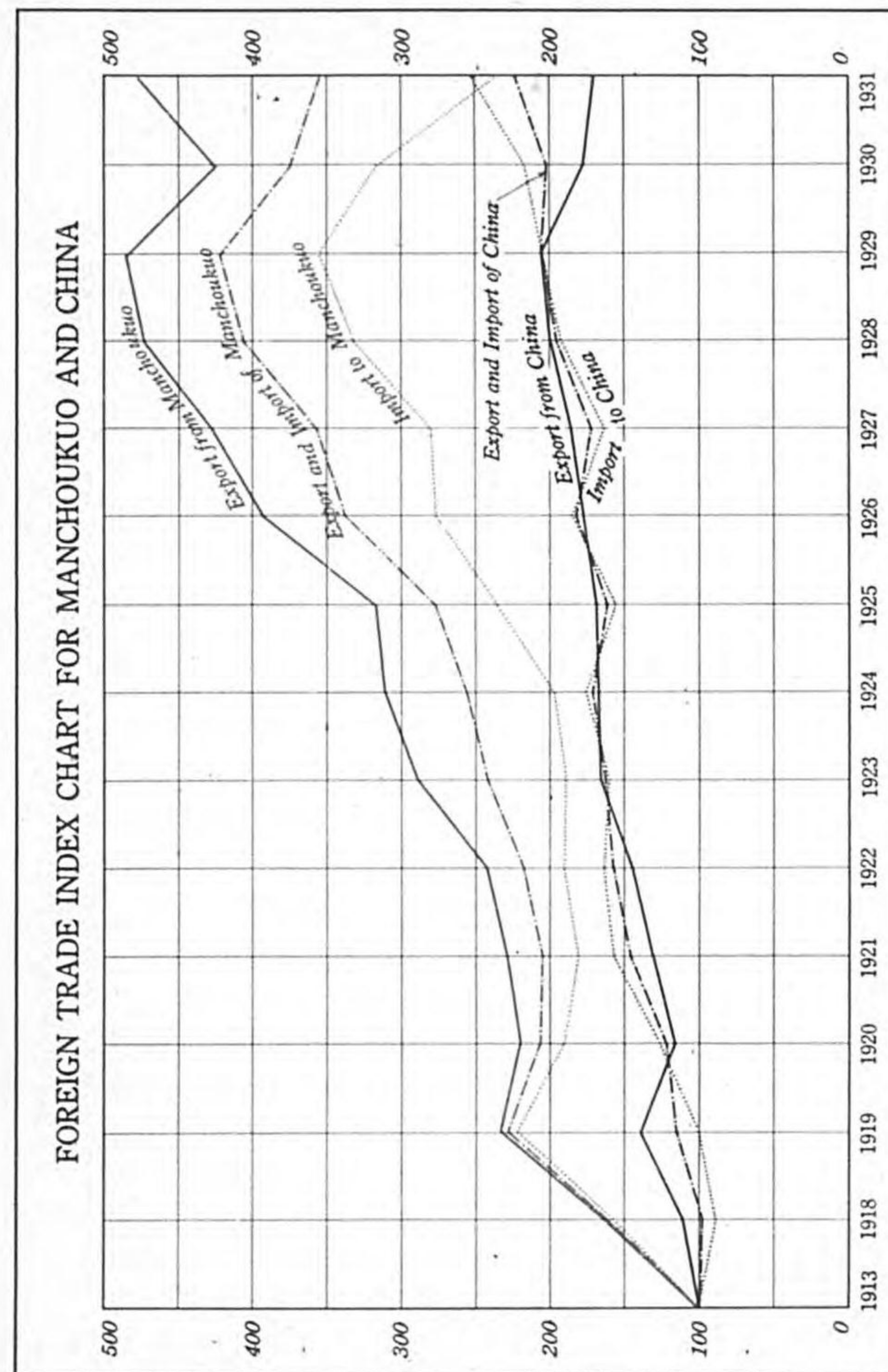








Table 6

## ANNUAL EXPORTS FROM MANCHOUKUO PORTS\*

(Thousand Haikwan Taels)

	Dairen	New-chwang	Antung	Harbin	Aigun	Langching-tsun	Hunchun	Total
1907.....	3,832	18,209	2,381	—	—	—	—	24,422
1908.....	15,075	25,089	4,397	10,500	—	—	—	55,060
1909.....	30,420	31,715	5,093	23,149	539	—	—	90,918
1910.....	31,762	29,531	3,043	27,463	1,578	10	169	93,556
1911.....	36,639	32,802	5,067	32,017	2,129	19	332	109,006
1912.....	33,629	27,830	6,171	32,186	3,038	120	374	103,347
1913.....	44,734	28,469	8,918	28,132	2,963	174	543	113,933
1914.....	50,904	19,828	8,346	26,698	2,695	59	343	108,873
1915.....	58,473	24,730	12,569	31,893	2,047	92	282	130,085
1916.....	54,767	17,795	11,946	43,833	1,744	359	363	130,807
1917.....	76,624	15,500	13,218	51,588	2,888	727	576	161,121
1918.....	108,152	15,719	16,425	20,655	4,058	1,188	659	166,856
1919.....	129,072	22,386	26,483	29,082	3,391	1,081	513	212,009
1920.....	144,733	18,040	26,185	30,869	5,291	601	207	225,926
1921.....	139,665	25,097	29,313	35,425	3,290	1,149	470	234,408
1922.....	154,504	29,304	36,121	49,266	3,781	1,173	513	274,662
1923.....	162,519	31,268	52,961	42,112	2,754	1,837	478	293,929
1924.....	153,566	20,538	39,337	51,805	1,665	1,676	431	269,018
1925.....	183,650	31,522	44,559	49,766	1,311	1,019	540	312,368
1926.....	217,663	32,331	49,513	65,497	1,469	2,895	1,374	370,742
1927.....	230,031	33,182	64,392	73,843	1,207	4,353	1,029	408,036
1928.....	262,465	35,686	49,886	80,319	968	3,064	1,648	434,035
1929.....	302,444	34,296	42,572	41,868	296	3,264	912	425,651
1930.....	240,043	46,135	52,923	53,773	537	3,530	773	396,714
1931.....	284,241	95,155	45,858	49,509	—	2,033	1,758	—

**Import Trade.**—Compared with the figures for 1907, the total export trade of Manchoukuo has recently increased about 8 or 9 times. In 1930 it was 306,999,437 Haikwan taels, and it considerably decreased in 1931, falling to 223,432,118 Haikwan taels, but yet it was 6.29 times the figure for 1907. The development of the import trade having been already described, it will be here classified by sources, custom-houses, and articles.

Classifying the imports by sources, shipments coming from Japan and China were the largest. Of the import amount for 1931 reaching 218,948,972 Haikwan taels (obtained by deducting from 223,432,118 Haikwan taels given in Table 1 the sum of 4,483,146 Haikwan taels representing

\* The figures given in this table include the amounts of the internal trade among the custom-houses of Manchoukuo.





Classifying the import trade by custom-houses, Newchwang occupied the foremost place and Dairen was second up till about 1911. But the rapid increase of the import trade at Dairen soon advanced the port to first place, surpassing Newchwang. At present Dairen handles imports valued at one hundred and thirty or forty million to two hundred million Haikwan taels per year, and the port has now become the most important in the import trade of Manchoukuo. While the total imports of Manchoukuo in 1930 was 306,999,437 Haikwan taels, the imports through Dairen reached 182,842,574 Haikwan taels or 59.6% of the total amount. Thus Dairen is just as important in the import trade as in the export trade, in which it controls about 60% of the total. Newchwang holds second place in the import trade. The imports at Newchwang in 1930 was 57,779,287 Haikwan taels or 18.8% of the total. After Newchwang came Antung with 44,152,805 Haikwan taels or 14.4%, and Harbin with 16,988,756 Haikwan taels or 5.5%. The imports at Aigun, Lungtsingsun, and Hunchun is at present quite small, contributing 0.4%, 1.0%, and 0.3% respectively to the total imports in 1930.

The imports through these custom-houses since 1907 is as follows :

Table 8

## ANNUAL IMPORTS AT MANCHOUKUO PORTS\*

(Thousand Haikwan Taels)

	Dairen	Newchwang	Antung	Harbin	Aigun	Lungtsingsun	Hunchun	Total
1907	11,013	21,728	2,777	—	—	—	—	35,517
1908	20,853	28,450	3,655	7,352	—	—	—	60,309
1909	18,576	38,727	4,085	16,810	816	—	—	79,015
1910	24,868	36,070	6,595	18,955	2,089	122	158	88,857
1911	31,181	41,732	5,919	22,117	2,487	127	382	103,946
1912	36,025	34,505	5,872	25,097	3,743	353	599	106,193
1913	37,906	31,511	8,851	28,730	3,769	671	595	112,033
1914	38,569	27,518	16,101	25,468	3,696	507	551	112,410
1915	42,533	27,234	16,540	18,004	3,032	352	417	108,112
1916	53,892	23,047	21,831	28,133	2,492	531	430	129,556
1917	83,396	25,074	30,533	13,766	4,512	811	470	158,562
1918	97,436	29,439	25,287	15,444	7,446	1,582	586	177,219
1919	130,168	31,967	36,974	22,087	7,152	2,234	722	231,304
1920	94,875	41,895	37,066	22,019	7,043	1,647	584	205,129

\* The figures given in this table include the amounts of internal trade among the custom-houses of Manchoukuo.

	Dairen	Newchwang	Antung	Harbin	Aigun	Lungtsingsun	Hunchun	Total
1921	101,629	44,810	36,036	27,108	5,665	1,934	1,006	218,188
1922	94,537	43,206	37,591	12,817	5,085	2,188	1,009	196,432
1923	97,441	55,383	35,219	10,349	4,371	3,189	1,104	207,055
1924	110,401	43,848	28,078	10,110	4,064	2,974	1,173	200,648
1925	121,260	61,197	42,170	13,403	2,620	2,921	1,150	244,722
1926	144,653	58,819	44,662	20,992	2,652	4,281	781	276,841
1927	146,389	49,036	42,626	23,038	1,408	5,081	1,334	268,914
1928	168,947	48,649	48,786	28,659	1,414	5,059	1,443	302,956
1929	206,084	52,269	49,789	16,146	384	3,923	1,009	329,604
1930	182,843	57,779	44,153	16,989	1,072	3,181	983	306,999
1931	144,424	31,323	26,110	16,956	—	3,458	1,161	—

## REFERENCES

Tables 1, 2, 3, 5, 6, 7, 8.

Research Office, S. M. R. Co., *Trade Returns of North China, 1930, and previous issues*, and Economic Research Committee, S. M. R. Co., *Trade Returns of Manchuria, 1931*.

Table 4.

The Maritime Customs of China, *Foreign Trade of China, 1931, and previous issues*.

## Addendum

**Trade of Manchoukuo :** The following tables of exports and imports were received too late for insertion in their proper place in Chapter XVII. They are taken from the first annual reports of Manchoukuo, published by the statistics office of the Manchoukuo Government in 1933.

Table 1  
IMPORTS AND EXPORTS OF MANCHOUKUO CLASSIFIED BY COUNTRIES, 1932\*  
(in Haikwan Taels)

	Total	Dairen	Antung (Including Shanhaikwan)	Yingkow (Including Shanhaikwan)	Harbin District	Lungtsingtsun	Hunchun
<b>Grand Total</b> .....	577,454,078	414,542,003	57,777,385	70,528,221	28,754,605	4,198,025	1,653,839
Exports .....	384,462,198	261,567,249	42,913,601	55,816,774	21,724,363	1,315,171	1,125,020
Imports .....	192,991,900	152,974,754	14,863,784	14,711,447	7,030,242	2,882,854	528,819
Japan .....	225,747,118	189,882,084	13,692,749	19,161,369	391,919	2,171,972	447,025
Exports .....	121,624,486	98,256,385	7,396,481	15,951,531	2,293	433	17,393
Imports .....	104,122,632	91,625,699	6,296,268	3,209,838	389,626	2,171,539	429,662
Korea .....	35,401,248	5,087,924	27,089,492	212,377	3,713	1,992,768	1,014,974
Exports .....	27,126,264	2,732,283	21,963,812	203,845	224	1,311,656	917,444
Imports .....	8,274,984	2,355,641	5,125,680	8,532	3,489	681,112	97,530
China .....	144,180,512	78,876,293	16,560,064	48,524,398	28,015	9,001	191,741
Exports .....	108,953,415	56,409,101	13,542,170	38,781,238	27,611	3,082	190,213
Imports .....	35,227,097	22,467,192	3,017,894	9,743,160	404	5,919	1,528
U.S.S.R. ....	26,033,718	1,622,448	8,449	69,718	24,333,103	—	—
Exports .....	21,657,989	3,384	—	—	21,654,605	—	—
Imports .....	4,375,729	1,619,064	8,449	69,718	2,678,498	—	—
Hongkong .....	8,624,879	6,161,735	32,916	2,429,856	472	—	—
Exports .....	3,438,690	2,658,689	4,511	775,221	269	—	—
Imports .....	5,186,289	3,503,046	28,405	1,654,635	203	—	—
British India .....	13,156,658	9,707,313	1,933	—	3,447,412	—	—
Exports .....	1,361,165	1,361,165	—	—	—	—	—
Imports .....	11,795,493	8,346,148	1,933	—	3,447,412	—	—

\* The re-exports are excluded from the figures of this table.

	Total	Dairen	Antung (Including Shanhaikwan)	Yingkow (Including Shanhaikwan)	Harbin District	Lungtsingtsun	Hunchun
<b>Dutch East Indies</b> .....	3,609,279	3,593,392	—	—	15,887	—	—
Exports .....	3,471,753	3,471,753	—	—	—	—	—
Imports .....	137,526	121,639	—	—	15,887	—	—
<b>Britain</b> .....	11,624,096	11,173,053	252,562	35,633	162,622	226	—
Exports .....	7,068,537	7,001,607	5,646	32,868	28,416	—	—
Imports .....	4,555,559	4,171,446	246,916	2,765	134,206	226	—
<b>France</b> .....	2,575,050	2,526,815	1,969	7,038	39,128	—	—
Exports .....	1,940,713	1,935,958	—	4,320	435	—	—
Imports .....	634,337	590,957	1,969	2,718	38,693	—	—
<b>Germany</b> .....	51,099,526	50,832,265	22,185	17,988	225,796	1,292	—
Exports .....	47,401,209	47,387,654	—	10,941	2,614	—	—
Imports .....	3,698,317	3,444,611	22,185	2,047	223,182	1,292	—
<b>Belgium</b> .....	1,480,013	1,476,240	50	1,275	2,448	—	—
Exports .....	966,984	965,709	3	1,275	—	—	—
Imports .....	513,029	510,534	47	—	2,448	—	—
<b>Netherlands</b> .....	4,247,403	4,226,012	230	—	21,161	—	—
Exports .....	4,040,457	4,040,457	—	—	—	—	—
Imports .....	206,946	185,555	230	—	21,161	—	—
<b>Italy</b> .....	1,474,684	1,463,480	—	4,765	6,439	—	—
Exports .....	1,389,329	1,384,564	—	4,765	—	—	—
Imports .....	85,355	78,916	—	—	6,439	—	—
<b>U. S. A.</b> .....	14,588,415	14,368,518	109,269	53,804	33,981	22,744	99
Exports .....	3,211,568	3,164,941	15	40,770	5,842	—	—
Imports .....	11,376,847	11,203,577	109,254	13,034	28,139	22,744	99
<b>Others</b> .....	33,602,379	33,544,331	5,517	10,000	42,509	22	—
Exports .....	30,806,619	30,793,602	963	10,000	2,054	—	—
Imports .....	2,725,760	2,750,729	4,554	—	40,455	22	—

Table

## QUANTITY AND VALUE OF EXPORTS OF MANCHOUKUO

Articles	Unit	Total		Dairen		Antung	
		Quantity	Value	Quantity	Value	Quantity	Value
Total of Value.	—	—	384,462,178	—	261,567,249	—	42,913,601
Soya Beans ...	picul	42,398,639	143,859,524	29,649,333	109,517,220	987,502	3,243,135
Other Beans...	"	1,739,185	7,824,630	1,161,070	5,624,360	244,469	971,262
Millet .....	"	3,825,696	15,100,268	244,102	959,794	3,388,737	13,404,897
Kaoliang .....	"	6,186,363	18,206,351	3,073,002	7,981,562	404,216	1,518,200
Maize .....	"	1,162,917	3,296,160	386,706	991,819	165,181	401,054
Other Cereals.	"	1,112,370	4,534,371	463,665	2,270,919	81,348	349,384
Groundnuts ...	"	698,525	5,407,370	696,909	5,397,785	9	51
Sesame.....	"	82,568	817,725	33,661	262,646	23,877	269,565
Ricinus Com- munis. ....	"	547,319	1,687,035	412,584	1,387,395	—	—
Parilla Ocimoide.	"	372,709	1,678,241	339,604	1,538,539	2,255	12,733
Salt .....	"	4,548,708	4,842,702	4,068,329	2,880,969	—	—
Cigarettes.....	"	9,651	537,631	8,939	456,567	335	54,738
Bristles.....	"	5,871	739,265	4,482	626,993	247	5,132
Hides & Leather.	—	?	880,747	?	788,057	?	37,689
Skins.....	—	?	1,492,079	?	1,451,558	?	17,727
Bean Oil .....	Picul	2,120,502	24,511,557	1,731,761	20,139,953	147,641	1,635,356
Shale Oil .....	Ton	40,315	847,481	46,315	847,481	—	—
Paraffin wax...	Picul	242,166	660,826	242,166	660,826	—	—
Ginseng (人參)...	Chin(斤)	1,604	440,718	835	101,245	17	2,458
Sulphuric Ammonia ...	Picul	469,040	1,006,179	460,649	970,063	8,391	36,116
Wild, Raw Silk	Chin	23,916	6,421,359	2,049	459,174	21,774	5,929,546
Cotton Yarn ...	Picul	108,741	5,258,305	108,731	5,257,870	—	—
Sheep's Wool...	Chin	7,547	185,152	4,718	136,122	152	9,331
Coal .....	Ton	3,774,021	32,604,805	2,782,929	25,528,777	314,645	2,471,244
Cement .....	Picul	594,881	598,355	588,491	588,122	16	31
Fig-iron.....	"	6,100,149	9,659,951	4,246,799	7,506,883	80,449	84,350
Timber .....	—	?	3,462,473	?	286,394	?	2,660,902
Beancake .....	"	23,518,462	66,311,390	14,768,036	42,093,399	2,328,207	7,725,705
Others .....	—	—	21,589,528	—	14,854,757	—	2,072,995

\* The re-exports are excluded from the figures of this table

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## CLASSIFIED BY ARTICLES AND PORTS, 1932 (Value in Haikwan Taels)\*

Yingkow (Including Shanhaikwan)	Harbin District	Lungtsingsun	Hunchun				
			Quantity	Value			
Quantity	Value	Quantity	Value	Quantity	Value		
—	55,816,774	—	21,724,363	—	1,315,171	—	1,125,020
3,502,179	14,615,980	7,521,357	14,961,226	498,645	945,258	239,623	576,705
253,978	1,070,440	2,294	6,047	70,658	131,334	6,716	21,187
115,374	523,652	35,705	69,388	36,582	124,350	5,196	18,187
2,708,091	8,705,211	—	—	1,034	1,339	20	39
609,411	1,900,096	—	—	1,424	2,799	195	392
29,426	130,644	528,354	1,754,316	7,889	24,516	1,688	4,592
1,231	7,315	375	2,212	1	7	—	—
25,014	285,351	2	44	14	119	—	—
1,603	5,488	133,132	294,152	—	—	—	—
30,839	126,938	—	—	11	31	—	—
480,378	1,961,733	—	—	—	—	—	—
108	4,670	273	21,570	—	—	1	86
1,056	106,350	—	—	—	2	86	788
?	52,600	?	1,333	?	398	?	670
?	11,587	?	11,084	?	—	?	123
188,716	2,368,537	52,056	364,507	42	207	286	2,997
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
752	337,015	—	—	—	—	—	—
—	—	—	—	—	—	—	—
95	32,639	—	—	—	—	—	—
—	—	10	435	—	—	—	—
803	14,679	1,901	25,020	—	—	—	—
676,191	4,603,542	—	—	42	172	214	1,070
6,374	10,202	—	—	—	—	—	—
1,772,901	2,068,718	—	—	—	—	—	—
?	30,753	?	—	?	43,500	?	440,924
4,287,005	13,403,964	2,121,554	3,063,606	438	580	13,222	24,136
—	3,438,670	—	1,149,423	—	40,559	—	33,124



Table

## QUANTITY AND VALUE OF IMPORTS OF MANCHOUKUO

Articles	Unit	Total		Dairen		Antung
		Quantity	Value	Quantity	Value	Quantity
Total of Value .....	—	—	192,991,900	—	152,974,754	—
Rice and Paddy .....	Picul	208,840	944,737	135,728	667,581	63,263
Wheat Flour .....	"	3,976,458	15,683,513	2,198,716	9,248,595	378,473
Tea .....	"	52,162	1,405,190	9,330	336,231	728
Sugar .....	"	1,558,139	7,461,379	1,377,372	6,230,018	108,880
Cigarettes .....	—	?	1,826,233	?	1,684,601	?
Cigars .....	Picul	119,333	2,909,706	103,507	2,656,186	13
Kerosene Oil .....	A. Gallon	6,325,879	2,322,269	3,988,590	1,368,995	709,059
Light Oil .....	"	4,020,319	1,852,579	3,632,151	1,610,215	15,089
Raw Cotton .....	Picul	357,975	8,358,902	350,774	8,144,751	5,512
Cotton Yarn .....	"	133,155	6,322,971	107,005	5,070,963	22,510
Tissues of Cotton .....	—	?	21,008,691	?	18,227,766	?
Tissues of Silk .....	—	?	2,268,686	?	2,116,539	?
Tissues of Wool .....	—	?	3,238,186	?	3,201,705	?
Gunny Bags .....	Piece	1,010,346	13,232,618	737,039	9,213,120	25,378
Papers .....	—	?	3,826,312	?	3,022,941	?
Iron and Steel .....	—	?	10,927,319	?	9,874,542	?
Machinery .....	—	?	2,996,389	?	2,554,658	?
Vehicles and Others ...	—	?	2,692,891	?	2,589,167	?
Timber .....	—	?	1,867,169	?	872,479	?
Others .....	—	—	81,816,160	—	64,283,701	—

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## CLASSIFIED BY ARTICLES AND PORTS, 1932 (Value in Haikwan Taels)

Value	Yingkow (Including Shanhaikwan)		Harbin District		Langtsingsun		Hunchun	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
14,863,784	—	14,711,447	—	7,030,242	—	2,882,854	—	528,819
220,082	7,941	47,257	—	—	789	5,016	1,119	4,801
1,125,351	1,260,985	4,702,314	—	—	87,624	340,693	50,659	266,614
31,071	42,079	1,035,931	—	—	21	921	4	137
831,072	42,547	219,830	20,854	166,202	6,989	35,369	1,547	8,888
18,225	?	78,626	?	44,781	?	—	?	—
115	12,813	253,405	—	—	—	—	—	—
224,025	197,950	74,783	1,323,847	614,864	103,395	39,077	1,038	498
7,860	900	451	283,659	200,904	62,405	21,504	26,115	11,645
172,092	1,633	41,086	—	—	56	973	—	—
1,089,081	2,991	134,420	—	—	640	28,131	9	376
1,810,082	?	412,797	?	237,736	—	299,208	?	21,102
41,174	?	107,304	?	1,980	—	1,579	?	110
23,638	?	4,670	?	3,228	—	4,865	?	80
210,549	76,617	825,636	156,970	2,897,315	13,118	75,258	1,224	10,740
267,207	?	502,264	?	7,570	?	24,426	?	1,904
98,966	?	137,390	?	188,239	?	615,097	?	13,085
325,532	?	27,454	?	36,108	?	51,566	?	1,071
27,186	?	19,344	?	4,716	?	50,192	?	2,286
720,065	?	83,777	?	165,939	?	19,123	?	5,786
7,619,485	—	6,002,708	—	2,460,660	—	1,269,910	—	179,696

## CHAPTER XVIII

# CURRENCY AND BANKING INSTITUTIONS

### Currency

#### BEFORE THE ESTABLISHMENT OF MANCHOUKUO

**Chinese Currencies.**—The currency system which existed prior to the establishment of Manchoukuo reflected the chaos and complication of the general currency system of China. Not only was the comparative value of various currencies constantly changed and exchange calculations complicated, but also distinction between genuine and counterfeit currencies was very difficult. Due to the maladministration by the former Three Eastern Provinces' authorities for many years, the fall of Fengtien-piao, the most influential currency in Manchuria, knew no bottom. The Three Eastern Provinces' Government formed the Currency Adjustment Committee of the Three Eastern Provinces with Tsang Shih-yi (臧式毅) as chairman, which submitted its report on December 25, 1930.\* However, the Manchurian incident intervened later in 1931.

Currencies circulated in Manchuria consisted of coins, ingots, and notes. Chinese currencies circulated were Tungyuan-piao (銅元票), copper note, Fengtien-piao (奉天票), Hsien Tayang-piao (現大洋票), Harbin Tayang-piao (哈爾濱大洋票), Kirin Kuantieh (吉林官帖), Heilungkiang Kuantieh (黑龍江官帖), Kirin Tayang-piao (吉林大洋票), Kirin Hsiaoyang-piao (吉林小洋票), Jehol Industrial Bank notes, Chenping silver (鎮平銀) at Antung, Kuoluyin (過爐銀) at Yingkow, Tayang silver, Hsiaoyang silver, Tung-yuan (銅元) and others. Foreign currencies circulated included some Mexican and Hongkong dollars, the gold notes of the Bank of Chosen (Japan), silver notes issued by the Dairen branch of the Yokohama Specie Bank (Japan), and Japanese auxiliary coins (in North Manchuria Russian ruble notes were formerly circulated). Among the notes circulated, there were besides Kuantieh which had an official nature, also Ssutieh issued by individuals, making the currency and economic condition further complicated.

The Fengtien Government intended to unify the currency from early

\*The report was published later in May, 1931.

times, and in 1905 established the Fengtien Provincial Bank (奉天官銀號) as a sort of central bank to undertake the reform, the bank being given the right of issuing notes. But because of the over-issue of notes and also because of the fact that the influence of the Bank could not penetrate outside Fengtien Province, the proposed reform ended in failure. Since then attempts at currency reform were proposed several times, but all ended in failure. Finally in 1928 the issue of Hsien Tayang-piao which possessed some of the qualities of modern convertible notes was made under the joint guarantee of four banks of Fengtien Province, but its circulation was limited to only the principal cities and towns in Fengtien Province.

Table I  
IMPORTANT CURRENCIES CIRCULATED BEFORE THE  
CURRENCY UNIFICATION

Copper Standard	Coins	Chihchien (銅錢) (Tiao 吊)	Originally a round copper coin with a square hole in the centre. In Fengtien Province, 160 Chihchien, but in Kirin and Heilungkiang Provinces 500, made one Tiao, and the former rate was called Tungchien (東錢), and the latter Chungchien (中錢). The Chihchien were only used as a standard for calculating the price of commodities.
		Tungyuan (銅元) (Fen 分)	A copper coin of quality 950, commonly called Tungtzuerh (銅子兒). There were two kinds, one equalling 10 Wen (文) of Chihchien, and the other 20 Wen. It was widely used as an auxiliary coin, and was essential in the life of Chinese labourers.
	Notes	Kuantieh (官帖) (Tiao 吊)	A note nominally was convertible into Chihchien, and circulated in Kirin and Heilungkiang Provinces.
		Tungyuan-piao (銅元票) (Fen 分)	A note circulated as auxiliary money, and convertible into Tungyuan, used to remedy the shortage of Tungyuan.
		Yuanpaoyin (元寶銀) (Tael 兩)	A silver coin minted in the shape of a horse-shoe, its weight and fineness were not uniform. At Yingkow, the standard was the Yingping Tael (營平兩) of quality 992, and containing 531.68 Troy grains of pure silver, and at Antung, Chenping Tael (鎮平兩) of quality 935, and containing 525.54 Troy grains of pure silver.



Former Chinese Currencies in Manchuria.

Silver Standard	Coins		
		Tayangchien (大洋錢) (Yuan 元)	One Yuan was supposed to be of quality 900, and to contain 368.871 Troy grains of pure silver. The coins bearing the portrait of Yuan Shih-kai were the most numerous. There were also Tayang coins with different weights of pure silver.
		Hsiaoyangchien (小洋錢) (Chiao 角)	The Chiao was to be of quality 820 and contain 33.996 Troy grains of pure silver, but the quality varied in different mints.
		Kuoluyin (過爐銀) (Tael 兩)	A system of transfer based on the Ying-ping Tael (營平兩) minted by the Yinlu (銀爐) of Yingkow, in which a kind of counter was issued by the bank.
	Notes		
		Tayang-piao (大洋票) (Yuan 元)	Bank notes based on Tayangchien, Hsien Tayang-piao (現大洋票) of Fengtien Province was representative. Harbin Tayang-piao and Heilungkiang Tayang-piao were originally to be converted into Tayangchien, but later they became purely inconvertible notes.
	Hsiaoyang-piao (小洋票) (Chiao 角)	Bank notes convertible into Hsiaoyangchien. The old Mukden Hsiaoyang-piao was of this kind; twelve Chiao of this note was one yuan of Fengtien Tayang-piao.	
	Ssutieh (私帖) (Chiao 角)	Bearer-notes payable on sight in Hsiaoyangchien, issued by individuals. They were commonly called Tichtzu (帖子), and were in circulation only in restricted areas.	

Brief explanations follow respecting important varieties mentioned in the above outline.

*Fengtien-piao* (奉天票).—Fengtien-piao was the inconvertible note circulated by force by the former Fengtien Provincial authorities, and originated in the issue of notes by the Fengtien Kuanyinhao (奉天官銀號), Fengtien Provincial Bank, established in 1905 by Chao Erh-hsun (趙爾巽), Viceroy of the Three Eastern Provinces. The units were yuan (元), chiao (角), and fen (分). \* There were issued thirteen denominations up to the currency unification, but those circulated at that time were (1) 1, 5, and 10 yuan Huituichuan (滙兌券) issued by the Provincial Bank of the Three Eastern Provinces, (2) 1, 5, and 10 yuan notes of the Bank of China, (3) 1, 5, and 10 yuan notes of the Bank of Communications and (4) 10, 20, 50, and 100 tiao Tungyuan-piao issued by the Kungchi-Pingshih Bank (公濟平市錢號).

All these notes were the so-called Huituichuan (滙兌券) or exchange notes, and were not convertible. The notes issued by the Provincial Bank of the Three Eastern Provinces bore the following inscription on the back:

'This note is to be accepted at Tientsin or Peking in payment of remittance for the equivalent of Shanghai Kwei Yuan (規元) Taels.\*'

The notes issued by the Bank of China and the Bank of Communications also promised exchange conversion. But even at Mukden where Fengtien-piao were issued, general exchange banks did not sell or purchase Shanghai tael drafts in Fengtien-piao. Then at Shanghai, the Shanghai office of the Bank of China handled Manchurian drafts on the basis of Japanese yen and did not sell or purchase Fengtien-piao drafts just as foreign banks did not. Thus it may be said that Fengtien-piao had practically no influence in the exchange market.

According to the regulations of the Kungkunghuituiso (公共滙兌所) or public exchange established in February, 1926, it was announced that its period of operation was limited to seven months, that the market quotations were to be adopted as the official exchange rates, and that although in case of the advance of Fengtien-piao the exchange rates were to be changed accordingly, the rates would not be changed when the Fengtien-piao should fall. It was also declared that the drawers of drafts were restricted to those actually engaged in the import of merchandise, and that the limit of the draft amount was 1,000 taels Shanghai Kwei Yin (上海規銀). At that time it was absolutely necessary to adopt such an exchange policy and also the policy of withdrawing Fengtien-piao in order to maintain its value, as Fengtien-piao was recklessly overissued due to the Chihli-Mukden war and the war against Kuo Sung-lin of 1925. But in May, 1926, Fengtien-piao fell considerably and Public Exchange had to suspend operation, and the exchange conversion of Fengtien-piao was never accepted again.

Consequently Fengtien-piao took a bottomless slump as shown in the diagram given on page 603.

In view of such a fall of the Fengtien-piao, the Fengtien Government did everything to maintain its value by trying to buy up gold notes in the Mukden market, or by applying various forms of pressure from governmental authorities. But in the latter part of June, 1929, the rate of Fengtien-piao to one Tayang silver yuan was officially fixed at 60 yuan.

*Hsien Tayang-piao* (現大洋票).—For the adjustment of Fengtien-piao,

\* So-called Shanghai Tael.

the four banks of the Provincial Bank of the Three Eastern Provinces, the Frontier Bank, the Bank of China and the Bank of Communications formed a Joint Reserve Fund in 1929, and upon the security of the Fund the Hsien Tayang-piao was issued. Formerly in Manchuria, convertible Tayang notes issued in the Peking-Tientsin district by the Frontier Bank, the Bank of China, and the Bank of Communications were circulated to some extent, and as the National Government demanded the adjustment of Manchurian currencies and also the use of the new currencies in Manchuria, the Hsien Tayang-piao was issued for the purpose of obstructing the Nanking Government. There are three denominations, 1, 5, and 10 yuan. Of the conversion reserve, 70 percent was made up of Tayang silver, silver bullion, Yuanpaoyin (元寶銀), and other silver ingots; and 30 percent of securities. The conversion of Hsien Tayang-piao was to be made unlimitedly at the Mukden Exchange, although it was prohibited to take more than 100 Tayang silver yuan outside the city wall.

*Kirin Kuantieh* (吉林官帖).—In 1898, Yen Mao (延茂), Governor-General of Kirin, established a note issuing board called Yungheng Kuantieh-chu (永衡官帖局) for adjusting Ssutieh (私帖), the private notes, and minted silver yuan coins, and besides this to supplement the shortage of silver coins, silver yuan kuantieh, a silver yuan standard note printed with wooden blocks, was issued. This was the origin of kuantieh, and at first, 1, 2, 3, and 5 tiao (吊) notes of different sizes were issued to facilitate their circulation. In 1908 Kuantieh of 10, 50, and 100 tiao also were issued. The conversion rate was fixed at two tiao and 200 wen for one silver yuan, but when conversion was actually demanded only 20 percent was given in silver yuan and the remaining 80 percent in new kuantieh. Nevertheless, silver yuan coins became short gradually, and Kuantieh became practically inconvertible since 1911. Its value in proportion to silver yuan had fallen to less than 1/100 of the original rate given at the time of its first issue. It was, however, a very important currency among the people in remote interior districts and for the purchase of staple produce, the Kuantieh were absolutely necessary.

*Kirin Tayang-piao* (吉林大洋票).—It was the note issued by the Kirin Yungheng Kuanyinchienhao (吉林永衡官銀錢號), the Kirin Provincial Bank. There were three kinds of Tayang-piao, and seven kinds of Hsiao-yang-piao. All these notes bore the large inscription 'For payment of taxes,' and they were used for the payment of taxes and government dues, telegraph rates, electric charges, salaries of officials, and government payments. Although they were not at all converted at that time, they were not so

recklessly issued as in the case of other notes, because they were used in the payment of the above-mentioned official items.

*Harbin Tayang-piao* (哈爾濱大洋票).—This note was first issued by the Manchurian branches of the Bank of China and the Bank of Communications at Harbin in about September, 1919 for replacing Russian currencies circulated in North Manchuria, taking advantage of the confused condition after the Russian revolution. The right of issuing this note was later transferred to the Harbin branches of the Provincial Bank of the Three Eastern Provinces, the Frontier Bank, the Heilungkiang Kwanghsin Bank, the Bank of Communications, and the Bank of China, and then it was changed to the convertible notes of the Tayang standard of 1, 5, and 10 yuan. But their conversion was practically impossible. The notes are circulated in the vicinity of Harbin and along the Chinese Eastern Railway line as the Chinese Eastern Railway accepted these notes in payment of freight rates.

*Heilungkiang Kuantieh* (黑龍江官帖).—It was first issued in 1904 by the Heilungkiang Government following the system of Kirin Kuantieh. It was an inconvertible note of the Chihchien standard with denominations of 1, 2, 3, 5, 10, 20, 30, 50, and 100 tiao and was issued by the Kwanghsin Bank, a semi-official bank, which was established at Tsitsihar in 1904. This Bank later amalgamated with the Heilungkiang Provincial Bank at the end of 1919, and in September, 1930 and its name was changed to the Heilungkiang Provincial Bank, becoming the central bank of Heilungkiang Province in name and reality. It was the only currency used among the farming people in remote interior parts of Heilungkiang Province, and was indispensable to deals in agricultural products, just as Fengtien-piao was in Fengtien Province and Kirin Kuantieh in Kirin Province. The fall in its market value generally followed the tendency of Fengtien-piao and Kirin Kuantieh.

*Chenping Silver* (鎮平銀).—It was also called Yuanpaoyin (元寶銀) or Sycee Tael, and was a silver ingot currency circulated in the vicinity of Antung. It was weighed by using a scale called 'Chenping' (鎮平), but for weighing by this scale it was necessary to use the official weight called Matzu (碼子) provided by the Antung Kungku-chu (安東公估局), or the public assaying office.

*Kuoluyin* (過爐銀).—This developed only at Yingkow. In the latter half of the 19th century, the economic development of Yingkow was so rapid as suddenly to increase the demand for Yingping silver (營平銀) which was circulated as currency. The yinlu (銀爐) or silver mints

which minted these silver tael coins, were unable to meet this demand, and in about 1883 there arose a custom of these mints receiving silver ingots brought by clients for making Yingping silver in custody for a certain period without any charge, and paying out minted coins only when such clients actually needed them. In accordance with this custom, the yinlu came to issue receipts for such deposits of silver ingots, and these receipts were circulated as currency. Moreover, by a method initiated by the mints, such of their clients as had silver ingots deposited with them, would settle their accounts with one another by debiting or crediting their accounts on the books of the mint; and so originated the system of Kuoluyin. Later, with the further development of the system, mints came to make extensive loans, and their reserve funds often did not suffice to cover the total deposit, so that business with yinlu became unsafe. In view of this state of affairs, the authorities and those concerned consulted together in 1883, and established the Kuoluyin system of to-day. Under which, on the first day of March, June, September, and December (by the lunar calendar) the books of the yinlu or mints were to be closed and all accounts settled, quarterly.

*Tayang-chien* (大洋錢).—It was a round silver coin, minted at Mukden, and also the Yuan Shih-kai dollars minted in China proper were generally circulated as Tayang-chien. It was also called Hsien Tayang (現大洋). Although this coin was welcomed by traders, the former Manchurian authorities took the policy of withdrawing it to preserve as military and other funds, and of not generally circulating it.

*Hsiaoyang-chien* (小洋錢).—It was a round silver coin, and had four denominations of 5 fen, 1 chiao, 2 chiao, and 5 chiao. It was widely used in the deals in daily necessities of the Chinese.

*Tungyuan* (銅元).—It was also called Tungtzuerh (銅子兒), and there were two kinds, 1 fen and 2 fen. Generally 260 coins made one Tayang yuan. It was the most important auxiliary coin in the life of the Chinese.

The minting of coins was done by the Liaoning (Mukden) Mint which was established in June, 1926 as a part of the Arsenal, but in August, 1930, it became independent and was placed under the direct control of the provincial government. In the first four years, it is said that annually 18,700,000 yuan was coined, and more than 18,000,000 auxiliary coins (nominally 100 coins made one yuan) were minted in one year beginning from July, 1930.

In the following table, the circulation amounts of Chinese currencies and also the localities of circulation are given.

Table 2  
ESTIMATED CIRCULATION OF CHINESE CURRENCIES IN MANCHOUKUO, 1930

Issuing Bank	Area of Circulation	Estimated Circulation	Estimated value in Hsien Tayang (In 1,000 Yuan)	Rate of conversion into Hsien Tayang
Provincial Bank of Three Eastern Provinces Frontier Bank Joint Reserve Fund of Four Liaoning Banks	Fengtien Province	(1,000 Yuan) 40,902	40,902	1—1
	"	(1,000 Yuan) 1,014,341	20,287	50—1
	"	(1,000 Yuan) 72,809	1,213	60—1
	"	(1,000 Yuan) 796	13	60—1
Kirin Provincial Bank	Kirin Province	(1,000 Tiao) 10,165,000	25,412	400—1
	Principal cities of Kirin Province	(1,000 Yuan) 11,300	8,370	1.35—1
Kirin Hsiaoyang-piao	"	(1,000 Yuan) 13,000	325	40—1
	Provincial Bank of Three Eastern Provinces Frontier Bank Bank of China Bank of Communications Kirin Provincial Bank Heilungkiang Provincial Bank	Tungsheng Special District & C.E.R. Districts	(1,000 Yuan) 51,914	1.4—1

	Issuing Bank	Area of Circulation	Estimated Circulation	Estimated value in Hsien Tayang (In 1,000 Yuan)	Rate of conversion into Hsien Tayang
Heilungkiang Kuantich.....	Heilungkiang Provincial Bank	Heilungkiang Province	(1,000 Tiao) 10,727,870	5,646	1.900—1
Heilungkiang Debenture .....	"	"	(1,000 Tiao) 39,955	2,523	15.83—1
Heilungkiang Tayang-piao .....	"	"	(1,000 Yuan) 19,470	13,907	1.4—1
Total of Chinese paper currencies .....				155,679	
Chenping Silver .....		Antung	(1,000 Taels) 2,000	2,439	0.82—1
Kuoluyin .....		Yingkow	(1,000 Taels) 15,000	7,142	2.1—1
Tayang-chien .....		Whole of Manchuria	(1,000 Yuan) 1,000	1,000	1—1
Hsiaoyang-chien.....		Kwantung Leased Territory	(1,000 Yuan) 5,000	4,386	1.14—1
Total of Chinese metallic currencies .....				14,967	
<b>Grand Total.....</b>				<b>170,646</b>	

**Foreign Currencies.**—Foreign currencies circulated include some Mexican and Hongkong dollars, the gold notes of the Bank of Chosen (Japan), silver notes issued by the Dairen branch of the Yokohama Specie Bank (Japan), and Japanese auxiliary coins. In North Manchuria Russian ruble notes were formerly circulated.

Table 3

## FOREIGN CURRENCIES

Silver Standard	Coins	Silver Yen (Yen)	An old Japanese silver coin, containing 374.400 Troy grains of pure silver. Not in circulation at present.
		Mexican Dollar (Dollar)	A coin containing 376.238 Troy grains of pure silver, which is seldom seen to-day.
	Notes	Yokohama Specie Bank Silver Notes (Yen)	Commonly called Chaopiao (鈔票) and convertible into silver yen.
		Military Notes (Yen)	Issued by Japanese authorities during the Russo-Japanese War, but seldom seen to-day.
Gold Standard	Coins	Japanese Auxiliary Coins (Sen)	Coins which supplement the Japanese gold coins, consisting of copper, nickel, and silver coins.
		Bank of Japan Notes (Yen)	Notes convertible into one yen containing 11.574 Troy grains of pure gold.
	Notes	Bank of Chosen Notes (Yen)	Notes convertible into Japanese gold coins or Bank of Japan notes. Generally called Chinpiao (金票) or Laotoerhpiao (老頭兒票).
		Ruble Notes (Ruble)	One ruble contains 11.948 Troy grains of pure gold. There are Soviet notes of ten rubles, but circulation of these is prohibited in Manchoukuo. They are called Tcherwonetz.

Brief explanations are given here regarding important foreign currencies as described above.

**Bank of Chosen Notes.**—After the Bank of Chosen opened an agency at Antung in 1909, and business in Manchuria increased, the notes of the bank came to be circulated in that territory. As the economic development of Japan in Manchuria increased, the Government of Japan made the Bank of Chosen the central organization in Manchuria for general commercial banking purposes, and instructed it to issue gold notes or

chinpiao (金票). At the same time, the right of issuing gold notes hitherto granted to the Yokohama Specie Bank was withdrawn, and gold notes have been under the single control of the Bank of Chosen since 1917. Several branches of the Yokohama Specie Bank established along the South Manchuria Railway lines were combined with the branches of the Bank of Chosen. The circulation of the gold notes issued by the Bank of Chosen is compulsory in the Kwantung Leased Territory and the Railway Zone, but is not confined to these districts, and extends to Harbin and other regions.

*Yokohama Specie Bank Silver Notes.*—The Yokohama Specie Bank established its first branch in Manchuria at Newchwang in 1900, and this branch began, in January 1902, to issue bearer notes payable on demand, and with the opening of the Bank's branches at Dairen and Mukden, the issue of these notes greatly increased, particularly so after the close of the Russo-Japanese War, when it was used to replace the military notes issued during the war.

As reserve for converting the notes, the Bank holds old Japanese Yen silver coins containing 374,400 Troy grains of pure silver. The note, of which the issue is handled by the Dairen branch of the bank, won the confidence of the Manchurian people, and gradually came into circulation in all the important cities of both North and South Manchuria.

Table 4

ESTIMATED CIRCULATION OF JAPANESE CURRENCIES  
IN MANCHURIA IN 1930

Issuing Bank	Area of Circulation	Estimated Circulation	Estimated Value in Hsien Tayang (in 1,000 yuan)	Rate of conversion into Hsien Tayang
Gold Note Issued by Bank of Chosen .....	Kwantung Leased Territory and S.M.R. Zone	(1,000 yen) 40,000	66,667	0.6—1
Silver Note Issued by Yokohama Specie Bank.....	"	(1,000 yen) 14,000	14,000	1—1
Total of Japanese paper currencies .....			80,667	

The amount of Japanese auxiliary coins circulated in Manchoukuo is unascertainable.

**Market Values of Principal Currencies.**—In the following table are given the market quotations of important Manchurian currencies in the recent few years.

Table 5

MARKET VALUES OF PRINCIPAL CURRENCIES IN MANCHURIA

(Annual Average Quotations of Various Currencies for 100 Yuan of Hsientayang)

	Fengtien-piao Hsiaoyang Standard (Yuan)	Kirin Kuantieh (Tiao)	Heilungkiang Kuantieh (Tiao)	Harbin Tayang-piao (Yuan)	Hsien Tayang-piao (Yuan)	Chao-piao (Yen)
1924 .....	176.51	17,209.18	19,597.69	110.13	—	94.97
1925 .....	225.81	18,252.58	21,563.52	110.19	—	101.88
1926 .....	372.77	17,460.75	26,631.41	112.40	—	101.60
1927 .....	922.22	17,328.84	29,998.63	123.73	—	101.94
1928 .....	2,542.61	18,246.48	35,699.70	138.34	—	101.07
1929 .....	5,117.31	19,011.25	39,985.59	140.68	113.72	101.69
1930 .....	6,035.51	20,634.50	51,667.37	120.36	102.96	96.15
1931 .....	6,194.99	36,046.11	141,501.21	126.79	102.82	92.35

It will be seen from the above table that the value of Fengtien-piao fell to 1/35, Kirin Kuantieh to 1/2, and Heilungkiang Kuantieh to 1/7. The cause of such falls was the reckless over-issue of notes by the authorities of all the provinces for the object of securing military funds.

The note-issuing banks such as the Provincial Bank of the Three Eastern Provinces, the Frontier Bank, the Kirin Provincial Bank, and the Heilungkiang Provincial Bank were all connected with various industries, and specially gave much stimulus to staple produce transactions. When the shipment season of staple produce approached they invariably restricted loans and advanced the quotation of currencies. Then on the other hand, they supplied staple produce dealers under their respective control with overissued notes, and made them corner staple produce. Thus with their enormous financial power, they controlled the price of staple produce, and when favourable opportunities appeared they sold the produce to exporters and received gold notes in payment. The notes thus overissued during the produce season flooded the market and their value began to fall. At that moment, they gradually withdrew the notes at cheap prices. In other words, they first gained enormous profits in produce deals by maintaining monopolistic prices, and then also obtained a secondary profit by issuing and withdrawing notes at opportune moments. The following example of seasonal fluctuation of Heilungkiang Kuantieh will give further information on this point.



Table 6

## SEASONAL FLUCTUATION IN MARKET VALUE OF HEILUNGKIANG KUANTIEH AND ESTIMATED PROFIT THEREFROM\*

	Estimated Value of the Kuantieh at the end of staple products dealing season when the withdrawal completes (Tiao)	Estimated Value of the Kuantieh at the beginning of staple products purchase when the issue of notes begins (Tiao)	Estimated Value of the Kuantieh at the beginning of staple products sale when the withdrawal begins (Tiao)	Average difference in the value of Kuantieh when it was issued and when it was first withdrawn (Tiao)	Rate of profit (about)
1920-21 .....	48	60	72	15	30%
1921-22 .....	64	68	94	20	30
1922-23 .....	85	96	128	30	33
1923-24 .....	129	136	185	45	34.6
1924-25 .....	184	190	210	25	13.5
1925-26 .....	192	200	248	50	25.6
1926-27 .....	210	226	257	35	16.2
1927-28 .....	235	245	292	45	18.7
1928-29 .....	243	246	292	45	18.6
1929-30 .....	263	293	444	150	51.9
1930-31 .....	423	470	1,320	700	155.5
1931-32 .....	1,200	1,200	1,380	200	16.6

The above concerned only the internal value of Manchurian currencies, but respecting their international value, the market price of silver bullion had to be considered. The silver market price in Manchuria was based on the official spot quotation at the Dairen Currency Exchange, namely the market value of Chao-piao or Yokohama Specie Bank silver note in gold yen. Dairen-Shanghai external drafts were decided by the draft market quotations.

Since the autumn of 1929, the silver bullion quotation registered rapid falls, but the Dairen silver market had extremely complicated conditions, as the fall of the Yen due to the prohibition of gold export by the Japanese Government also affected the Dairen silver market. Therefore, travellers visiting Manchuria from gold standard countries experienced the greatest difficulty in exchanging their gold or silver currencies. The Dairen silver quotations in recent years were as follow :

\* Based on a report of S.M.R. Co.

Quotation shows the price of Heilungkiang Kuantieh to one yuan of Harbin Tayang-piao.

Estimate is based on exchange quotation at the Harbin Currency Exchange.

Table 7

## DAIREN SILVER QUOTATIONS

(Market Value of 100 Chao-piao in Japanese Yen)

	Highest	Lowest	Average
1924 .....	150.00	107.15	135.905
1925 .....	140.80	122.95	131.745
1926 .....	125.90	82.50	104.130
1927 .....	102.55	86.10	94.130
1928 .....	108.70	95.65	100.290
1929 .....	102.00	76.50	90.120
1930 .....	76.20	49.75	62.490
1931 .....	74.60	40.70	50.235
1932 .....	111.00	62.55	85.65

The serious fall of silver recorded since the autumn of 1929 was further augmented by the revival of the Yen due to the lifting of the gold embargo by the Japanese Government in January, 1930. The Dairen silver quotation recorded the unprecedented low price of ¥40.70 in May, 1931. Japan again suspended the gold standard, since December 1931, and the advance of the silver quotation in 1932 was due to that step. By such an enormous fall of the silver bullion quotation and also by the fall of their own values, the various inconvertible notes of Manchuria showed extremely complex fluctuations in their exchange value to gold currencies.

The deals in drafts are made between Dairen exchange banks and Chienchuang (錢莊 currency dealers), and also by Chinese brokers in a corner of the Dairen Currency Exchange. The deals in Yen drafts at Dairen on the Shanghai market are almost entirely speculative, and therefore the Dairen draft market has also very close relation to the Shanghai market, the conditions of the powerful gold and silver speculative market at Shanghai affecting directly the Dairen market through the draft market. The market quotations in recent years have been as shown in the following table :

Table 8

## MARKET VALUE OF CHAO-PIAO DRAFTS IN SHANGHAI TAELS

	Highest	Lowest
1924 .....	73.250	67.775
1925 .....	72.250	69.600
1926 .....	72.400	70.500
1927 .....	74.475	69.975

	Highest	Lowest
1928 .....	73.300	71.000
1929 .....	72.750	71.525
1930 .....	76.775	71.050
1931 .....	75.500	71.200
1932 .....	77.050	72.200

### CURRENCY UNIFICATION BY MANCHOUKUO

**Emergency Measures for Note Issuing Institutions Adopted Immediately after the Manchurian Incident.**—The political and economic systems of Manchuria underwent a sudden and epoch-making change with the outbreak of the Manchurian incident on September 18, 1931. Particularly in the field of banking and currency, the actual result of unification and adjustment effected since then by the establishment of the Central Bank of Manchou and other measures must be called remarkable. The process of unification and adjustment of the banking and currency systems since the Manchurian incident may be described as follows.

(1) The Banking System Investigation Committee appointed on October 10, 1931, prepared for the reopening of the Provincial Bank of the Three Eastern Provinces, Frontier Bank, and Joint Reserve Fund by drafting the Regulations for the Supervision of the Provincial Bank of the Three Eastern Provinces, consisting of thirteen articles, as a result of negotiations with the Japanese and Manchurian leaders at Mukden, the Committee for Preservation of Peace and Order, and municipal authorities, who constituted the members of the Committee, through the special efforts of the Committee for Preservation of Peace and Order presided over by Yuan Chin-kai, chairman. On October 15, the note issuing banking institutions were reopened, and commenced jointly the conversion of paper currencies into coins. On the day these banks were reopened, the market quotation for 100 yuan Hsien Tayang-piao was 115 yuan, but on the following day it rose to 122 yuan. Thus the number of people demanding conversion in order to profit by the difference in the prices of notes and coins greatly increased. To meet this situation, Article IX of the Regulations for the Supervision of the Provincial Bank of the Three Eastern Provinces limiting the per day per person conversion amount to 50 yuan Hsien Tayang was revised, and after October 16 the limit was lowered to 30 yuan per day per person and only 500 persons were permitted to ask for conversion every day. At that time the issue reserve fund held by the Provincial Bank of the Three Eastern Provinces was estimated



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at about 20,000,000 yuan, but as an emergency measure, the bank purchased 1,220,000 ounces of silver (valued at 1,545,000 yuan in Hsien Tayang) with Chao-piao, in order to pacify the public mind and maintain equilibrium between the paper currencies and coins.

(2) At the Kirin Provincial Bank, the examination of books and currencies held was conducted from September 21, 1931, closing the bank to all outside intercourse. The Bank was permitted to reopen its business from September 25 on condition that the currencies then held by the Bank (estimated at ¥220,000 at the exchange rate of the time) were prohibited to be freely used, and thus the threatened economic disturbance in Kirin Province was prevented. The Chinese banks at Changchun (Hsinking) were closed with the outbreak of the incident, but reopened on September 29.

(3) The notes issued by the Heilungkiang Provincial Bank on November 19, 1931, when the former local government fell, were 7,990,000 yuan of Harbin Tayang notes bearing the Supervisor's official seal; ¥ 19,460,000 yuan of Heilungkiang Tayang-piao; 39,950,000 yuan of four per cent bonds; and 10,745,000,000 chiao (吊) of Heilungkiang tich (江帖). But the specie held by the bank totalled only 570,000 yuan in Hsien Tayang. Because of this unfavourable condition of the Bank, it could not be reopened until the opening of the Central Bank of Manchou. When Ma Chan-shan fled, he carried away with him the currency held by the Bank, the seals required for the issue of notes, important documents, staple produce purchase certificates and other things; this also made it difficult for the bank to reopen.

(4) At Harbin, the central banking market of North Manchuria, the effect of the Manchurian incident was most concretely shown in the fluctuation of the market price of Harbin Tayang.

Table 9

## QUOTATIONS OF CHAO-PIAO FOR 100 HARBIN TAYANG

		(in Silver Yuan)	(Monthly Average)
1931	August .....		81.4
"	September.....		81.0
"	October .....		67.5
"	November .....		67.6
"	December .....		70.9

An order issued by the Governor of the Tungsheng Special District on October 1, 1931, attempted to prevent disturbance of the public mind

by announcing that the Banks' Association would sell drafts on Southern China at the rate of 122.80 yuan Harbin Tayang for \$100 Tientsin or Shanghai. Also with the formation of the Harbin Banking Control Committee, the maintenance of the value of Harbin Tayang was attempted with centralized efforts. The two important affairs to be handled by the Committee were (1) to take custody of the issue reserve funds of banks issuing Harbin Tayang notes, and (2) to set the official rates of Harbin Tayang drafts on Southern China and to have the Exchange Office of the Banks' Association handle such drafts. The method of preserving the issue reserve funds was to make the six banks issuing Harbin Tayang-piao submit lists of properties equal in value to their respective total note issue amounts, and to make the respective banks take proper custody of the majority of such properties themselves.

Respecting drafts on Southern China, the former official rate of 122.80 yuan was advanced to 140 yuan on October 23, 1931, according to the Exchange Regulations, Article VI, of the Exchange Office of the Banks' Association, and thus the market price of Harbin Tayang was gradually revived.

**New Currency Law.**—The currency system of Manchoukuo is now in process of unification by changing and improving the former chaotic and diverse conditions. The new currency law will here be explained while various problems in the process of unification are described.

As the basic policy for unifying the currency system of the country, Government measures were centered in preventing any sudden confusion in the economic field by firmly establishing the silver standard, unifying the former confused currencies by a national currency, and enforcing the redemption of the former paper currencies. Important features of the new currency law promulgated on June 11, 1931, are as follow:

**Standard of Currency.**—The unit of value is fixed at 23.91 grammes of pure silver, and is called yuan (Article II, Currency Law). This is the average weight of the pure silver content of the Hsien Tayangchien. The currency standard is interpreted to be the silver standard.

The currency is established on the decimal system. The unit is yuan, and one-tenth of a yuan is chiao (角), one-hundredth fen (分), and one-thousandth li (厘) (Article III, Currency Law).

As the reserve fund for note issues, the Central Bank of Manchou has to possess silver ingots, gold ingots, reliable foreign currencies, or gold or silver deposits in foreign banks equivalent to 30 per cent of the total note issue amount (Article X, Currency Law). For the balance of the issue

amount, the Central Bank has to possess national bonds, notes issued or endorsed by the Government, other reliable securities, or commercial notes (Article II, Currency Law). The issue reserve fund is required only for note issues, and coins do not require any reserve.

The Currency Law does not contain any regulation respecting the conversion of notes, and therefore new bank notes are inconvertible notes according to the purely legal interpretation. Viewed as a whole, the system is a controlled currency system, and for the stability of the currency value the Central Bank is given a free hand.

The Central Bank is to make daily reports and weekly averages of the issue of notes and coins and the increase or decrease of the issue reserve fund, and the weekly averages have to be publicly announced (Article XII, Currency Law). Also the Government lets the Supervisor of the Central Bank supervise the manufacture and issue of currency, and thus the Supervisor can at any time examine the issued and un-issued amounts of currency, and the account-books (Article XIII, Currency Law).

**Types of Currency.**—The coining of silver is not done and thus it is not the so-called silver currency standard. The currency consists of two types, the paper money which is the unlimited legal tender, and auxiliary coins which are limited legal tender. Auxiliary coins are of two kinds, nickel coins and copper coins. (Article IV, Currency Law).

The paper money is of the following five denominations: 100 yuan, 10 yuan, 5 yuan, one yuan, and 5 chiao. As legal tender, these notes are used unlimitedly (Article V, Currency Law). All the five denominations are already issued.

The auxiliary coins are of four kinds: 1 chiao and 5 fen nickel coins, and 1 fen and 5 li copper coins. These coins are legal tender up to amounts of one hundred times their respective face values (Article V, Currency Law). The quality and weight of the auxiliary coins are regulated by Article VI of the Currency Law, revised as follows on April 19, 1933:

1.	1 chiao nickel coin	Total weight	5 grammes
2.	5 fen nickel coin	"	3.5 "
3.	1 fen copper coin	"	5 "
4.	5 li copper coin	"	3.5 "

The types of currency, their manufacture, issue, exchange and redemption are regulated by Ordinance (Article VII, Currency Law).

**Problems in the Process of Currency Unification.**—

*Redemption of Former Notes.*—The new Manchoukuo Government issued on June 27, 1932, Chief Executive's Order No. 38 announcing the Regulations for Adjusting the Former Currencies of Manchuria which became effective on July 1. The rates at which the former currencies are to be exchanged for the new currency are as given below, and these former currencies have legal value until June 30, 1934.

Table 10

## FORMER CURRENCIES AND THEIR RATES OF EXCHANGE FOR THE NEW CURRENCY

Former Currencies	Common name for Notes	Exchange rate for one yuan of New Currency
1. Convertible Notes issued by Provincial Bank of Three Eastern Provinces (not including Tientsin Notes) .....	Hsien Tayang-piao	1 yuan
2. Convertible Notes issued by Frontier Bank (not including Tientsin Notes) ..		
3. Convertible Notes issued by Joint Reserve Fund of Four Liaoning Banks....		
4. Exchange Notes issued by Provincial Bank of Three Eastern Provinces.....	Fengtien-piao	50 yuan
5. Copper Notes issued by Kungchi Ping-shih Bank.....	"	60 "
6. Harbin Tayang-piao issued by Provincial Bank of Three Eastern Provinces.	Harbin Tayang-piao	1.25 yuan
7. Harbin Tayang-piao issued by Kirin Provincial Bank .....		
8. Harbin Tayang-piao issued by Heilungkiang Provincial Bank .....		
9. Harbin Tayang-piao issued by Frontier Bank.....		
10. Kuantieh issued by Kirin Provincial Bank.....	Kirin Kuantieh	500 tiao
11. Hsiaoyang-piao issued by Kirin Provincial Bank.....	Kirin Hsiaoyang-piao	50 yuan
12. Tayang-piao issued by Kirin Provincial Bank.....	Kirin Tayang-piao	1.30 "
13. Kuantieh issued by Heilungkiang Provincial Bank .....	Heilungkiang Kuantieh	1,680 tiao
14. 4% Debentures issued by Heilungkiang Provincial Bank.....	Heilungkiang 4% Debenture	14 yuan
15. Tayang-piao issued by Heilungkiang Provincial Bank .....	Kiangsheng Tayang-piao	1.40 "

To review the actual result of the redemption of former bank notes, the amount redeemed up to the end of June, 1933, reached 85,514,000 yuan in new currency, from the opening of the Central Bank of Manchou. As there was a total outstanding issue of 142,234,000 yuan of former notes when the Bank was opened, it means that more than 60 per cent had been redeemed by that time. Classifying the redemption by notes, it is seen that the redemption of Kirin Tayang-piao reached 82 per cent, the highest figure, and Fengtien-piao came next with 77 per cent. Harbin Tayang with only 30 per cent redemption showed the poorest result. Other notes showed about 60 per cent redemption. In the Peiho district, North Manchuria, there had been circulated Ssutieh (私帖) or private notes issued by Ma Chan-shan. Also in Jehol Province had been circulated Jehol-piao issued by the Jehol Industrial Bank. The Tayang-piao which were issued by Ma Chan-shan (馬占山), were redeemed entirely at the rate of 4 yuan to 1 yuan new currency, and the Jehol-piao were entirely recalled at the rate of 50 yuan to 1 yuan. The redemption of these notes greatly relieved the suffering of the people.

Table 11

## REDEEMED AMOUNTS OF FORMER NOTES\*

(Calculated in New Currency yuan (圓))

Former Note Issuing Banks	Issue Amount of Former Notes	Redeemed between July 1, 1932 and Nov. 30, 1933	Amount still in Circulation on Nov. 30, 1933
Provincial Bank of Three Eastern Provinces .....	68,102,561	48,591,679	19,510,881
Frontier Bank .....	16,822,360	11,113,562	5,708,797
Kirin Provincial Bank ...	31,693,477	24,560,705	7,132,772
Heilungkiang Provincial Bank .....	25,616,481	19,265,749	6,350,732
Total .....	142,234,881	103,531,696	38,703,184

Fengtien Province 10 wen Tungyuan has the same value as the 1 fen copper coin of the new currency until the end of June, 1936, after which date they will become worthless (Article IV, Regulations for Adjusting Former Currencies). Harbin Tayang-piao issued by the Bank of China and the Communications Bank also are being redeemed in the same manner, and only those already issued are being permitted to circulate. Although the Central Bank of Manchou has no responsibility for redeeming and exchanging Harbin Tayang-piao issued by the Bank of China and the Com-

\* According to the 'General Condition of Economy and Banking in Manchoukuo' issued by the Investigation Section, Central Bank of Manchou.

munications Bank with the new currency, the Central Bank of Manchou issued a notice, when the Regulations for Adjusting Former Currencies were promulgated, informing the public that the Tayang-piao issued by the Bank of China and the Communications Bank and bearing the seal of the Supervisor would be accepted at the same rate as the Harbin Tayang-piao issued by the four banks of Manchuria and bearing the seal of the Supervisor, in order not to cause any effect on the money market by rejecting them and treating them differently. Tayang-piao issued by the Bank of China and the Communications Bank have a life of only five years' circulation in Manchoukuo according to the Regulations for Adjusting Former Currencies. Only such Tayang-piao bearing the seal of the Supervisor are permitted to be circulated in Manchoukuo, and it seems that their entire redemption within the specified period is to be effected with funds supplied by the Central Bank of Manchou. Tayang-chien and Hsiaoyang-chien are not permitted to be circulated as currencies, their sale being permitted only as silver bullion or foreign currencies.

The Chenping Tael, Kuoluyin, and other local currencies which have a long history based on trading customs will be gradually abolished in the process of currency unification. Ssutieh and such are to be strictly controlled by the Regulations for Controlling Ssutieh and Similar Notes issued by the Chief Executive's Order No. 53.

*Foreign Currencies and Auxiliary Coins.*—The question of foreign currencies in the process of unifying the currency system is expected to assume importance. At present the Chao-piao of the Yokohama Specie Bank and the Chin-piao of the Bank of Chosen are so extensively circulated as to be found even in Harbin and Kirin, and moreover these banks have the right of issuing notes in the Kwantung Leased Territory and the South Manchuria Railway Zone.

The question of auxiliary coins requires social consideration in view of the rules and systems of various business dealings that reflect the living standard of the masses of Manchoukuo nationals.

Of the total amount of 160,000,000 yuan, notes circulated prior to the establishment of Manchoukuo, about 22 per cent was represented by small auxiliary notes. Such auxiliary paper currencies were Tungyuang-piao, exchange notes of less than 10 yuan, Hsien Tayang-piao of less than 5 chiao, Kirin Kuantieh, Kirin Hsiaoyang-piao, Heilungkiang Kuantieh, Heilungkiang 4% Debentures, Heilungkiang Harbin Tayang-piao, Kiangsheng Tayang-piao, small denominations of Yungheng-piao, and others.

## Banking Institutions

### Native Banking Institutions

*Old Style Institutions and Modern Institutions.*—Old style banking institutions that have existed since ancient times include Piao-chuang (票莊), Yinlu (銀爐), Chien-chuang (錢莊), Chienpu (錢舖), and Tangpu (當舖).

Piao-chuang were formerly operated mainly by Shanhsi merchants for making loans and issuing drafts, but since the appearance of modern banking institutions they have almost entirely disappeared.

A yinlu was originally a shop minting Yinting (銀錠) or silver ingots, but later it came to handle drafts, deposits, exchanges, and loans just as ordinary banks.

A chien-chuang is a money exchange, operated by either an individual or a partnership organization to engage in speculative deals in currencies, drafts and loans.

A chienpu is a money exchange conducted with a small capital, and is in fact a small scale Chien-chuang.

A tangpu is a pawnshop or a banking organ for the common people and labourers.

Besides the above-mentioned there are the Liangchan (糧棧) which engage in wholesaling and warehousing cereals, and often act as important banking institution for farmers.

All these old-fashioned banking institutions are primitive, and their rates of interest on loans are very high. But yet they are quite important facilities for the common people, because they follow the old-fashioned customs of the Chinese.

Modern banking institutions first appeared in Manchuria when the Russo-Asiatic Bank, a joint Russo-Chinese enterprise, was established in 1895 upon the commencement of the construction of the Chinese Eastern Railway. As a purely Chinese bank, the Yinyuan-chu (銀元局) was established in 1898, and the Fengtien Kuanyinhao (奉天官銀號), or Fengtien Provincial Bank which was formed in the style of a modern banking organ was established in 1905. The Fengtien Provincial Bank was later named the Provincial Bank of the Three Eastern Provinces. The Heilungkiang Kwanhsin Bank was formed in 1904, and the Kirin Provincial Bank in 1898, but these two banks were not at first such organizations as they became later.

Branches or sub-branches of these modern banks were soon opened at Yingkow, Changchun, Harbin, and other places. But as provincial

banks recklessly issued notes and cornered staple produce, these banks lost the confidence of the people and it became difficult for them to secure deposits. Because of this failure in establishing confidence in provincial banks other private banks had little chance to develop, but as a small scale banking organ for the common people, recently the Chuhsuhui (儲蓄會), or savings associations, have greatly developed, receiving recognition by their special facilities.

**Central Bank of Manchou.**—The Central Bank of Manchou was established according to an Ordinance issued on June 11, 1932, and by amalgamating the Provincial Bank of the Three Eastern Provinces, Kirin Provincial Bank, Heilungkiang Provincial Bank and Frontier Bank, the four great government banks under the former régime. Thus in order to understand the present condition of the Central Bank, it is necessary to know about the former four banks which were amalgamated.

Table 12  
FORMER FOUR GREAT BANKS AMALGAMATED INTO  
THE CENTRAL BANK

(in yuan)						
	Estab- lished		Nominal Capital	Paid-up Capital	Re- serve	Amount of Notes Issued
Provincial Bank of Three Eastern Provinces .....	1905	Fengtien Tayang- piao	20,000,000	20,000,000	—	*600,000,000 †13,000,000 ‡3,500,000
Kirin Provincial Bank .....	1898	Silver Tael	600,000	600,000	—	**3,000,000,000 ††7,000,000
Provincial Bank of Heilungkiang Province .....	1930	Hsien Tayang	20,000,000	20,000,000	—	—
Frontier Bank ...	1924	Hsien Tayang	20,000,000	5,250,000	—	†8,554,613 ‡10,253,600
	Reserve for Note-issuing	Deposits	Loans	No. of Branches	Main Office	
Provincial Bank of Three Eastern Provinces .....	16,500,000	3,914,603,558	1,058,751,489	80	Mukden	
Kirin Provincial Bank .....	—	20,000,000	24,000,000	23	Kirin	
Provincial Bank of Heilungkiang Province .....	—	—	—	37	Tsitsihar	
Frontier Bank ...	18,808,213	15,500,000	25,000,000	28	Mukden	

\* Fengtien Tayang-piao

† Harbin Tayang-piao

‡ Hsien Tayang-piao

\*\* Kirin Kuantieh

†† Kirin Tayang-piao



Central Bank of Manchou, Hsinking.

*Provincial Bank of Three Eastern Provinces* (東三省官銀號).<sup>\*</sup>—Realizing the financial depression and the tendency to reckless issue of Ssutieh (私帖), or unofficial notes by various private money exchanges like Piao-chuang (票莊) and Chienpu (錢舖) following the Russo-Japanese War in the northeastern provinces, Chao Erh-sun (趙爾巽) Viceroy of Shengching, established the Fengtien Kuanyinhao (奉天官銀號), Fengtien Provincial Bank, with 300,000 taels in Shenping (瀋平) silver obtained from government property, and made Ma En-kwei (馬恩桂) its Governor. The bank was given the right of issuing notes. In 1908 when Hsu Shih-chang (徐世昌) became the Viceroy of the Three Eastern Provinces, the capital of the bank was increased to 600,000 taels and its name was changed to Tungsansheng Kuanyinhao (東三省官銀號) or Provincial Bank of the Three Eastern Provinces. In 1918 the former silver tael standard system was abolished and the silver yuan standard was adopted, and the capital was made 1,000,000 yuan by exchanging 600,000 Shenping taels to 810,000 Tayang yuan, and adding 190,000 yuan invested by the Finance Board. The capital was further increased to 1,400,000 yuan in January, 1919 and to 5,000,000 yuan in April, 1923. The bank unified the currency system of the Three Eastern Provinces in July, 1924, and by amalgamating the Three Eastern Provinces' Bank (東三省銀行) and the Industrial Bank (興業銀行), the capital was increased to 20,000,000 Fengtien-piao yuan (at that time one Fengtien-piao yuan was equal to 7 chiao of Hsien Tayang, and in Hsien Tayang the capital is to be regarded as being about  $\frac{3}{4}$  of the above-mentioned figure). Having 84 branches throughout Manchuria, and operating subsidiary enterprises like the Kungchi-Pingshih Bank, a few money exchanges, and about fourteen pawnshops, it became the most influential banking institution of Manchuria. Besides these the bank engaged in various trades and manufacturing industries. At the time of the outbreak of the Manchurian incident there were a distillery, oil mill, flour mill, printing-shop, cotton mill, and produce and export business belonging to this bank.

\* This bank, together with other banks, joined in the Joint Reserve Fund of the Four Liaoning Banks. This Joint Reserve Fund of the Four Liaoning Banks was formed on May 17, 1929, by the Bank of China, the Bank of Communications, the Provincial Bank of the Three Eastern Provinces, and the Frontier Bank for issuing convertible notes. The Reserve Fund consisted on September 8, 1930, of 9,800,000 Hsien Tayang yuan, and securities valued at 4,200,000 Hsien Tayang yuan. This Joint Reserve Fund was, however, dissolved later, as will be explained.



Table 13

BUSINESS RETURNS OF PROVINCIAL BANK OF THREE  
EASTERN PROVINCES

(Fengtien Tayang Yuan)

	1928	1929	1930	
Deposits	Current Accounts .....	227,282,157	685,695,658	1,713,604,458
	Special Current Accounts ...	356,281,651	882,976,950	526,246,083
	Deposits of Governmental & public authorities .....	551,096,511	1,455,088,444	1,674,753,017
	Loans to other Banks .....	176,729,872	207,937,983	93,788,095
Loans	Fixed Loans .....	64,268,082	46,518,038	100,946,520
	Fixed Loans on security .....	36,198,230	54,397,176	84,408,275
	Overdrafts .....	202,419,430	671,461,823	640,292,377
	Overdrafts on other Banks ...	180,709,924	218,206,187	134,966,222
	Short-term Loans .....	—	—	4,350,000

*Kirin Provincial Bank* (吉林永衡官銀號).—This was established in 1898 and was called the Kuantieh-chu (官帖局), literally, Note Issuing Board, at the beginning, and it issued silver yuan kuantieh. In 1900 it began to issue Chihchien kuantieh (制錢官帖), note convertible into chihchien, as circulated until recently. In 1908 it also issued silver taels and silver yuan-piao (元票) by establishing a special office called Kuantieh-chienchu (官帖錢局), but in 1909 the names Kuantieh-chu and Kuantieh-chienchu were abolished and the new name Yungheng Kuanyinhao (永衡官銀號) was given and it became a purely provincial bank. To remedy the financial difficulties of the province, it largely invested in the Yungtzu lienhao (永字聯號), a large chain store system having the word 'Yung' at the beginning of the name of each store and chienchuang, and other enterprises. But because of such activities, the price of kuantieh rapidly fell. The capital was said to be 10,000,000 yuan, and the reserve funds more than 4,000,000 yuan. The main office was at Kirin, and the branches numbered 14 and sub-branches 20. The total number of kuantieh issued was 3,000,000,000 tiao, and also about 7,000,000 yuan each of Tayang-piao and Hsiao-yang-piao were issued.

*Heilungkiang Provincial Bank* (黑龍江省官銀號).—This bank was established on September 1, 1930, by reorganizing the Heilungkiang Kwanghsin Bank (黑龍江廣信公司) which was the central bank of Heilungkiang with a capital of 2,000,000 yuan, formed by amalgamating the Kwanghsin Bank (capital 510,000 yuan) and the Heilungkiang Provincial Bank (capital 300,000 yuan), in December, 1919. After the reorganiza-

tion, the capital became 20,000,000 yuan, and the main office was at Tsi-tsihar, with 37 branches. Besides the banking business, it engaged in 18 subsidiary enterprises. The principal subsidiary businesses of the bank were as follows:

Name	At
Kwanghsin Feng Oil Mill	Harbin
Kwanghsin Navigation Office	"
Trust Company	Antatien, Anganghsi
Kwanghsin Yung Distillery	Hailun
Kwanghsin Hai Oil Mill	Anganghsi
Kwanghsin Lung Liangchan (produce dealing)	Koshan
Kwanghsin Tung Flour Mill	Harbin
Hueichi Pawnshop	Heilungkiang-cheng
Kwanghsin Pawnshop	Antatien, Hailun, Payen, Hulan, Chingcheng.
Kwanghsin Tai Flour Mill	Hulun
Kwangchi Flour Mill	Fulaerhchi
Kwanghsin Electric Co.	Heilungkiang-cheng, Suihua.

The total amount of the issue of kuantieh was about 2,500,000,000 tiao.

*Frontier Bank* (邊業銀行).—This bank was established on December 25, 1924. At first the main office was established at Tientsin, but with the withdrawal of the Mukden troops within the Shanhaikwan barrier in April, 1928, the main office was moved to Mukden. The authorized capital was 20,000,000 yuan (5,250,000 paid-up), and most of the capital was invested by the Chang family. The reserve funds totalled 300,000 yuan. There were 28 branches. This bank was practically the private treasury of Chang Hsueh-liang, and gained much profit by overissuing notes and cornering staple produce, just as the Provincial Bank of the Three Eastern Provinces did. The notes issued by the bank included Harbin Tayang-piao 8,554,000 yuan, and Hsien Tayang-piao 10,253,600 yuan; the deposits were 15,500,000 yuan and loans 25,000,000, the monthly interest on the loans being about 1.3%.

*Unification Process.*—By the Organization Regulations of the Central Bank of Manchou promulgated by Ordinance No. 27 issued on June 11, 1932, the Provincial Bank of the Three Eastern Provinces, Kirin Provincial Bank, Heilungkiang Provincial Bank and Frontier Bank were amalgamated as the Central Bank of Manchou which was opened on July 1, 1932 (Articles III, IV, V, and VI, Organization Regulations of the Central

Bank of Manchou). Thus the names of these four banks were abolished and replaced by the Central Bank of Manchou. From the necessity of clearly designating the former systems, it was decided to add the letter Feng (奉) to the names of branch banks which formerly belonged to the Provincial Bank of the Three Eastern Provinces, the letter Ki (吉) to those of the former Provincial Bank of Kirin, the letter Kiang (江) to those of the former Heilungkiang Provincial Bank, and the letter Yeh (業) to those of the Frontier Bank. Later, however, branches scattered in various districts were amalgamated or abolished, in order to simplify the system and organization of the Central Bank. By April 15, 1933, the adjustment of branches was completed, and the letters added to their names were abolished.

Respecting the absorption of the Frontier Bank, regulations for the control of shares held by non-resident shareholders were issued (Ordinance No. 21).

When a loss was found after examining the properties and debts of all the amalgamated banks, the Government was to make good such loss in order to facilitate the speedy materialization of the Central Bank and the amalgamation of the former provincial banks.

The Joint Reserve Fund of the Four Liaoning Banks was dissolved according to Ordinance No. 22 issued on April 30, 1933, and the convertible notes of the Joint Reserve Fund which were borrowed by the Bank of China and the Bank of Communications were declared repaid to the Provincial Bank of the Three Eastern Provinces by those banks in cash or convertible notes of the Provincial Bank of the Three Eastern Provinces and the Frontier Bank.

The Law of the Central Bank of Manchou, and the tendency and form of unification of the banking system of Manchoukuo will now be described.

**The Law of the Central Bank of Manchou.**—The Law of the Central Bank of Manchou and the Organization Regulations of the Central Bank of Manchou were announced and became effective on June 11, 1932, together with the Currency Law. They form the basic laws of the newly organized Central Bank. The organization of the Central Bank of Manchou is as follows:

**Note Issuing Privilege.**—The right of manufacturing and issuing currency is held by the Government, but actually is performed by the newly established Central Bank of Manchou. The object of the bank (Article I, Currency Law; Ordinance No. 25), is to adjust the currency

circulation within the country, to maintain currency stability, and to generally control banking affairs (Article I, Law of the Central Bank of Manchou; Ordinance No. 26), in conformity with the already announced general outline of the economic construction of Manchoukuo.

**Capital.**—The capital of the Central Bank is fixed at 30,000,000 yuan, divided into 300,000 shares of 100 yuan each. The capital may be increased by resolution of a shareholders' general meeting and with the sanction of the Government (Article IV, Law of the Central Bank of Manchou).

Shares can be issued in several lots (Article V, Law of the Central Bank of Manchou). The Government may subscribe up to one-half of the capital (Article IX, Law of the Central Bank of Manchou), and the Government subscribed to 15,000,000 yuan or one-half of the capital, and the remaining shares were decided to be issued later. As it is stipulated that the first payment on shares cannot be less than one-half of the face value (Article VII, Law of the Central Bank of Manchou), the Government invested 7,000,000 yuan as the establishment fund of the bank.

Also it is stipulated that the Government must subscribe to at least 50,000 shares of the Central Bank of Manchou, and the transfer or disposal of shares within this limit is prohibited (Article VIII, Law of the Central Bank of Manchou). The shares of the bank are registered, and as their transfer requires the sanction of the Government, it is not likely that capital other than the investment of the Government will enter the bank for the time being. (Article III, Organization Regulations of the Central Bank of Manchou).

**Organization.**—The organization of the Central Bank of Manchou is regulated by the Law of the Central Bank of Manchou and the Organization Regulations of the Central Bank of Manchou, and legally it is a joint stock company of the Government and public (Articles I, VIII and IX, Law of the Central Bank of Manchou). But actually its present capital consists of the Government investment alone. As a joint stock company, it is governed by the terms of the Corporation Law of the Republic of China ('Use of Former Law' issued on March 9, 1931). The main office of the Central Bank of Manchou is at Hsinking, and the main branches are at Mukden, Kirin, Tsitsihar and Harbin, while the total number of branches established throughout Manchoukuo reached 115 at the end of July, 1933. The chief officers of the Central Bank of Manchou consist of the Governor, Vice-Governor, at least five Directors and at least three Auditors. The Board of Directors (Article XXXI, Law of the Central Bank of Man-

chou), the General Meeting of Officials (Article XXXIV, Law of the Central Bank of Manchou), and the General Meeting of Shareholders (Article XXXV, Law of the Central Bank of Manchou) are specified. The Board of Directors is the organ to decide regarding important affairs; the General Meeting of Officials (including the Governor, Vice-Governor, Directors, and Auditors) is the organ for deciding regarding especially important affairs of the bank. As an organ for submitting opinion to the Board of Directors on important business policies, there is a local committee at each important branch bank. Then as the organ for enforcing the opinion of the shareholders there is the general meeting of shareholders.

*Sphere of Business Activity.*—It is clearly stipulated in Article I of the Law of the Central Bank of Manchou that the important duties of the bank are to adjust the currency circulation within the country, to stabilize the currency circulation, and to control general banking affairs. The field of the bank's business activity as the note-issuing bank and also its subsidiary activities are as follow (Article XI, Law of the Central Bank of Manchou):

1. To discount and purchase notes issued by the Government, drafts, and other commercial notes.
2. To make loans on the security of gold or silver bullion, and foreign currencies.
3. To purchase and sell gold and silver bullion, and foreign currencies.
4. To accept deposits and to give overdrafts on current deposits.
5. To hold in custody gold and silver bullion, foreign currencies, valuables, and securities.
6. To make loans on the security of the national bond certificates, notes issued by the Government, and other securities guaranteed by the Government.
7. To make loans on sound securities.
8. To collect notes for business firms, banks and merchants which have trading agreements with the bank.
9. To issue and collect drafts and documentary bills.
10. To purchase national bond certificates, and other sound securities designated by the Government, according to business requirements.
11. To obtain loans with the sanction of the Government. (Article XV).

12. To handle the national treasury fund, and official money of local public organizations (Article XVII).

The Central Bank of Manchou is prohibited to purchase movable and immovable properties except in the case of receiving their transfer for business operation or settlement of debts. Movable and immovable properties taken possession of for the settlement of debts have to be disposed of within six months and one year respectively (Article XI, Law of the Central Bank of Manchou). The bank is also prohibited to obtain possession of its own shares, or their acceptance for the right of pledge (Article XII, Law of The Central Bank of Manchou). The bank cannot make loans to its officials or employees (Article XIII). It is prohibited to engage in any business outside that designated by the Law of the Central Bank of Manchou (Article XVIII).

The business year of the Central Bank is divided into two periods. The first period runs from January 1 to June 30, and the second from July 1 to December 31. In each period, more than two per cent of the net profit is to be reserved for filling deficits and also to average the dividend at 8 per cent at least. Also a special gold reserve fund is to be maintained, and in each period, twenty per cent of the net profit is to be reserved for this purpose, which reflects the ultimate ideal of the bank to adopt the gold standard. This reserve is to be held in gold bullion, foreign gold currencies, or gold account deposits (Article XXXVI).

The Government guarantees the dividend of 6 per cent for five years to the private shareholders of the bank (Article XXXIX), but at the same time it is stipulated that when the amount of the net profit to be divided reaches more than 10 per cent a year on the paid-up amount of the capital, the Central Bank is to transfer to the Government three-fourths of such amount above 10 per cent a year (Article XXXVII).

*Tahsingkufen-yuhsienkungssu* (大興股份有限公司).—Subsidiary enterprises of the Central Bank also have to be explained. The former provincial banks which were amalgamated with the Central Bank engaged in various businesses besides general banking, and particularly were active in staple produce transactions and conducted numerous industries and commercial enterprises. Avoiding abrupt adjustments, the Central Bank decided to adjust them gradually, giving one year's time from the time of the Bank's establishment to enable time to become separate and independent (Article XLIV). As a recent development, the *Tahsingkufen-yuhsienkungssu* which was established on July 1, 1933, has to be mentioned. This establishment is the result of adjustments and amalgamations made of pawnshops,

breweries, oil mills and others which were formerly operated as subsidiary enterprises of the Central Bank of Manchou. The main business of this new establishment is pawnshops, the most important among all banking facilities for the common people of Manchoukuo, and by having 55 pawnshops throughout the country, the establishment aims to become the organ to supply small funds as well as agricultural funds to the people.

Secondly, it must be mentioned that the establishment has a good prospect of profit because kaoliang spirit distilling, beer brewing, bean oil manufacturing, and merchandise dealings undertaken by the firm form indispensable industries and trade in Manchoukuo. Also the financial aid it obtains from the Central Bank naturally tend to heighten its reputation and standing. Thus the firm has special features that serve to guarantee its financial advantages.

The company has its main office at Hsinking, and branches at Mukden, Hsinking, Kirin and Harbin. An agency is maintained at Tsitsihar, and business offices also are established at 65 places. Pawnshops operated by the company number 55 and kaoliang spirit distilleries 4, with one beer brewery, and one bean oil mill.

The capital of the company is 6,000,000 yuan new currency, fully paid-up. The total number of shares is 120,000, and each share stands for 50 yuan new currency. Its business fields are firstly pawnshops, brewing, bean oil manufacturing, and merchandise dealings, but secondly, it also undertakes supervision of properties and commission business. Thirdly, it handles the flotation of national bonds, debentures and other securities. Fourthly, it is to handle all other businesses connected with the above-mentioned items.

Table 14

BALANCE SHEET OF THE CENTRAL BANK OF MANCHOU\*  
(in Yuan)

Item	Assets	
	First Period (Dec. 31, 1932)	Second Period (June 30, 1933)
Unpaid Capital .....	22,500,000.00	22,500,000.00
Loans to Government Offices .....	27,659,014.17	22,715,257.24

- \* 1. Present paid-up amount 15,000,000 yuan.  
2. Second payment on shares (July 1, 1933) 7,500,000 yuan.  
3. Dividend for the first and second periods, 6 per cent a year.

	Assets	
	First Period (Dec. 31, 1932)	Second Period (June 30, 1933)
Fixed Loans .....	40,311,359.03	41,488,057.32
Overdrafts on Current Deposit .....	46,057,729.81	33,173,820.71
Other Loans .....	9,899,481.13	11,530,282.80
Loans to Banks .....	54,917,098.34	69,384,726.04
Loans Secured with Pledges .....	3,756,378.20	2,040,602.92
Unsettled Accounts .....	40,833,832.22	7,132,765.43
Securities .....	11,909,989.72	48,106,732.13
Gold, Silver .....	24,214,345.56	17,498,918.65
Properties .....	20,211,942.34	20,616,543.84
Cash .....	8,733,975.67	9,560,625.31
Total .....	311,015,146.24	305,708,342.39

	Liabilities	
	First Period (Dec. 31, 1932)	Second Period (June 30, 1933)
Capital .....	30,000,000.00	30,000,000.00
Gov. Reserve and Banknote Issue .....	151,865,395.87	{ 120,000.00 12,263,519.00
Gov. Deposit .....	30,258,578.66	53,079,437.49
Fixed Deposit .....	1,409,399.98	3,786,103.32
Current Deposit .....	12,768,803.43	20,922,962.27
Special Current Deposit .....	2,584,800.89	2,637,960.44
Notice Deposit & Other Deposits .....	3,269,436.78	{ 16,215,666.83 372,012.21
Debts .....	21,266,392.27	20,313,079.14
Exchange Account .....	1,335,561.14	1,339,089.48
Debts Secured .....	3,756,378.20	2,040,602.92
Unsettled Accounts .....	52,137,590.40	42,086,875.31
Brought from last period .....	—	17,808.62
Net Profit .....	362,808.62	513,225.36
Total .....	311,015,146.24	305,708,342.39

**Other Banks.**—Besides the Central Bank of Manchou, there is practically no influential bank among those operated with native capital, but the principal such native banks are as follow :

Table 15  
PRINCIPAL NATIVE BANKS (in Yuan)\*

	Established	Nominal Capital	Paid-up Capital	Reserve	Amount of Notes Issued	Reserve for Note-issuing	Deposits	Loans	No. of Branches	Main Office
Jehol Industrial Bank	1917	1,000,000	773,080	390,300	1,541,850 **821,560	1,163,380	1,126,097	183,203	13	Jehol
Mukden Commercial Bank	1914	"	"	100,141	"	"	3,493,566	"	"	Mukden
Shihokung Bank	"	375,000	"	200,000	"	"	600,000	300,000	"	"
Bank of Forestry	"	203,335	"	6,268	"	"	"	"	"	"
Huihua Bank	"	1,000,000	"	50,000	"	"	"	"	"	"
Ifa Bank	1926	200,000	"	"	"	"	800,000	1,300,000	"	Changchun
Itung Commercial Bank	1919	1,000,000	"	200,000	"	"	661,000	1,672,000	1	"
Hueiyue Bank	1914	100,000	"	"	"	"	100,000	100,000	"	"
Commercial Bank of Changchun	1926	1,000,000	"	50,000	"	"	3,000,000	700,000	"	Mukden
Tungsheng Bank	1930	500,000	"	"	"	"	"	"	"	"
Eastern Frontier Commercial Bank	1921	1,500,000	"	670,000	"	"	2,780,000	3,120,000	"	Antung
Joint Reserve Fund of Four Liaoning Banks	1929	"	"	"	14,000,000	14,000,000	"	"	"	Mukden
Chienpus	"	5,000,000	"	"	"	"	"	"	350	"
Yingkow Silver Mints	"	3,500,000	"	2,400,000 (Tael)	"	"	"	"	7	"
Antung Silver Mints	"	1,500,000	"	"	"	"	"	"	8	"
Tangpu (Pawnshops)	"	3,500,000	"	"	"	"	"	"	430	"
Chuhsuhui (Saving Banks)	"	1,000,000	"	"	"	"	"	"	17	"

\* This table shows the condition of these banking institutions as before Sept., 1931.

\*\* Chiao-piao.

*Jehol Industrial Bank* (熱河興業銀行).—The authorized capital of this bank is 1,000,000 yuan, paid-up capital 773,080 yuan, and reserve fund 390,000 yuan. The main office is at Jehol, and there are 13 branches.

The business results of the bank have been as follow :

Table 16

## BUSINESS RETURNS OF JEHOI INDUSTRIAL BANK

(Yuan)

	1927	1928	1929
Current accounts	5,446,546	1,970,607	185,175
Fixed deposits	116,921	113,421	252,721
Loans on security	2,077	3,500	26,830
Fixed loans	181,700	47,680	156,400
Amount of exchange transactions...	2,001,871	27,593	34,125
Overdraft to other banks	58,555	85,124	56,665
Temporary deposits	588,147	118,496	88,190
Debts	270,000	3,200,000	500,000

The Jehol-piao issued by this bank was entirely recalled after the establishment of Manchoukuo at the rate of 50 yuan Jehol-piao for 1 yuan of new currency of Manchoukuo.

*Kungchi Pingshih Bank* (公濟市錢號).—The Kungishangchu (公義商局), established in 1901 as a popular banking institution, was transferred to the management of the Provincial Bank in 1907, and in 1917 it was amalgamated with the Provincial Bank. But in 1919, it again became independent as the Tungyuang-piao Issuing Office (銅元票行發行) and was named the Kungchi Pingshih Bank (公濟平市錢號), although financially it remained dependent on the Provincial Bank. Besides operating a pawnshop, it issued Tungyuan-piao for 10, 20, 30, and 100 Tunyuang-chen, or copper coins as auxiliary currency for small transactions. The issue reserves were Fengtien Tayang-piao and therefore this Tungyuan-piao was commonly called Fengtien-piao.

*Chuhsuhui* (儲蓄會).—This organization is one of the proofs that Chinese financial institutions retain not a few examples of the feudal system. It is built up on the basis of the guild system and not of such scope as banks, but is of sound foundation. In Manchuria the first chuhsuhui was the Chinfangnungshang Chuhsuhui (金方農商儲蓄會) established at Tiehling in the spring of 1914. Since then they were established

in almost every principal town, and the number reaches nearly 100 at present, with a total capital of almost 500,000,000 yuan. They operate warehousing, insurance, telephone and other enterprises, besides ordinary banking business. The chuhsuhui are more active as savings banks than ordinary banks which are mainly engaged in loaning money rather than in securing savings deposits.

The organization of the chuhsuhui varies according to district, but in the case of those of joint-stock organization, the members subscribe to one or more shares, and make monthly instalment payments on their shares; share certificates are issued upon the payment of the entire amount. The members are limited to Manchurians and there are a president, vice-president, directors and auditors. The loans are extremely safe as they are made mainly to members and also to farmers and merchants on proper security. The accounting is done once a year, and when a surplus profit is obtained after deducting reserve funds and other items, it is distributed to the members according to the amount of shares they hold.

Those who desire the development of banking facilities for the common people in Manchuria should study the system and activities of the chuhsuhui, and if encouragement is given toward the establishment of institutions similar in nature and operation, banking facilities may be speedily improved, without waiting for the reform of the various native banks, which have extremely deteriorated due to long mismanagement.

### Principal Foreign Banking Institutions.

#### Chinese Banks

*Bank of China* (中國銀行).—In 1904 the Chinese Government established the Hupu Bank (戶部銀行) with a capital of 10,000,000 taels as the central bank, and in 1907, the bank expanded its sphere of activity and advancing into Manchuria opened branches at Mukden, Yingkow, Antung, Chinchow, Dairen, Kaiping, Tiehling and other places. Besides engaging in ordinary banking business, it issued Silver tael-piao, Silver yuan-piao, and Tungyuang-piao. In 1908 the bank was renamed the Ta-ching Bank (大清銀行). Again, as the Republic of China was formed, it was revived as the central bank and at Changchun was opened the Three Eastern Provinces Branch which became the central organ for the activity of its branches opened in Manchuria.

In the period from 1913 to 1916, branches were established at various places throughout Manchuria, and in 1928 the main office was moved from Peiping to Shanghai.

The authorized capital was 60,000,000 yuan, and the paid-up capital 20,000,000 yuan. But several years ago the capital was reduced to 25,000,000 yuan and the paid-up capital became 24,700,000 yuan. The bank possessed enormous influence in Manchuria during the former Manchurian régime, and the amount of Fengtien Hsiaoyang-piao issued reached 710,000 yuan and Fengtien Tayang-piao 2,250,000 yuan.

Since the establishment of the Central Bank of Manchou following the Manchurian incident, the bank has lost its note-issuing privilege in Manchoukuo. Its Harbin Tayang-piao are to be recalled according to Government order within five years, its issue being limited to what had taken place up to that time. Thus the bank is now active as a foreign bank in Manchoukuo. Its business condition is said to be sound, dealing mostly with produce wholesalers, flour mills, oil mills, and retail dealers in miscellaneous merchandise. The amount of loans made by the bank is comparatively small.

*Bank of Communications* (交通銀行).—This was established at Peking in 1907, with the object of supervising accounts of steamship, railway, postal and telegraph services, of supplying funds to these enterprises, and also of recovering foreign concessions in transport and communications. In 1908 a branch was opened at Yingkow, and the bank's activities were extended to Manchuria. Later, branches were opened at Changchun and Mukden. As its notes were issued for the development of transportation and communication facilities, their acceptance was forced upon postal, steamship and other services. As it was decided that the bank's notes could be used in payment of various taxes, duties and charges, and also by provincial banks, it gained much reputation and public confidence.

The main office was at first located at Peking, but in November, 1928, it was moved to Shanghai. The authorized capital is 10,000,000 yuan with 8,716,150 yuan paid-up. The issue of Fengtien-piao and Harbin Tayang-piao was under the supervision of the Three Eastern Provinces' authorities, and limited under a certain restriction, as the notes issued by the Bank of China. The amount of Hsiaoyang-piao issued reached more than 2,000,000 yuan quite early, but it was gradually withdrawn. In August, 1918, when Fengtien Province revised the Tayang-piao system, the issue of Hsiaoyang-piao by the bank was only 200,000 yuan. Later it further decreased to about 120,000 yuan. The bank joined the Joint Reserve

Table 17  
CHINESE BANKS IN MANCHOUKUO

	Estab- lished	Main Office	Nominal Capital (Hsien Tayang)	Paid-up Capital	Deposits	Loans	Other Branches in Manchoukuo
Dairen Branch of Bank of China .....	1904	Shanghai	*25,000,000	*24,710,200	Yen 314,862 Yuan 3,264,453 Hsiao- yang 437,110	215,804 439,046	Dairen and Mukden, others, total 16
Dairen Branch of Bank of Communications .....	1907	Shanghai	*10,000,000	*8,715,150	Yen 20,000 Yuan 1,447,000	5,000 162,000	Mukden, Harbin and others, total 13
Dairen Branch of Chin- cheng Bank .....	1917	Tientsin	*10,000,000	*7,000,000	Yen 53,696 Yuan 3,015,532	186,805 1,421,984	Dairen, Harbin (suspended)

\* Figures for the Main Office (1931)

The number of branches is according to the Manchuria Year Book of 1933.

Other figures are those standing in October, 1933, according to the Economic Monthly Report of the Dairen Chamber of Commerce and Industry.

Fund as before mentioned.

Just like the Bank of China, this bank lost the note-issuing privilege in Manchoukuo with the establishment of the Central Bank of Manchou. Its Harbin Tayang-piao were ordered by the Government to be recalled within five years, no further issue being permitted. It is continuing its business as a foreign bank. Its activity is extended to the cornering of staple produce through bean oil mills at Harbin and interior points. Its general business condition is said to be similar to that of the Bank of China.

There is also the Dairen Branch of the Chincheng Bank (金城銀行), but it is not important.

#### Japanese Banks

*Branches of the Yokohama Specie Bank.*—Japanese banking activity in Manchuria originated with the establishment of the Yingkow branch of the Yokohama Specie Bank in January, 1900. During the Russo-Japanese War, the bank undertook the withdrawal of military notes issued by the Japanese Army and also obtained the right of issuing Chao-piao (鈔票) or silver notes to replace the military notes. The Chao-piao was a silver convertible note with, as its conversion reserve, the one yen silver coins which were circulated in Japan until the currency reform in 1897. Then as the yen silver coins were withdrawn, Yuanpaoyin or Sycee tael, Tayang-chien, and others were made the conversion reserve. The bank made extensive operations in Manchuria, establishing numerous branches. But due to the fall of Chao-piao caused by the decline of the silver quotation in 1907, the accounting of the Kwantung Government-General and the freight charges of the South Manchuria Railway came to be made in gold. From then on the notes of the Bank of Japan and Japanese auxiliary coins came to be directly circulated in Manchuria. Therefore even today, both the silver and gold notes are used in transactions with Manchurians. After the establishment of the Bank of Chosen in 1909, the gold notes of the bank came to be greatly used in Manchuria, but both gold and silver notes are still circulated.

*Branches of the Bank of Chosen.*—The Bank of Chosen opened branches at Mukden, Dairen, and Changchun in 1913. Thus there being the notes of three Japanese banks, the Yokohama Specie Bank, the Bank of Japan, and the Bank of Chosen, circulated in Manchuria, the situation became much confused. Furthermore, in 1917 there appeared the Oriental Development Company (東洋拓殖會社) for supplying funds for Manchurian enterprises. Thus it became necessary to make an adjustment. The

Table 18  
PRINCIPAL JAPANESE BANKS IN MANCHOUKUO (in Yen)

(figures for the first period, 1932)

	Estab- lished	Main Office	Capital Nominal	Capital Paid-up	Reserve	Deposits	Loans	Debts	Deposits in other banks and cash on hand
Shoryu Bank .....	1908	Dairen	12,000,000	5,624,375	273,465	51,572,922	64,650,715	24,509,768	2,423,170
Manshu Bank.....	1923	Dairen	10,000,000	2,906,662	634,000	3,404,612	1,499,572	326,038	2,984,853
Dairen Commercial Bank ...	1918	Dairen	2,000,000	2,000,000	298,000	21,021,582	33,704,506	18,431,374	723,687
Changchun Commercial Bank.	1900	Hsinking	1,000,000	400,000	159,408	744,922	3,075,269	—	143,861
†Dairen Koshin Bank .....	1917	Dairen	500,000	200,000	—	1,315,831	2,534,256	—	744,991
†Manchu Shokusan Bank.....	1920	Mukden	500,000	500,000	8,700	—	—	3,229,991	—
†Nanman Bank .....	1919	Anshan	1,500,000	375,000	28,931	365,309	1,116,964	131,699	136
Antung Commercial Bank ...	1913	Antung	500,000	125,000	127,701	—	—	—	—
Kyosei Bank.....	1918	Antung	1,000,000	250,000	108,267	828,520	818,236	—	605,224

Note: 1. When two figures are given for one bank, the upper stands for gold accounts, and the lower, silver accounts; tael or yang accounts are excluded as they are not large. 2. Loans include those of draft accounts. 3. Banks marked † are temporarily closed. 4. \* marks the figure for the main office.

	Estab- lished	Main Office	Capital Nominal	Capital Paid-up	Reserve	Deposits	Loans	Debts	Deposits in other banks and cash on hand
Branches of the Yokohama Specie Bank.....	1880	Yokohama	*100,000,000	*100,000,000	*121,039,499	11,153,930	19,050,032	—	5,726,607
Branches of the Bank of Chosen	1908	Keijo	*40,000,000	*25,000,000	*4,101,026	39,739,482	2,109,660	—	5,333,053
†Shoko Bank.....	1913	Liaoyang	500,000	275,000	10,900	79,174,210	35,284,875	139	5,896,801
†Shinko Bank .....	1918	Yingkow	1,175,000	500,000	139,050	4,700,434	1,631,662	—	1,055,163
†Heiwa Bank.....	1920	Kirin	500,000	200,000	51,937	104,978	736,380	571,652	4
Harbin Bank .....	1921	Harbin	2,000,000	500,000	59,200	58,176	1,865,143	1,229,754	2,304
†Kirin Bank .....	1920	Kirin	300,000	75,000	27,300	20,847	313,632	36,100	222
Nikka Bank .....	1918	Tiehling	500,000	500,000	54,969	464,460	606,183	52,000	153,931
					(yang 50,000)	110,285	203,963	25,000	34,647
						62,933	1,319,544	874,301	2,680

Branch Offices:

Shoryu Bank—Yingkow, Mukden, Port Arthur, Hsinking, Kaiyuan, Tientsin, Fushun, Ssuningkai, Tsingtao, Harbin, Antung, Anshan, Kungchuling.  
Manshu Bank—Chinchow, Pitzuwo, Pulantien, Anshan, Mukden, Hsiaohsihkwang, Fushun, Penhsihu, Antung, Hsinlungkai, Kungchuling, Fangchiatun, Hsinking, Kirin, Kaiyuan.  
Yokohama Specie Bank—Dairen, Newchwang, Mukden, Harbin, Kaiyuan.  
Bank of Chosen—Dairen, Mukden, Hsinking, Yingkow, Port Arthur, Liaoyang, Antung, Tiehling, Harbin, Fuchiatien, Ssuningkai, Outside Liaoyang.  
Shinko Bank—New Town of Yingkow.  
Heiwa Bank—Dairen.



fields of activity of these banks were definitely decided by an agreement and it was planned to unify the gold notes circulated in Manchuria by giving first place to the notes of the Bank of Chosen.

*Shoryu Bank*.—The first ordinary Japanese bank established in Manchuria was the Shoryu (正隆銀行) Bank formed at Yingkow with a capital of 150,000 silver yen in July, 1906. In 1909 the capital of this bank was increased by an additional investment made by the Yasuda family and the main office was moved to Dairen. In 1916 the former dual silver and gold capital was abolished and gold capital was adopted. In 1925 the bank amalgamated with the Lungkou Bank (龍口銀行) and became a Japanese-Manchurian joint enterprise.

*Manshu Bank*.—Through the good offices of the Bank of Chosen, the Dairen Bank (Dairen), Liaotung Bank (Dairen), Mukden Bank (Mukden), and Manshu Commercial Bank (Antung) were amalgamated in July, 1923, to form the Manshu Bank with a capital of ¥30,000,000. Later, the bank was adjusted and its capital was reduced to ¥10,000,000.

Japanese banks other than those above-mentioned are not particularly influential as is to be seen from table 17.

*European and American Banking Institutions*.—These banking institutions operating in Manchoukuo have mostly developed in North Manchuria and particularly at Harbin, though they are active also in Dairen, Yingkow, and other districts. The first appearance of foreign banks in Manchuria was the establishment of the Russo-Asiatic Bank (露亞銀行) at Harbin, which was also the first introduction of modern banking institutions to the territory.

*Russo-Asiatic Bank* (in course of adjustment—French Bank).—Its main office is at Paris, and the branches in Manchoukuo are at Yingkow, and Harbin. The registered capital is 65,000,000 roubles, but the paid-up amount is 55,000,000 roubles.

The bank was originally established by Russia in 1895 in connection with the construction of the Chinese Eastern Railway, and it was at first called the Russo-Chinese joint Taosheng Bank (道勝銀行). The investment on the Chinese side of 5,000,000 Kuping taels was only nominal, and also the Russian investment of 8,000,000 roubles was actually French capital. Later, in 1910, it was named the Russo-Asiatic Bank on amalgamating with the Northern Bank (北方銀行). In all the bank had 13 branches in Chinese territory, and its activity extended not only in Manchuria but also in North China, because of its relations with the Chinese Government. Later, there arose complicated questions in regard to the nation-

ality of the bank, and finally it was registered in France. Thus the branches of the bank appeared to be independent, and there was seen lack of control over those branches. In September, 1926, the bank suffered a serious failure in silver draft deals, and its condition became unfavourable. Finally a run was made on the bank, and it is now in course of adjustment.

*Far Eastern Bank* (Dalbank).—The Dalbank is a joint stock organization with a capital of 5,000,000 Tayang yuan, and the majority of the capital is said to have been invested by the U.S.S.R. Treasury. It was established in June, 1923. But at that time, Soviet Russia was not entirely unified, and the district east of Welfnejinsk (near Lake Baikal) was under the Far Eastern Republic, and at Chita existed the Bank of the Far Eastern Republic (which later moved its main office to Habarovsk and changed its name to the Far Eastern Bank). This bank was to have been opened as a branch of the Far Eastern Bank, but at that time it was impossible to open a Soviet bank in Chinese territory, and consequently the bank was established with its main office at Harbin in the form of a joint stock company of China. Thus formally it was independent of the Far Eastern Bank in Soviet territory, but actually there have been close relations between the two. It became active as the banking organ of the Soviet side of the Chinese Eastern Railway, and gave special accommodation to Soviet economic organs, traders and industrialists. After the fall of the Russo-Asiatic Bank, it has become particularly active in North Manchuria as the Soviet banking organ. Its business is general banking, but its important activity is the sale and purchase of Harbin Tayang and American dollar drafts for the Chinese Eastern Railway, Ussuri Railway, Soviet Trade Office, Oil Union, Weaving Union, Rubber Union, State Insurance, Far Eastern Fishery, Far Eastern Forestry and other organizations.

Its operating funds are said to have been obtained from the deposits of the Chinese Eastern Railway, debentures of the Ussuri Railway and others.

*Hongkong and Shanghai Banking Corporation* (滙豐銀行) (British).—The Hongkong and Shanghai Banking Corporation was established at Hongkong in 1865 with a capital of \$5,000,000 and it has been very active as an exchange bank in Southern China. In Manchoukuo, the bank has branches at Dairen, Harbin and Mukden, and is active in supplying funds for staple produce transactions, and in handling import drafts for European merchandise and Shanghai goods.

*Chartered Bank of India, Australia, and China* (麥加利銀行) (British).—This bank has long been prominent in the Far East, but it was since 1928 that it became active in Manchuria. Branches are at Dairen and Harbin, but being new to the field, it is not particularly active in any special line, being engaged only in general banking business.

*National City Bank of New York* (花旗銀行) (American).—It was established in 1901 as the International Banking Corporation, but was amalgamated with the National City Bank (established in 1812 with head office at New York) in 1926. The International Banking Corporation was very active in China, and contributed much to the investment of American capital in China. In Manchoukuo, branches are maintained at Dairen, Mukden, and Harbin. Particular attention is given by the bank to the import of American products into North Manchuria, through the Silillo Company at Harbin. Recently an agency was opened at Kaiyuan, and the bank is making greater activities.

*Banque Franco Asiaticque* (French).—This bank may, in some sense, be regarded as the revival of the former Russo-Asiatic Bank, but its capital is supplied by an entirely different source. It was established in 1929, and has its main office at Harbin. The bank had loaned a large amount of funds to general merchandise dealers and others, but when the Soviet-Chinese political situation became troublesome it followed the policy of recalling its loans as much as possible. Thus its total investment has been reduced to only about ¥100,000, and since that time, its business has not been significant.

Table 19  
PRINCIPAL EUROPEAN AND AMERICAN BANKS IN MANCHOUKUO (1932)

	Established	Main Office	Nominal Capital	Paid-up Capital	Branches in Manchoukuo
Far Eastern Mutual-Credit Bank .....	1910	Harbin	¥ 169,000	169,000	Harbin
Far Eastern Bank of Harbin .....	1923	"	\$ 5,000,000	50,000,000	Manchouli, Hailar
Hongkong and Shanghai Banking Corporation.....	1865	Hong Kong	\$ 50,000,000	20,000,000	Dairen, Mukden, Harbin
National City Bank of New York .....	1901	New York	G\$110,000,000	110,000,000	Dairen, Harbin, Mukden, Kaiyuan
Chartered Bank of India, Australia and China .....	1853	London	£ 3,000,000	3,000,000	Harbin
Jewish Peoples' Bank .....	1923	Harbin	¥ 100,000	68,000	
Far Eastern Jewish Bank of Commerce...	1921	"	¥ 400,000	400,000	
Banque Franco-Asiatique.....	1929	"	¥ 25,000,000	25,000,000	Mukden

## Addendum

## BANKING LAW OF MANCHOUKUO

(Ordinance No. 86, promulgated November 9, 1933)

Article I. All institutions engaged in business that comes under any of the following items shall be regarded as banks, regardless of their names:

1. Accepting deposits, loaning money, or discounting notes.
2. Dealing in drafts.

All persons who accept deposits as their business shall be regarded as banks, except those specially designated by the Minister of Finance.

Article II. Banks shall not be permitted to conduct business unless sanctioned by the Minister of Finance.

Article III. Banks shall not engage in other fields of business unless sanctioned by the Minister of Finance, except acceptance for custody or other businesses supplementary to banking business.

Article IV. Banks must obtain the sanction of the Minister of Finance when they wish

1. To change their trade names.
2. To change their capital amounts.
3. To change the organization of corporate bodies.
4. To establish or abolish branches, agencies or other places of business.
5. To change the locations of branches, agencies or other places of business.
6. To change business offices into branches.
7. To transfer or abolish banks, or to dissolve corporate bodies.
8. To amalgamate with other banks.
9. In case of banks of corporate bodies, to appoint officials to execute the affairs of banks, or auditors, or to change them.

Article V. Banks of joint stock organization shall reserve more than one-tenth of the net profit, each business year, until the amount reaches the total paid-up capital.

Article VI. The business year of banks shall not exceed one year.

Article VII. Banks shall make public their balance sheets for each business year, and submit to the Minister of Finance their business reports.

Article VIII. The business hours of the banks shall be from 9 a.m. till 3 p.m. The hours may be prolonged according to the business

necessary or may be shortened with the sanction of the Minister of Finance.

Article IX. Bank holidays shall be festivals, Sundays and holidays generally observed in places where the offices of the banks are maintained.

In case banks are to temporarily close their business on account of natural disasters or other unavoidable circumstances, the matter shall be immediately reported to the Minister of Finance.

Article X. When banks suspend payment of deposits, they shall immediately publicly announce the fact, and also report to the Finance Minister, giving the reasons for the suspension of payment.

Article XI. The Minister of Finance may at any time ask banks to report on their business or demand the presentation of their books.

Article XII. The Minister of Finance may at any time order officials of the Department of Finance to examine banks' business conditions and properties.

Article XIII. The Minister of Finance may order the suspension of the whole or part of banks' business or make other dispositions, whenever regarded necessary according to the condition of banks' business or properties.

Article XIV. When banks violate laws and regulations, their articles of association, or orders of the Finance Minister, or commit acts disturbing public welfare, the Finance Minister may suspend the whole or part of their business, order the change of officials in charge or auditors, or cancel their business permits.

Article XV. In respect of banks which were ordered to suspend business, the Minister of Finance may cancel their business permits, when regarded necessary according to the result of the adjustment of their affairs.

Article XVI. When banks having their main offices outside the region where this law is effective intend to establish branches, agencies or other places of business within the region where this law is effective and operate banking business, it shall be necessary to appoint a representative for each place of business or agency and apply for permits according to Article II.

When permits are obtained according to the above clause, such places of business or agencies shall be regarded as banks in the application of this law.

In giving the permit according to the first clause, the Minister of Finance may make necessary restrictions, or make special regulations

respecting the supervision of such banks receiving the permit, by his order.

Article XVII. Any one operating a banking business without a permit shall be fined not more than 5,000 yuan.

Article XVIII. In the following cases, banks (in case of corporate bodies, officials executing their affairs) shall be fined not more than 1,000 yuan :

1. When they violate Articles III to V, Article VIII, or IX.
2. When they neglect to submit reports to the Minister of Finance according to this law, or fail to give information on the designated items or make false presentations.
3. When they neglect to make reports or public announcements designated by this law, or make false reports or public announcements.
4. When they hide books or documents, make false statements, or obstruct or reject by other means examination when examinations are to be made according to this law.
5. When they disobey the orders given by the Minister of Finance according to this law.

When banks having their main offices outside the region where this law is effective commit acts that come under the above-mentioned items, the above stipulation shall be applied to the representative of the branches, agencies, or other places of business within the region where this law is in force.

Article XIX. Regulations respecting the enforcement of this law shall be determined by the Minister of Justice.

Appendix :

Article XX. This law shall become effective on the day it is promulgated.

Article XXI. Those who are engaged in the business stipulated in Article I at the time of the enforcement of this law shall obtain the permit of the Minister of Finance by the end of December, 1934.

The above clause shall be applied also to those engaged in business other than banking for which a permit is to be obtained according to Article III.

The application for the permit or sanction according to the above two clauses shall be made before the end of June, 1934.

Article XXII. Those who had already obtained the permit of the Minister of Finance before the enforcement of the present law and are actually engaged in banking business upon the enforcement of this law shall be regarded as having obtained the permit according to this law.

## CHAPTER XIX

### FOREIGN INVESTMENTS

**General Outline.**—Foreign investments in Manchoukuo total about ¥2,429,000,000, according to the report of the Economic Investigation Committee of the South Manchuria Railway Company issued in June, 1932. They are classified according to nationality as follows :

Table 1

#### INVESTMENTS BY FOREIGN COUNTRIES IN MANCHOUKUO\*

	(¥1,000)	Percentage
Japan .....	1,756,636	72.3%
U.S.S.R. ....	590,000	24.3%
Britain .....	33,360	1.4%
U.S.A. ....	26,400	1. %
France .....	21,086	1. %
Sweden and Denmark .....	1,217	.05%
<b>Total .....</b>	<b>2,428,699</b>	

As may be seen in the above table, Japan occupies the dominant position of controlling more than seventy per cent of the foreign investment in Manchoukuo. The bulk of Japanese investment is, furthermore, in South Manchuria, where she almost monopolizes the investment field. On the other hand, in North Manchuria Japanese investment is less than ten per cent of the total foreign investment. Out of the total foreign investment in North Manchuria, amounting to about ¥692,000,000, ¥590,000,000 or 85.26% is invested by the Soviet Union. Japan's contribution in North Manchuria is only ¥60,000,000 or 8.67% although she comes second after the Soviet Union. The remaining 6%, or ¥42,000,000, is invested by Great Britain, Poland, France, the United States of America, Germany, Denmark, Greece, Italy, and the Netherlands in the order mentioned.

\* The figures for Japanese and U.S.S.R. investments, British investments in transportation enterprises, and Swedish investments in industries are for 1932; the other figures are obtained from the report of the Investigation Office of the South Manchuria Railway Company made in 1928.

## Japanese Investments.

Outline. — Japanese investments in Manchoukuo reach more than ¥1,756,000,000 as shown, and are classified roughly as follows :

Table 2

## JAPANESE INVESTMENTS CLASSIFIED BY ENTERPRISES

	(¥1,000)	Percentage
Transportation .....	526,270	30. %
Agriculture, Mining, and Forestry .....	284,545	16.2%
Manufacturing .....	162,254	9.2%
Commerce .....	117,753	6.7%
Banking .....	204,339	11.6%
Others .....	461,475	26.3%
<b>Total .....</b>	<b>1,756,636</b>	

Investments in the Form of Loans. — The principal investments in the form of loans made by Japanese in Manchuria are as shown in Table 3. But besides these loans, there are also loans made by Japanese individuals or corporations to Chinese individuals or corporations in Manchuria, as well as to princes of Mongolia. These loans range in amount from several thousand yen to more than a million yen. Some of these loans, however, are kept secret, while details are unavailable for others. But Table 3 gives all important investments in the form of loans made by Japanese before 1931. Also, as may be clearly seen in the following table, there were, at least until the political change, many loans which had become dormant accounts, no payment having been made either of the capital amount or of interest. But because of the establishment of the new State of Manchoukuo, not a few such dormant loans may be revived.

Table 3  
JAPANESE INVESTMENTS IN THE FORM OF LOANS, JANUARY 1, 1931.

Name of Loan	Amount issued (¥1,000)	Balance outstanding (¥1,000)	Creditor	Security	Date of contract	Date of Final Redemption	Rate of Interest	Remarks
Kirin-Changchun Railway Loan .....	6,500	5,850	South Manchuria Railway Co.	Properties and Revenues of Railway	Oct., 1917	Oct., 1947	5%	Administration of the line is commissioned to S. M. R. Co., and the Co. receives 30% of the net revenue for these services
Ssuningkai - Taonan Railway Loan .....	32,000	44,400	"	"	June, 1925	May, 1926	9%	
Ssuningkai - Chengchiatun Railway Public Loan ..	1,200	1,142	"	"	May, 1916	April, 1956	5%	
Ssuningkai - Chengchiatun Railway Loan .....	5,000	4,780	Issued by Yokohama Specie Bank	"	Dec., 1915	May, 1956	5%	
Kirin-Kainei Railway advance .....	10,000	13,900	Japanese Government	Treasury Note of Chinese Government (¥10,000,000)	June, 1918		7.5%	One of the so-called Nishihara Loans
Four Manchurian Railway advance .....	20,000	28,500	"	Treasury Note of Chinese Government (¥20,000,000)	Sept., 1918		8%	"
Kirin - Tunhwa Railway Loan .....	9,158	10,807	South Manchuria Railway Co.	Properties and Revenues of Railway	Oct., 1927		9%	
Taonan-Angangki Railway Loan .....	1,044	1,120	"	"	June, 1928	June, 1931	9%	

Name of Loan	Amount issued (¥1,000)	Balance outstanding (¥1,000)	Creditor	Security	Date of Contract	Date of Final Redemption	Rate of Interest	Remarks
Taonan-Angangki Railway Arrears .....	16,317	16,317	"		Sept., 1924			Railway Construction
"	8	8	"		Feb., 1926			Rolling Stock rentals
"	51	51	"		Nov., 1927			Coal Sales
Ssuningkai - Taonan Railway Arrears .....	281	281	"		Dec., 1917			Rolling Stock rentals
Mukden-Hailung Railway Arrears .....	182	182	"				9%	
Kirin - Tunhwa Railway Arrears .....	10,767	10,767	"		Oct., 1925			Railway Construction
"	11	11	"		May, 1928			Rolling Stock rentals
Kirin - Tunhwa Railway Advance .....	2,788	2,788	"		Feb., 1926			Railway Construction
Peking - Mukden Railway Arrears .....	10	10	"					Rolling Stock repair
Tsitsihar - Angangki Railway Arrears .....	6	6	"		Jan., 1929			Railway Fares
<b>Total of Railway Loans†</b>		<b>140,920</b>						
Kirin and Heilungkiang Provinces Gold Mining and Forestry Loan .....	30,000	40,500	Japanese Government	Gold mines and state forestry of Kirin and Heilungkiang Provinces, and the revenues therefrom	Aug., 1918	Aug., 1928	7.5%	One of the so-called Nishihara Loans

† The Manchoukuo Government has arranged with the South Manchuria Railway Company for the adjustment and renewal of the railway loans. (See the Chapter on Transport and Communication)

Name of Loan	Amount issued (¥1,000)	Balance outstanding (¥1,000)	Creditor	Security	Date of Contract	Date of Final Redemption	Rate of Interest	Remarks
Ditto, 3rd Loan for interest payment .....	1,125	2,194			Jan., 1922	Jan., 1927	1.2% per month	
Ditto, 5th Loan for interest payment* .....	7,608	13,863			Aug., 1924	July, 1926	"	
Ditto, 6th Loan* .....	2,660	4,925			Jan., 1925	Jan., 1927	"	
Ditto, 7th Loan* .....	9,119	16,883			July, 1925	July, 1927	"	
Other Loans for Agriculture Forestry and Mining .....		16,000						
Loans for Electric and Gas Industry .....		1,200						
<b>Grand Total .....</b>		<b>236,485</b>						

The important loan investments made by Japanese since the establishment of Manchoukuo are the following two :

1. Central Bank of Manchou Loan : signed in May, 1932 ; amount, ¥20,000,000 ; creditors, the Mitsui and Mitsubishi firms of Japan ; interest, 5 per cent per annum ; for the capital of the Central Bank of Manchou ; term, to be left unredeemed for two years and to be redeemed in annual instalments in ten years thereafter.
2. National Foundation Bond : subscribed in Japan in December, 1932 ; amount, ¥30,000,000 ; interest, 5 per cent per annum ; issue amount, ¥96.50 ; term, to be left unredeemed for two years, and to be redeemed within five years thereafter by drawing.

**Direct Investments.**—The amount of Japanese direct investments in enterprises in Manchuria reached ¥1,340,000,000 in 1928 and ¥1,403,600,000 in 1930, comprising about 88% of the total Japanese investment. No detailed information is, however, available about the enterprises developed by these investments ; only the amount of capital allotted to the various branches of enterprise, is here given.

\* These loans include the loans for interest payment on the Telegraph Loan of the Sino-Japanese Exchange Bank.

Table 4  
CAPITAL OF JAPANESE COMPANIES IN KWANTUNG LEASED TERRITORY AND S.M.R. ZONE  
(Yen)

	1925	1926*	1927	1928	1929	1930	1931
<b>Agriculture:</b>							
No. of companies	24	30	28	28	32	31	31
Paid-up capital or invested amount	7,792,500	8,332,500	7,927,500	7,422,500	9,877,000	9,870,000	9,599,000
Proportion of whole (%)	(1.5)	(1.5)	(1.4)	(1.2)	(1.5)	(1.7)	(1.5)
<b>Marine Products:</b>							
No. of companies	8	7	7	7	6	6	6
Paid-up capital or invested amount	1,496,600	799,600	799,600	799,600	414,600	414,600	414,600
Proportion of whole (%)	(0.3)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
<b>Mining:</b>							
No. of companies	17	19	20	21	21	22	23
Paid-up capital or invested amount	8,324,300	13,475,150	13,732,634	13,960,701	13,398,964	14,949,664	15,054,205
Proportion of whole (%)	(1.6)	(2.4)	(2.3)	(2.3)	(2.1)	(2.6)	(2.4)
<b>Manufacture:</b>							
No. of companies	290	316	334	363	374	396	413
Paid-up capital or invested amount	71,441,132	97,043,632	96,675,132	98,665,750	99,377,200	94,329,300	95,597,500
Proportion of whole (%)	(13.5)	(17.3)	(16.5)	(16.4)	(15.5)	(16.5)	(15.2)
<b>Commerce:</b>							
No. of companies	459	509	552	566	606	640	682
Paid-up capital or invested amount	109,973,467	106,797,629	111,791,217	102,144,667	106,953,847	105,470,182	96,460,501
Proportion of whole (%)	(21.1)	(19.2)	(19.6)	(18.7)	(16.7)	(18.5)	(15.4)
<b>Transport:</b>							
No. of companies	80	80	77	79	83	84	86
Paid-up capital or invested amount	330,670,000	335,758,000	354,158,000	379,803,500	410,211,820	409,671,820	410,694,200
Proportion of whole (%)	(62.4)	(59.7)	(60.6)	(63.0)	(64.1)	(64.5)	(65.5)
<b>Total:</b>							
No. of companies	878	961	1,018	1,064	1,122	1,179	1,241
Paid-up capital or invested amount	529,697,999	562,206,511	585,084,083	602,796,718	640,233,431	634,705,566	627,820,006

\* At the end of 1926, the total paid-up capital was 562 million yen, but the amount of actual investments made by the companies reached 1,135 million yen or almost twice the total paid-up capital.

Of all these companies, the South Manchuria Railway Company is the largest. The direct investments of the South Manchuria Railway Company totalled ¥742,000,000 at the end of 1930, and ¥759,000,000 at the end of 1931.

Table 5  
CAPITAL OF SOUTH MANCHURIA RAILWAY CO.  
(March, 1933)  
(¥1,000)

	Nominal Capital	Paid-up Capital
Capital owned by Japanese Government	400,000	259,052
Capital owned by public	400,000	206,000
<b>Total</b>	<b>800,000</b>	<b>465,052</b>

The amount of capital was originally ¥200,000,000, but was increased to ¥440,000,000 in 1920, and again to ¥800,000,000 in 1933.

Table 6  
DEBENTURES OF SOUTH MANCHURIA RAILWAY CO.

Debentures issued abroad						
	Place of issue	Amount issued (£1,000)	Price of issue	Rate of Interest	Date of issue	Date of Final Redemption
I.	London	4,000	£97	5.0%	July, 1907	July, 1932
II.	"	2,000	£98	5.0%	June, 1908	June, 1911
III.	"	2,000	£97.5	5.0%	Dec., 1908	July, 1932
IV.	"	6,000	£98	4.5%	Jan., 1911	Jan., 1936
V.	"	4,000	£88	5.0%	July, 1923	July, 1948

#### Debentures issued in Japan.

Domestic loans in the form of debentures have been issued 26 times since the establishment of the company.

Total balance outstanding in March, 1932 was ¥277,000,000.

Table 7  
BUSINESS EXPENDITURES OF S.M.R. CO. & THEIR INDEX NUMBERS  
(1,000 Yen)

Year	Railway		Railway Workshops		Shipping & Harbours		Mining		Iron Works		Oil Mills			
	Total Amount	Index Number	Total Amount	Index Number	Total Amount	Index Number	Total Amount	Index Number	Total Amount	Index Number	Total Amount	Index Number		
1907	9,099*	100	631	100	523	100	665	100	—	—	—	—		
1913	72,262	794	6,065	961	15,859	3,030	12,247	1,841	—	—	—	—		
1918	106,165	1,167	8,102	1,284	29,197	5,579	77,137	11,600	9,348*	210	—	—		
1928	249,703	2,744	7,579	1,201	69,204	13,224	106,719	16,045	20,871	469	4,936	100		
1930	270,231	2,970	6,465	1,025	83,201	15,899	117,872	17,722	27,717	623	8,824	179		
1931	272,105	2,990	6,592	1,045	85,146	16,271	115,799	17,411	29,234	657	8,710	176		
Percentage in 1931	35.9%	0.9%	11.2%	15.3%	3.9%	1.1%								
Year	Manure Manufacture		Electric Works		Gas Works		Hotels		Civil and Cultural Expenditure		Miscellaneous		Total	
	Total Amount	Index Number	Total Amount	Index Number	Total Amount	Index Number	Total Amount	Index Number	Total Amount	Index Number	Total Amount	Index Number	Total Amount	Index Number
1907	—	—	125	100	—	—	203	100	902	100	1,901	100	14,049	100
1913	—	—	4,747	3,793	1,297	—	1,617	798	12,601	1,397	11,739	618	138,434	985
1918	—	—	6,282	5,020	2,040	—	2,137	1,054	24,189	2,683	22,761	1,198	287,358	2,045
1928	80	100	†	—	—	—	—	—	167,169	18,540	45,490	2,394	671,751	4,782
1930	51	64	—	—	—	—	—	—	176,272	19,549	51,436	2,706	742,069	5,353
1931	51	64	—	—	—	—	4,532	2,235	184,369	20,447	52,134	2,743	758,673	5,400
Percentage in 1931	—	—	0.6%	24.3%	0.6%	6.9%								

\* established in 1917. 100: 1917.

† became independent account in June, 1926.

° became independent account in April, 1925.

Table 8  
RECEIPTS & EXPENDITURE OF S.M.R. CO.  
(¥1,000)

	Receipts	Expenditure	Percentage ratio of Expenditure to Receipts	Profit
1926	215,615	181,457	84	34,158
1927	230,559	194,284	84	36,274
1928	240,428	197,875	82	42,553
1929	240,998	195,492	81	45,506
1930	188,104	166,431	88	21,673
1931	187,054	174,456	93	12,599

Table 9  
RECEIPTS & EXPENDITURE OF VARIOUS BUSINESSES  
BELONGING TO S.M.R. CO. IN 1930 AND 1931  
(¥1,000)

	Receipts		Expenditure		Net Surplus or Deficit	
	1930	1931	1930	1931	1930	1931
Railway	95,331	85,476	36,769	37,291	58,562	48,185
Hotels	—	1,303	—	1,340	—	97
Harbours	8,559	8,358	6,738	7,069	1,821	1,289
Mining	62,441	52,732	60,628	52,715	1,813	17
Oil mills	2,615	3,361	2,583	3,071	33	290
Iron works	6,641	7,709	7,308	10,689	-667	-2,980
Civil and Cultural expenditure	4,586	4,489	15,305	15,366	-10,719	-10,877
General expenditure	—	—	10,868	18,576	-10,868	-18,576
Interest	5,357	4,997	—	—	5,357	4,997
Interest on debentures	—	—	16,202	17,670	-16,202	-17,670
Other interest	—	—	7,661	7,752	-7,661	-7,752
Miscellaneous	2,573	2,630	2,368	1,319	205	1,311
Amount to make up Debenture issue-amount deficit	—	—	—	1,539	—	-1,539
Refund from Employees' retiring bonus fund	—	8,500	—	—	—	8,500
Refund from Special Reserve Fund	—	7,500	—	—	—	7,500
Total	188,104	187,054	166,431	174,397	21,673	12,599

As shown in Table 9, the net profit of railway operation of the South Manchuria Railway Company was about ¥48,000,000 even in 1931, the third year of the world economic depression, though in 1928 and 1929, the net profit exceeded ¥74,000,000. The net profit of its harbour and mining



enterprises is exceedingly small in comparison with the railway profit. The expenditure required for mining enterprises is nearly one and a half times the expenditure for railway operation, but the revenue is only 0.4% of the railway operation revenue. Viewed from these facts, the importance of the railway among the various activities of the Railway Company, and also in the field of Japanese investment in Manchuria, may be realized.

**Investments of Other Nationals.**—Detailed information respecting investments by other nationals is not available. The report compiled by the Research Office of the South Manchuria Railway Company for the Institute of Pacific Relations Conference of 1929 is comparatively complete, however.

With this report as the basis, and also duly considering the new investments made by Japan and the U.S.S.R., the redemption of the British loan on the Pei-ning Railway, the new investment of the Swedish Match Trust and others, the Economic Investigation Committee of the South Manchuria Railway Company made public the following table, which, however, has a note saying 'The figures for the Japanese investments are reliable on the whole, but respecting the investments of other nations, the figures lack exactness except in only a few cases.'

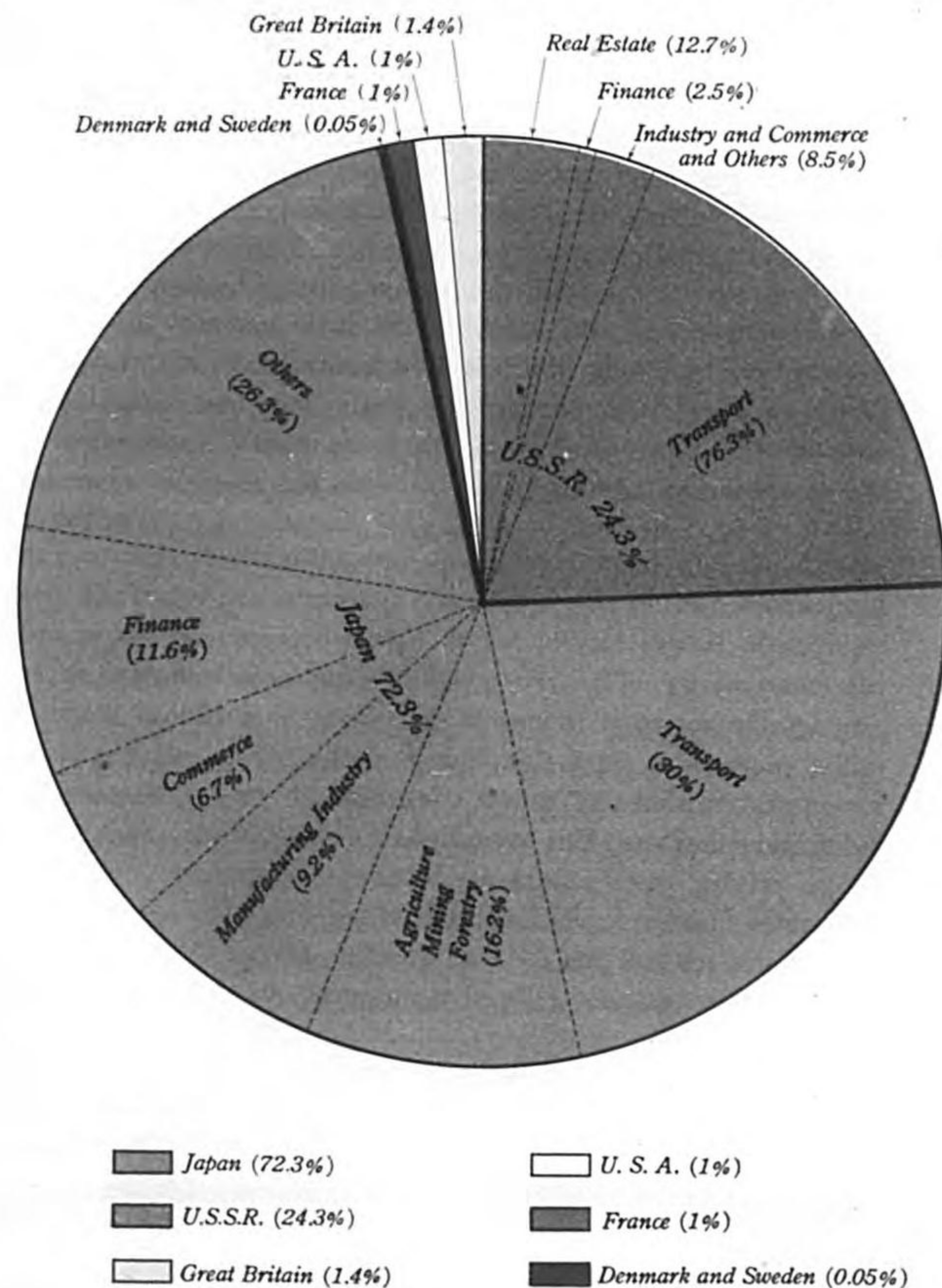
#### INVESTMENTS OF VARIOUS COUNTRIES

(in thousand gold yen)\*

	Transport	Agriculture	Mining and Forestry	Manufacturing	Commerce	Banking	Others	Total
Japan .....	526,270 (30.0)	284,545 (16.2)	162,254 (9.2)	117,753 (6.7)	204,339 (11.6)	461,475 (26.3)	(72.3)	1,756,636 (100)
U.S.S.R. ...	450,000 (76.3)		50,000 (8.5)		15,000 (2.5)	75,000 (12.7)	(24.3)	590,000 (100)
Great Britain	10,270 (30.8)	—	—	2,500 (7.5)	10,870 (32.6)	7,000 (21.0)	2,720 (8.15)	(1.4) 33,360 (100)
U.S.A. ....	—	—	—	2,500 (9.0)	10,700 (41.0)	8,500 (32.0)	4,700 (18.0)	(1.0) 26,400 (100)
France .....	14,276 (67.9)	—	250 (1.2)	5,000 (23.6)	60 (0.3)	—	1,500 (7.2)	(1.0) 21,086 (100)
Sweden and Denmark...	—	—	—	460 (38.0)	607 (50.0)	—	150 (12.0)	(0.05) 1,217 (100)
<b>Total .....</b>	<b>990,816</b> (41.0)		<b>647,499</b> (27.0)		<b>234,839</b> (9.6)	<b>545,536</b> (22.4)	(100)	<b>2,428,699</b> (100)

\* Investments other than Japanese having been made mostly before 1917, their totals are calculated at the exchange rates of: Rouble at Y1, Silver Yuan Y1, Gold Dollar ¥2, and Pound Sterling ¥10. The French transport investment consists of that in the Chinese Eastern Railway through the Russian Government.

#### FOREIGN INVESTMENTS IN MANCHOUKUO



About the condition of these individual foreign enterprises in Manchoukuo after the organization of the new State, detailed reports concerning those in the northern districts, with Harbin as the central point, cannot yet be made public. Respecting the enterprises in South Manchuria, the general research after the establishment of Manchoukuo is not yet available.

**Rise of Native Capital and Foreign Capital.**—The economic development of Manchuria up to the time of the Great War was effected almost entirely by means of foreign capital. Before railway construction was undertaken in Manchuria by Russian and British capital (refer to the Chapter on Transport and Communications), Manchuria was one of the most sparsely populated outlying territories of China.

Nobody can deny that what brought about such a phenomenal economic development in Manchuria, far more rapidly than in China proper, was foreign capital, and particularly the investment of Japanese capital focussed in the South Manchuria Railway (including also the effect of the maintenance of peace and order by Japan for the protection of her invested capital).

The economic development thus caused by foreign capital naturally stimulated the rise of native capital. The largest part of the native capital developed as the government capital or the private capital of military leaders who controlled the administrative power. The government was able to amass rapidly a large amount of capital by commanding a predominating position in the trade in Manchuria's staple produce, by utilizing the note-issuing banks. In Manchuria where the administrative power was so long monopolized by the Chang family and their followers, it became difficult to distinguish government capital from private capital of military leaders. The majority of the shares of government enterprises was openly possessed by the military clan. Thus, it is not strange that with the development of government capital, private capital of the military clan also increased.

While native capital was mostly active as commercial funds, roughly until the Great War, there was no open conflict between native capital and foreign capital. Railways almost entirely monopolized by foreign capital offered facilities for the trade in staple produce, mainly soya beans, by native capital. Furthermore, the greatest cause that made native capital and the military clan dependent on foreign capital, particularly Japanese capital, was the confronting of the Manchurian military clan with the administrative power in China proper. The Manchurian power

was able to prevent the extension of the political conflict in China proper into Manchuria, to maintain peace and order, and to firmly establish its financial foundation, by depending upon the Japanese influence.

This interdependent relation, however, was caused to break down by the desire of native capital to enter the fields of foreign investment stimulated by its own rapid growth after the Great War, and also because of the reconciliation effected between the Manchurian power and the administrative power in China proper, or the unification of North China and Manchuria by Chang Tso-lin, and the friendly relations under Chang Hsueh-liang with the Nanking Government.

Already during the régime of Chang Tso-lin, Manchuria carried out the construction of railway lines in violation of treaties concluded with Japan, but this attitude became more evident and open under Chang Hsueh-liang as proved by the planning of a new railway system and the attempt to recover the Chinese Eastern Railway, as already explained in the Chapter on Transport and Communications.

Even in the industries other than railways, the rivalry against foreign capital became quite evident. For instance, the match monopoly regulations put into effect in 1930, were nothing but a step to protect the match manufacturing industry operated by native capital against the Swedish Match Trust. Furthermore, the discriminating freight rates on foreign products carried by railways built and operated by Chinese capital, the abolition of the rebate at the Dairen Customs, the double taxation on the export of Fushun coal, the new mining regulations restricting the profit of foreign operators, and other measures were the outcome of the development of native capital and its resultant activity.

As this antagonism between native and foreign capital became manifest and was carried to its extreme under the pressure of the general economic depression, it came to infringe upon the treaty rights of the Japanese and the recent Manchurian incident was caused to break out.

**Establishment of Manchoukuo and Foreign Capital.**—The Government of Manchoukuo declared it would respect the rights and interests of foreigners in the 'Declaration of Independence issued' on March 1, 1932, as follows:

"4. The foreign policy of the new State shall be to seek and further promote cordial relations with foreign powers by winning their confidence and respect, and to observe strictly international conventions. Financial obligations incurred within the territory of Manchuria by treaty stipulations with various countries prior to the establishment of the new State

shall be met according to the usual international conventions. Foreign investments by any nation shall be welcomed for the furtherance of trade and the exploitation of natural resources, thus bringing the principles of the Open Door and Equal Opportunity and the like to a fuller realization."

The Foreign Minister, Mr. Hsieh Chieh-shih, of Manchoukuo, explained the above basic principle in the following seven articles given in his communication addressed to all foreign countries on March 12, 1932:

"As regards the relations with foreign nations it has been definitely decided that the diplomatic intercourse shall conform to the several principles hereinafter stated:

1. That the Government shall conduct the affairs of the State according to the primary principle of faith and confidence and the spirit of harmony and friendship, and pledge to maintain and promote international peace.
2. That the Government shall respect international justice in accordance with the international laws and conventions.
3. That the Government shall succeed to those liable obligations, due to the Republic of China by virtue of treaty stipulations with foreign countries, in the light of the international laws and conventions and that these obligations shall be faithfully discharged.
4. That the Government shall not infringe upon the acquired rights of the peoples of foreign countries within the limits of the State of Manchuria, and further that their persons and properties shall be given full protection.
5. That the Government welcome the entry of the peoples of foreign nations and their residence in Manchuria and that all races shall be accorded an equal and equitable treatment.
6. That trade and commerce with foreign countries shall be facilitated so as to contribute to the development of world economy.
7. That with regard to the economic activities of the peoples of foreign nations within the State of Manchuria the principle of the Open Door shall be observed."

Among the foreigners who are attempting to make new investments in Manchoukuo, the French are most numerous, excepting the Japanese. Mr. Andre D'Olivier, Director of the Association of Overseas French Economic Development, visited Manchoukuo in the autumn of 1933, and conducted various investigations on various subjects; the Manchoukuo Government accorded him various facilities for his investigations.

In March, 1934, a provisional agreement was signed between Mr. Andre d'Olivier and a representative of the South Manchuria Railway Company for the establishment of a Japanese-French company for investments in Manchoukuo. The company is reported to have a capital of ¥100,000, with its main office at Dairen. The president of the company will be recommended by the South Manchuria Railway Company and the Vice-President by the French capitalists. Investments will be made by the company mainly in city planning, water supply systems and civil engineering works, it is expected.

### REFERENCES

Tables 1, 2.—

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Table 3.—

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Table 4.—

Kwantung Government's "Statistical Year Book" for 1931, and 1932.

Tables 5-9.—

Business Returns of the S.M.R. Co. issued by the Company.

## CHAPTER XX

# LABOUR AND IMMIGRATION

### Labour

**Population by Occupation.**—The labouring class in Manchoukuo consists almost entirely of Manchurians. The number of workers of Japanese nationality—most of whom are Koreans—and of Russians is comparatively small. While this much is generally known, actual detailed information is not available concerning the number of Manchurian labourers and their various occupations; and detailed investigation is not yet practicable. The 'Northeastern Year Book' (in Chinese), 1931 edition, however, gives the results of investigations carried out in certain regions, which are reproduced below for reference:

Table 1  
POPULATION BY OCCUPATION\*

	Agriculture	Industry	Commerce	Education and Science	Military Service	Politics	Total
Fengtien ...	6,675,440	756,377	934,987	724,051	178,791	94,551	9,364,197
Kirin.....	2,447,100	1,160,539	257,389	389,055	86,574	39,038	4,379,695
Heilung-kiang ...	1,487,020	146,474	182,719	186,350	33,876	16,137	2,052,576
Jehol .....	1,270,256	105,414	132,246	45,331	37,936	14,872	1,606,055
<b>Total.....</b>	<b>11,879,816</b>	<b>2,168,804</b>	<b>1,507,341</b>	<b>1,344,787</b>	<b>337,177</b>	<b>164,598</b>	<b>17,402,523</b>
% .....	68.3%	12.5%	8.7%	7.7%	1.9%	0.9%	100%

It will be seen from the above table that of the 17,402,523 persons under investigation by the former Northeastern Provincial authorities, those engaged in agriculture reached 68.3%, in industrial works 12.5%, in commercial activities 8.7%, in educational and cultural work 7.7%, in military service 1.9%, and those connected with politics 0.9%; in other words, more than two-thirds of the total number of persons under investigation were engaged in agricultural work.

As it is impossible to find out in detail the occupational distribution of the population in Manchoukuo as a whole, the study must be confined to certain districts. On this account, in the present edition, the occupational distribution of the Japanese, Koreans, Manchurians and other foreigners based on investigation made in such districts as the Kwantung Leased Territory and the South Manchuria Railway Zone, and in Newchwang (or Yingkow), Liaoyang, Mukden, Tieling, Hsinking and Antung, where Japanese consulates are stationed, is given.

\* Result of an investigation made as to about one-half of the population in the four provinces.

Table 2  
POPULATION IN KWANTUNG LEASED TERRITORY, S.M.R. ZONE AND JAPANESE CONSULAR DISTRICTS, CLASSIFIED BY OCCUPATION

	Agriculture		Fishery	Mining	Manufacturing	Commerce	Transport	Public Administration & Professional Service		Other Industries & Services	Domestic Service	Non-Professional	Total	%
	Male	Female						Male	Female					
1926														
Japanese except Koreans	1,645	1,470	371	4,521	24,254	19,572	20,442	19,191	4,618	649	3,336	98,599	18.0%	
Manchurians	196,689	191,165	21,722	39,014	71,562	87,104	43,508	12,311	49,068	12,434	5,502	538,914	81.8%	
Other Nationals	9	5	—	50	257	389	98	146	192	25	24	1,190	0.2%	
Total	198,343	192,640	22,093	43,585	96,073	107,065	64,048	31,648	53,878	13,108	8,862	638,703	100.0%	
Percent	36.9%	36.9%	3.9%	4.9%	13.6%	14.5%	9.3%	5.7%	8.1%	1.6%	1.5%	100.0%		
1927														
Japanese except Koreans	1,212	1,106	416	4,241	22,908	18,642	21,205	20,398	3,083	532	3,267	95,904	16.7%	
Koreans	571	523	32	5	1,263	1,683	371	389	1,721	237	337	6,609	1.1%	
Manchurians	201,066	184,133	32,214	39,285	71,981	96,165	28,501	14,506	61,941	14,057	5,609	565,325	82.0%	
Other Nationals	2	2	—	24	178	451	111	162	245	11	22	1,206	0.2%	
Total	202,851	185,764	32,662	43,555	96,330	116,941	50,188	35,455	66,990	14,837	9,235	669,044	100.0%	
Percent	35.0%	35.0%	5.9%	4.8%	13.1%	15.0%	7.8%	6.1%	9.1%	1.7%	1.5%	100.0%		

	Agriculture		Fishery	Mining	Manufacturing	Commerce	Transport	Public Administration & Professional Service		Other Industries & Services	Domestic Service	Non-Professional	Total	%
	Male	Female						Male	Female					
1928														
Japanese except Koreans	1,359	1,164	487	4,531	22,471	19,181	24,134	20,471	3,005	540	3,427	99,606	16.6%	
Koreans	671	625	65	20	1,222	1,941	322	297	1,894	106	246	6,784	1.1%	
Manchurians	201,749	186,018	32,757	39,242	81,451	103,085	30,078	28,473	57,130	11,545	5,524	591,034	82.1%	
Other Nationals	4	3	—	15	235	519	165	184	68	42	36	1,268	0.2%	
Total	203,783	187,810	33,309	43,808	105,379	124,726	54,699	49,425	62,097	12,333	9,233	698,692	100.0%	
Percent	33.8%	33.8%	5.7%	4.7%	13.7%	15.5%	8.1%	7.3%	8.4%	1.4%	1.4%	100.0%		
1929														
Japanese except Koreans	1,477	1,302	515	4,598	23,067	19,124	25,792	22,046	4,076	465	3,860	105,020	16.6%	
Koreans	1,005	945	56	18	1,347	2,199	554	548	2,062	156	313	8,258	1.2%	
Manchurians	206,002	199,413	24,506	38,872	88,400	110,828	36,141	17,294	82,092	12,679	6,948	623,762	82.0%	
Other Nationals	5	3	2	26	237	548	217	206	41	63	69	1,414	0.2%	
Total	208,489	201,663	25,079	43,514	113,051	132,699	62,704	40,094	88,271	13,363	11,190	738,454	100.0%	
Percent	33.5%	33.5%	3.8%	4.4%	14.0%	15.3%	8.7%	6.3%	10.9%	1.5%	1.6%	100.0%		

1930	Agriculture		Fishery	Mining	Manufac- turing	Commerce	Transport	Public Admini- stration & Pro- fessional Service	Other Industries & Services	Domestic Service	Non-Pro- fessional	Total	%
	Male	Female											
Japanese ex- cept Koreans	1,512	1,269	479	3,369	25,014	20,884	27,378	23,951	3,829	685	4,387	111,488	16.7%
	1,093	949	115	10	1,312	2,617	587	535	2,542	130	399	9,340	
Koreans	211,101	203,823	26,306	35,295	100,736	119,645	37,692	19,909	82,209	14,453	7,222	654,568	81.7%
	203,823	193,713	22,461	6,632	40,489	40,561	22,248	13,378	41,474	3,875	6,041	400,982	
Other Na- tionals	7	5	—	26	235	501	176	202	106	53	76	1,382	0.2%
	—	—	—	3	172	423	150	189	89	43	47	1,121	
Total	213,713	206,046	26,900	38,700	127,297	143,647	65,833	44,597	88,686	15,321	12,084	776,778	100.0%
	206,046	193,713	22,970	9,744	62,315	64,175	46,144	39,320	48,579	5,411	9,729	514,433	
	32.5%	32.5%	3.9%	3.7%	14.7%	16.1%	8.7%	6.5%	10.6%	1.6%	1.7%	100.0%	
1931	Agriculture		Fishery	Mining	Manufac- turing	Commerce	Transport	Public Admini- stration & Pro- fessional Service	Other Industries & Services	Domestic Service	Non-Pro- fessional	Total	%
	Male	Female											
Japanese ex- cept Koreans	1,707	1,351	497	3,431	25,320	21,334	26,088	25,947	3,907	724	4,592	113,547	17.2%
	1,351	1,093	438	3,061	21,723	20,563	22,619	26,979	4,245	1,631	3,881	106,491	
Koreans	3,076	2,768	61	37	1,673	2,880	525	637	2,446	153	380	11,868	1.8%
	2,768	2,512	53	26	1,505	2,341	419	823	2,347	108	283	10,673	
Manchurians	213,873	209,484	27,003	25,015	93,336	107,937	35,932	20,426	81,010	15,805	7,022	627,359	80.8%
	209,484	193,713	20,197	5,784	39,516	40,638	20,920	12,800	43,435	4,155	6,196	403,125	
Other Na- tionals	6	5	—	20	143	459	149	220	65	42	66	1,170	0.2%
	—	—	—	3	128	366	120	168	56	66	40	952	
Total	218,662	213,608	27,561	28,503	120,472	132,610	62,694	47,230	87,428	16,724	12,060	753,944	100.0%
	213,608	193,713	20,688	8,874	62,872	63,908	44,078	40,770	50,083	5,960	10,400	521,241	
	33.9%	33.9%	3.8%	2.9%	14.4%	15.4%	8.4%	6.9%	10.8%	1.8%	1.7%	100.0%	

According to the foregoing table those engaged in agriculture reached 33.9% or about one-half of the percentage for all Manchoukuo, those in industrial work slightly increased, being 14.4%, those in commercial work nearly doubled, being 15.4%, and there are also those engaged in transportation work with 8.4%, while those connected with politics who reached only 0.9% for all Manchoukuo appeared under the classification of public administration and professional services as 6.9%. The table given before for all Manchoukuo does not cover the entire territory, showing only the classification of three-fifths to one-half of the total population, and although it is impossible to accept it as covering the entire country, it serves to prove that modern industries are developed more in districts where Japanese influence is comparatively strong than in other parts.

**Number of Factories and Workmen.**—As to the total number of factories in Manchoukuo no reliable investigation has yet been made.

It is extremely difficult to ascertain the number and condition of the factories in Manchoukuo, but the following summaries of the accounts given in the 'Northeastern Year Book,' 1931, serve to some extent:

1. Regarding the number of factories in Liaoning (Fengtien) Province an investigation was conducted by the Department of Agriculture and Commerce in 1917, but according to this report, the number was only 981, which seems too small. The 'Northeastern Year Book' states that the factories in Liaoning Province were 1,302 in 1929, according to the investigations made in only 15 hsiens.

2. Only a very incomplete investigation was made of the factories in Kirin Province, and only 128 factories are mentioned in the Year Book. The Year Book gives separately 69 factories for the North Manchuria Special District covering Harbin and vicinity, but this number appears too small.

3. In Heilungkiang Province a comparatively thorough investigation was made, and 1,187 factories are mentioned.

4. In Jehol Province there are no factories to speak of, and the Year Book mentions only a very few factories in Chaoyang (朝陽) and Chifeng (赤峰) hsiens. But it is worth noting that the 'Northeastern Year Book' writes of the Manchuria-Mongolia Development Company (滿蒙興業公司) as operated by Japanese capital though nominally of Manchou-Japanese joint capital.

The above-mentioned investigation of factories is vague. However, for the Kwantung Leased Territory, South Manchuria Railway Zone, and Japanese Consular Districts, the Kwantung Government has published detailed factory figures as shown in the Chapter on Industry. Here only the

numbers of factories and workers are presented, in the following table :

**Table 3**  
NUMBER OF FACTORIES AND WORKERS

	Number of Factories	Average No. of Workers Employed		Total
		Japanese	Manchurians	
1925 .....	653	3,888	24,378	28,266
1926 .....	655	4,875	26,165	31,040
1927 .....	717	4,129	28,731	32,860
1928 .....	748	3,988	28,804	32,792
1929 .....	789	4,251	32,931	37,182
1930 .....	847	4,298	32,357	36,654
1931 .....	828	2,923	27,011	29,934

**Workers by Nationality and Sex.**—It is impossible to ascertain the number of workers as classified by sex, but the classification of workers employed at 545 factories and at 21 mines in the Kwantung Leased Territory and the South Manchuria Railway Zone was as follows, according to the labour census taken by the Kwantung Government in 1931 :

**Table 4**  
NATIONALITY AND SEX OF WORKERS IN KWANTUNG LEASED  
TERRITORY AND S.M.R. ZONE (JUNE 1, 1931)\*

		Factories	Mines	Total	
Factories and Mines under investigation...		545	21	566	
Japanese	Japanese	Men .....	3,915	1,180	5,095
		Women .....	43	—	43
	Koreans	Men .....	465	22	487
		Women .....	292	—	292
Manchurians.....	Men .....	41,569	35,712	77,281	
	Women.....	3,657	—	3,657	
Foreigners .....	Men... ..	—	21	21	
	Women.....	—	—	—	
Total.....	Men .....	45,949	36,935	82,884	
	Women.....	3,992	—	3,992	
<b>Grand Total .....</b>		<b>49,941</b>	<b>36,935</b>	<b>86,876</b>	

From the foregoing table and also the table of the population classified by occupation, it will be seen that even in districts where the Japanese influence is comparatively strongly felt, most of the labour is Manchurian. Particularly in agricultural, mining, and industrial work, this tendency is

\* (1) Figures given in this table are the result of actual investigation made on June 1, 1931.

(2) Factories included in the table are those employing more than fifteen workers at the time of investigation, those having less than fifteen workers being excluded.

(3) Mines mentioned in the table are those employing more than thirty workers at the time of investigation, those having less than thirty workers being excluded.

(4) Workers given in the above table are those who were actually engaged in work at factories or mines at the time of investigation; and consequently errand-boys, servants, cleaners and others employed at the offices of factories and mines are not included.

marked, and although the percentage of Japanese workers in commercial, transportation, professional, administrative, and domestic work, requiring comparatively advanced knowledge is slightly the larger, Manchurian workers comprise, in absolute number, two-thirds of the total.

Manchurians cooperate with people of other nations, particularly with Japanese, in industries which require advanced knowledge and technique. But that is a question of degree, and as many of the Manchurians have gained experience and skill in recent years, the number of those possessing experience, knowledge, and technique is greatly increasing. Some of such Manchurians are able to replace Japanese workmen. In such conditions the future of Japanese workers in Manchoukuo cannot be regarded as promising.

At present, moreover, the Manchurians are certainly superior as regards manual labour, because of their ability to do strenuous work on very simple fare, and their low wages rendered possible by this cheapness of living, and their docility in accepting longer working hours, make Manchurian labour the most satisfactory and profitable in the world.

The following comparison of the working hours of Japanese and Manchurian factory workers is made possible by an investigation conducted by the South Manchuria Railway Company.

Table 5  
WORKING HOURS OF JAPANESE AND MANCHURIAN  
FACTORY WORKERS

	Manchurian	Japanese
Weaving & Dyeing factories .....	13 hours 40 minutes	10 hours 53 minutes
Machinery & Tool factories .....	10 " 45 "	9 " 35 "
Chemical factories .....	10 " 48 "	10 " 27 "
Foodstuff factories .....	11 " 40 "	9 " 48 "
Miscellaneous factories.....	13 " — "	10 " 10 "
Special factories .....	— —	9 " 10 "
Total Average .....	11 hours 28 minutes	9 hours 58 minutes

Thus the Manchurians work on the average an hour and a half longer than the Japanese, but on the other hand, the efficiency of the Manchurians is computed at about 60 or 70 per cent of that of Japanese workers. But then again, the wages of Manchurian labourers are extremely low, which more than compensates for their inefficiency.

**Wages.**—There is no detailed information available respecting the wages of workmen of Manchoukuo as a whole.

Here are given the results of investigations made by the Kwantung Government in the Kwantung Leased Territory and the South Manchuria Railway Zone.



Above, Port Arthur Engineering College.  
Under, Japanese Primary School at Harbin.



Table 6  
WAGES OF JAPANESE AND MANCHURIAN WORKERS\* (in Japanese Yen)

	Dairen				Mukden				Antung				Hsinking			
	1931	1930	1929	1928	1931	1930	1929	1928	1931	1930	1929	1928	1931	1930	1929	1928
<b>Japanese</b>	3.42	3.50	4.00	3.60	3.09	3.60	3.35	3.85	2.97	—	3.20	3.05	2.96	3.25	3.75	3.85
Carpenter	3.17	3.50	4.50	3.90	3.47	3.50	—	3.25	3.24	—	3.65	3.50	3.10	3.30	5.00	5.80
Plasterer	3.52	3.50	3.90	3.80	3.30	3.50	3.35	3.85	—	—	4.15	3.90	3.78	—	4.00	4.10
Mason	3.17	3.50	3.50	3.25	3.24	3.50	3.15	3.60	—	—	3.60	3.45	2.99	3.70	3.50	3.65
Bricklayer	—	3.50	3.30	3.25	2.85	3.00	2.70	3.20	—	—	3.60	3.50	2.99	3.30	3.50	3.65
Tile-layer	—	—	3.20	3.00	—	—	2.70	3.70	—	—	2.25	3.25	—	—	3.50	3.95
Mat-maker	2.61	3.00	3.30	2.90	—	—	3.00	3.40	2.40	2.80	2.75	2.60	—	—	3.50	3.65
Painter	2.63	3.00	3.50	3.50	2.35	2.40	3.55	3.80	—	—	2.70	2.70	—	—	3.50	3.65
Blacksmith	3.00	3.00	3.75	2.85	—	—	3.00	3.45	—	—	3.50	3.30	—	—	3.50	3.65
Tinsmith	3.00	3.10	3.00	3.10	2.92	3.07	2.50	2.55	—	—	1.75	1.75	—	—	2.50	2.55
Type-setter	3.61	3.70	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Bookbinder	3.74	3.96	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Glass maker	3.19	3.39	3.60	3.32	3.03	3.22	3.03	3.47	2.87	3.15	3.12	3.10	2.96	3.39	3.63	3.85
Average	—	1.10	1.40	1.25	—	0.85	1.20	1.55	0.89	0.85	1.60	1.50	0.69	0.90	1.05	1.20
<b>Manchurians</b>	1.04	1.20	1.80	1.45	—	1.00	—	1.40	1.20	0.53	0.85	1.75	0.71	0.90	1.35	1.70
Carpenter	1.34	1.20	1.80	1.60	0.78	1.00	1.20	1.30	—	—	1.85	1.75	0.67	0.85	1.15	1.25
Plasterer	0.98	0.90	1.30	1.25	—	0.85	1.15	1.20	—	—	1.60	1.50	0.66	0.85	1.15	1.25
Mason	—	1.10	1.30	1.30	—	1.00	1.00	1.05	—	—	1.90	1.75	0.61	0.80	1.50	1.70
Bricklayer	0.79	—	1.40	1.30	—	—	1.10	1.20	—	—	1.25	1.15	—	—	1.05	1.20
Tile-layer	0.84	0.95	1.40	1.20	0.92	1.00	1.30	1.65	—	—	1.50	1.50	—	—	1.05	1.20
Wood-sawer	0.75	0.90	1.30	1.35	0.93	1.20	1.00	1.10	0.76	0.85	1.12	1.10	0.84	1.00	1.25	1.30
Cabinet-maker	0.72	0.80	1.90	1.25	—	1.10	1.40	1.40	1.02	0.54	1.60	1.60	0.90	0.90	1.25	1.30
Painter	0.90	0.91	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Blacksmith	0.83	0.90	1.50	1.35	0.99	1.15	1.00	1.20	—	—	1.85	1.70	—	—	1.25	1.30
Metal-caster	1.43	1.40	1.60	1.60	1.39	1.50	1.10	1.25	—	—	1.05	1.05	—	—	1.50	1.50
Tinsmith	1.45	1.60	1.40	1.35	0.98	1.22	1.05	1.10	0.89	0.95	1.25	1.25	0.85	1.00	1.08	1.10
Shoemaker	0.82	0.82	—	—	0.89	1.25	—	—	1.03	1.10	—	—	0.85	1.00	1.08	1.10
Type-setter	0.43	0.45	—	—	—	—	—	—	—	—	—	—	0.85	1.00	1.08	1.10
Bookbinder	0.44	0.37	—	—	—	—	—	—	—	—	—	—	0.85	1.00	1.08	1.10
Cement maker	0.44	0.37	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Glass maker	0.16	0.19	0.55	0.50	0.30	0.30	0.50	0.50	—	—	0.60	0.65	0.30	0.45	0.55	0.60
Coolies	0.86	0.92	1.43	1.29	0.90	1.03	1.08	1.22	0.90	0.86	1.47	1.41	0.70	0.87	1.19	1.30
Average	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

\* The wages given in the table are per-day amounts, and the average for the whole year is given for each year.

The ratio of the wages of Manchurian workers to Japanese workers' changes according to the silver market price fluctuations, different conditions of supply and demand, kind of enterprise, quality of workers, the time of investigation and other conditions. Generally speaking, however, the wages of Manchurian workers are one-third to one-fourth of the wages of Japanese workers, though there may be some exceptional cases. The following Table 7 digested from Table 6 clearly proves the above-mentioned ratio.

Table 7  
COMPARISON OF AVERAGE WAGES OF JAPANESE AND MANCHURIAN WORKERS  
(in Japanese Yen)

		Japanese		Manchurians' Wage to Japanese (100)
		Japanese	Manchurians	
Dairen	1928	3.32	1.29	39
	1929	3.60	1.43	40
	1930	3.39	0.92	27
	1931	3.19	0.86	27
Antung	1928	3.10	1.41	45
	1929	3.12	1.47	47
	1930	3.15	0.86	27
	1931	2.87	0.90	31
Mukden	1928	3.47	1.22	35
	1929	3.03	1.08	36
	1930	3.22	1.03	32
	1931	3.03	0.90	30
Hsinking	1928	3.85	1.30	34
	1929	3.63	1.19	33
	1930	3.39	0.87	26
	1931	2.96	0.70	24

Cost of Living.—The cost of living of Manchurian workers is extremely low. The following table shows the result of an investigation made by the Fuchanghuakung Company (福昌華工會社) of Dairen in January, 1933, of the living cost of Dairen wharf cargo working coolies housed in the common dormitory operated by the company for unmarried Manchurian workers. As they are living in the common dormitory, their living cost is given under the two separate items of commonly paid expenses and individually paid expenses.

Table 8

DAIREN WHARF CARGO-WORKERS' LIVING EXPENSES†  
(in Hsiaoyang silver)

## (1) One Person's Living Expenses

Item	One Year	One Month	One Day	Percentage
Common Expense.....	124.830	10.403	0.342	54.8%
Individual Expense.....	103.005	8.584	0.282	45.2%
<b>Total</b> .....	<b>227.835</b>	<b>18.987</b>	<b>0.624</b>	<b>100.0%</b>

## (2) Particulars of One Person's Per Day Living Expense

Item	Hsiaoyang Silver	Percentage
Commonly Paid Expense*		
(1) Main food.....	0.282	45.2%
(2) Auxiliary food.....		
(3) Flavourings and delicacies.....		
(4) Miscellaneous .....	0.049	7.8%
(5) Housing expense .....	0.011	1.8%
Individually Paid Expense**		
(1) Clothing .....	0.070	11.2%
(2) Furnishings .....	0.065	10.4%
(3) Sanitary expense .....	0.010	1.6%
(4) Pleasure and recreation .....	0.129	20.7%
(5) Miscellaneous .....	0.008	1.3%
<b>Total</b> .....	<b>0.624</b>	<b>100.0%</b>

†In this table, the commonly paid expense is calculated on the basis of the monthly expense of 24,336 persons housed in the dormitory in January, 1933. The individually paid expense is calculated from the money actually paid in one year by 140 persons whose individual expenditure were examined.

## \*Under Commonly Paid Expense:

1. Main food—wheat flour, rice, maize, kaoliang, etc.
2. Auxiliary food—noodles, bean curd, salted vegetables, fresh vegetables, onions, pork, fish, etc.
3. Flavourings and delicacies—salt, bean oil, flavouring oil, sauce, vinegar, tea, etc.
4. Miscellaneous—cooks' wages, clerks' wages, coal, water, electric light, tableware, furniture, stationery, etc.
5. House expense—rent.

## \*\*Under Individually Paid Expense:

2. Furnishings—40% of the entire amount is spent for shoes.
3. Sanitary expense—hair-cutting, soap, towels, tooth-brush, tooth-powder, medicine.
4. Pleasure and recreation—liquor and tobacco take up 60% of the total amount.
5. Miscellaneous—transportation, communication, clothing repairing expenses, etc.

As shown in the above table, the daily living cost of the Dairen wharf cargo-working coolies is about 0.624 yuan Hsiaoyang silver (about 0.520 yuan Tayang silver), although there are some differences according to season. But in the above table the commonly paid expense is set at 0.342 yuan Hsiaoyang silver per person per day, and the housing expenses are estimated at so small a figure as 1.8 per cent, but daily from these coolies only 0.245 yuan Hsiaoyang silver is collected as the commonly paid expense per person, and if that amount is insufficient to cover their daily food, the difference is supplied by the company and the house rent is made free. Therefore, the actual amount paid by the coolies is this sum of 0.245 yuan Hsiaoyang silver and 0.282 yuan Hsiaoyang silver of the individually paid expense or a total of 0.527 yuan Hsiaoyang silver.

According to the nature of their work, the living costs of Manchurian workers slightly differ, but the living expense of ship cargo-workers, coal loaders, and others is not much different from what is given in the above table.

Next, the living cost of Manchurian coal mine workers, and workers in some factories, is given in the following tables.

Table 9

## LIVING EXPENSE OF MANCHURIAN COAL MINE WORKERS\*

(Investigated in September, 1932)

Item	Employees (single)		Employees (married)		Regular Workers (single)		Regular Workers (married)		Regular Coolies (single)		Regular Coolies (married)	
	S. ¥	%	S. ¥	%	S. ¥	%	S. ¥	%	S. ¥	%	S. ¥	%
Main Food												
Kaoliang .....	.700		19.600		1.700		27.200		3.730		18.800	
Maize .....	2.871		6.468		4.521		9.009		5.775		18.612	
Wheat flour .....	37.856		46.592		33.488		23.296		31.304		36.400	
Rice .....	12.420		14.850		6.480		5.130		4.050		5.130	
Millet .....	1.920		15.040		2.400		6.080		.800		8.640	
Beans .....			.300				1.050				.450	
Peas .....			.680				.340				.340	
<b>Total</b> .....	<b>55.767</b>	<b>40</b>	<b>103.530</b>	<b>41</b>	<b>48.589</b>	<b>40</b>	<b>72.105</b>	<b>40</b>	<b>45.659</b>	<b>40</b>	<b>88.372</b>	<b>45</b>
Auxiliary Food												
Meat.....	9.720		15.864		8.952		9.696		6.144		9.816	
Vegetables .....	13.143		31.140		12.900		20.686		11.370		16.420	
Bean oil .....	2.850		7.030		3.420		6.327		3.286		5.909	

- \*1. In making this investigation, four or five workers were selected from each pit of various collieries with different working conditions, and information was obtained from 44 workers thus selected.
2. The living expenses mentioned in the table are for one year, and figures are all given in Tayang-piao (Silver yuan).
3. This investigation was made of workers whose salary or wage were not much different from the average salary or wage for those employed in the respective fields.
4. Among the articles forming main food, Mantou or other prepared foods are calculated on the cost of their raw materials, on account of convenience in calculating the living expense index.

## LABOUR AND IMMIGRATION

Item	Employees (single)		Employees (married)		Regular Workers (single)		Regular Workers (married)		Regular Coolies (single)		Regular Coolies (married)	
	S. ¥	%	S. ¥	%	S. ¥	%	S. ¥	%	S. ¥	%	S. ¥	%
Delicacies												
Salt .....	.888		2.712		.920		2.752		.936		1.720	
Others .....	3.609		4.889		2.440		3.628		2.190		3.349	
<b>Total</b> .....	<b>30.210</b>	<b>22</b>	<b>61.635</b>	<b>25</b>	<b>28.632</b>	<b>24</b>	<b>43.089</b>	<b>23</b>	<b>23.926</b>	<b>21</b>	<b>37.214</b>	<b>19</b>
Housing												
Liquor .....	4.474		5.124		4.760		1.792		5.922		2.996	
Tobacco .....	11.086		11.289		12.332		7.542		11.980		11.115	
Others .....	5.414		.373		1.236		1.030		1.790		1.695	
<b>Total</b> .....	<b>20.974</b>	<b>15</b>	<b>16.786</b>	<b>7</b>	<b>18.328</b>	<b>6</b>	<b>10.364</b>	<b>6</b>	<b>19.692</b>	<b>17</b>	<b>15.806</b>	<b>8</b>
Housing												
Rent.....	4.969		34.903		6.120		30.622		4.397		25.955	
Others .....	.755		3.478		1.036		1.656		1.698		2.850	
<b>Total</b> .....	<b>5.724</b>	<b>4</b>	<b>38.381</b>	<b>15</b>	<b>7.156</b>	<b>6</b>	<b>32.278</b>	<b>18</b>	<b>6.095</b>	<b>6</b>	<b>28.805</b>	<b>15</b>
Clothing												
Clothes .....	17.461		24.901		12.295		18.253		11.720		17.048	
Soled socks .....	3.870		1.896		2.340		1.350		3.240		2.790	
Shoes .....	2.380		2.660		2.380		2.100		1.960		3.150	
Others .....	1.086		.988		.995		1.211		1.220		1.071	
<b>Total</b> .....	<b>24.797</b>	<b>19</b>	<b>30.445</b>	<b>12</b>	<b>18.010</b>	<b>15</b>	<b>22.914</b>	<b>13</b>	<b>18.140</b>	<b>16</b>	<b>24.059</b>	<b>13</b>
<b>Grand Total</b> .....	<b>137.472</b>	<b>100</b>	<b>250.777</b>	<b>100</b>	<b>120.716</b>	<b>100</b>	<b>180.750</b>	<b>100</b>	<b>113.512</b>	<b>100</b>	<b>194.256</b>	<b>100</b>
Salary or Wage .....	S.P.C. .763		S.P.C. .792		S.P.C. .532		S.P.C. .678		S.P.C. .720		S.P.C. .720	
Total Persons in One Family .....	1 person		4.2 persons		1 person		4.2 persons		1 person		4 persons	

The percentage of the expense of food, the direct living requirement, of the total consumption cost becomes the standard to judge the level of the living condition. According to the above table, Manchurian workers are spending 61 to 64 % of their entire consumption amount for their scanty food, and housing and clothing expenses take up 21 to 31 per cent, while what is left for amusement, recreation, pleasure or culture is only 6 to 17 per cent, though unmarried workers spend comparatively more for those purposes.

Table 10

MONTHLY LIVING EXPENSE OF MANCHURIAN WORKERS  
EMPLOYED AT SPINNING MILLS

(in Silver Yuan)

	Unmarried	Percentage	Married (2 in family)	Percentage	Married (3 in family)	Percentage
House Rent .....	—	—	0.75	6.1%	0.75	5.4%
Food .....	3.30	48.5%	5.50	44.9%	6.00	43.6%
Clothing .....	2.00	29.4%	3.00	24.5%	3.50	25.5%
Others .....	1.50	22.1%	3.00	24.5%	3.50	25.5%
<b>Total .....</b>	<b>6.80</b>	<b>100.0%</b>	<b>12.25</b>	<b>100.0%</b>	<b>13.75</b>	<b>100.0%</b>

Table 11

MONTHLY LIVING EXPENSE OF MANCHURIAN WORKERS  
EMPLOYED AT TOBACCO FACTORIES

(in Silver Yuan)

	Unmarried	Percentage	Married (2 in family)	Percentage	Married (3 in family)	Percentage
House rent .....	2.60	22.0%	3.90	22.3%	3.90	19.0%
Food .....	5.70	48.3%	8.90	50.9%	10.70	52.2%
Clothing .....	2.50	21.2%	3.20	18.3%	3.90	19.0%
Others .....	1.00	8.5%	1.50	8.5%	2.00	9.8%
<b>Total .....</b>	<b>11.80</b>	<b>100.0%</b>	<b>17.50</b>	<b>100.0%</b>	<b>20.50</b>	<b>100.0%</b>

The cost of living of the Manchurian farmers is to be particularly noted. The right of Japanese subjects to lease land in Manchuria was recognized by the Sino-Japanese Treaty signed on May 25, 1915. According to this treaty, Japanese subjects were permitted to lease land unconditionally for thirty years and given the privilege of renewing such leases upon their expiration. Also the right of Japanese people to engage in agricultural enterprises and allied industries under Sino-Japanese joint management in Eastern Inner Mongolia was recognized by the treaty. But this agreement was never carried out satisfactorily from the standpoint of the Japa-

nese. Some of the oppressive measures taken by the Chinese authorities after the signing of the treaty to practically nullify the agreement on land leases are described in the Chapter on Agriculture. With the birth of Manchoukuo, conditions have changed and Japanese subjects have come to be able to freely utilize the land in Manchuria. But the difference in the cost of living between Japanese farmers and Manchurian farmers still constitutes a great obstacle, and unless thorough study of methods of management as well as means of procuring capital is made, it will be extremely difficult for the Japanese to extend their activities to agriculture in Manchoukuo.

The cost of living of Manchurian farmers is as follows :

Table 12

LIVING EXPENSE OF MANCHURIAN FARM WORKERS\*

(in Hsiao-yang Silver)

Primary Living Expense :	Per Household Per Year	Percentage of Total Living Expense
1. Housing .....	9.20	0.5%
2. Food : Main Food .....	101.30	56.0%
Auxiliary Food .....	19.50	11.0%
3. Clothing .....	20.20	11.0%
4. Lighting and Heating .....	20.50	11.0%
5. Utensils .....	0.30	0.2%
<b>Total .....</b>	<b>171.00</b>	<b>94.1%</b>
Secondary Living Expense :		
1. Cultural .....	—	—
2. Educational .....	0.80	0.4%
3. Social .....	3.20	1.8%
4. Luxuries .....	4.30	2.4%
5. Amusements .....	0.80	0.4%
6. Health and Sanitation .....	0.30	0.2%
7. Festivals and Ceremonies .....	1.70	0.9%
8. Household Workers .....	—	—
9. Miscellaneous .....	0.80	0.4%
<b>Total .....</b>	<b>10.80</b>	<b>5.9%</b>
<b>Grand Total .....</b>	<b>181.80</b>	<b>100.0%</b>

\* (1) The above table is the result of the investigation made by the Pulantien (普蘭店) Civil Administration Office, Kwantung Leased Territory, in July, 1931, of five households of farm workers in the territory under its jurisdiction.

(2) The items of expense mentioned in the table include expenditures actually paid in silver and also those paid in goods.

(3) Farm workers mentioned in the table are pure farm labourers or farm day-workers, who are not owner-farmers, tenant farmers, or owner-tenant farmers.

The above table shows the living expense of Manchurian farm labourers in the Kwantung Leased Territory, and it may be seen that the average expense for one household for one year is 181.80 yuan Hsiaoyang silver. Food expense takes up 67% of the total living cost, while the housing expense is only 0.5% and various cultural expenses total only 5.9%.

**Trade Unions and Strikes.**—In Manchoukuo there is so far hardly any firmly organized trade union that deserves special mention, because the workers have little knowledge of how to organize themselves.

Labour organizations, such as the Kungso (公所), Hui (會), Pang (幫), and others have been formed from old times by labourers engaged in the same occupation or by those coming from the same native district, for the protection of their mutual interests. The number of such organizations was never large, but with the development and success of the Nationalist revolutionary movement, Kungjenhui (工人會) or modern trade unions began to spread. The leaders were radicals—among whom there were many students and some who had even received communist training.

At the end of 1923, some of the Manchurians employed at the Shahokou (沙河口) Workshops of the South Manchuria Railway Company formed the Talién Chunghua Kunghsuehwei (大連中華工學會) as a mutual aid association and also for conducting a night school. In the following year, its organization was greatly enlarged and strengthened, and its influence was extended to the Manchurian workers of the Manchuria Dock Company, Dairen Machinery Works, Onoda Cement Company, Fukushima Spinning Company, Dairen Ceramic Company, Dairen Electric Company, and other factories. It despatched delegates to the Second Conference of the National Railway Workers' Union (全國鐵路總工會) held at Chengchow (鄭州), Honan, in February, 1925. The Union directed the strike at the Shahokou Workshops in June, 1925, as well as at the Dairen Machinery Works in December, and towards the end of the year attempted to enroll all the Manchurian workers in Dairen. It also directed the strike at the Fukushima Spinning Company for three months beginning April, 1926. It was finally dissolved in August, 1926, by the Japanese authorities.

On the other hand, the Dairen Local Committee of Communists was organized in July, 1926, according to instructions from the Communist Party of China, and its membership reached 200 in September, 1926, and 500 in May, 1927. The communist influence was extended to various factories in May, 1927, and the workers of the Mukden Hemp Spinning and Weaving Company were incited to strike. At the end of July, 1927,

the Kwantung Government arrested 54 communists, and the communist movement subsided temporarily. But although there was no communist movement during 1928, it was again commenced in 1929, first at Fushun and then at Mukden. As a communist riot was started at Chientao in May, 1930, by cooperating with Korean communist organizations, the precautionary measures taken by the Japanese authorities became extremely strict. In February, 1929, the Yuwukunghui (郵務工會) or Postal Workers' Union was formed at Harbin by 400 postal service workers, in March a similar organization was established at Changchun (Hsinking) by 300 postal service workers, and another at Mukden by 300 workers. All these were ordered by the Three Eastern Provinces' authorities to dissolve; but in March, 1929, several unions of the Peiping-Mukden Railway workers amalgamated and formed the Pingfeng Tiehlu Kunghui (平奉鐵路工會) with 5,000 members, which continued activities until the outbreak of the Manchurian incident in the autumn of 1931.

Organizations recognized as trade unions and their members as at the end of 1931 were as follow:

Name	Members
<b>Dairen:</b>	
Dairen Construction Workers Union .....	about 550 Japanese and Manchurians
Dairen Tramway Manchurian Young Men's Union...	400 Manchurians
Electric Tramway Workers Union .....	110 Japanese
Kwantung Mat-makers Union .....	800 Japanese and Manchurians
Kwantung Fishery Seamen's Association .....	370 Japanese
Dairen Marine Workers Union .....	120 Koreans
Japan Seamen's Union Branch .....	Japanese (number variable)
<b>Anshan:</b>	
Anshan Workers Union .....	40 Japanese
<b>Mukden:</b>	
Mukden Postal Service Workers Club .....	— Manchurians
Labour and Agricultural Union Branch .....	50 Russians
<b>Chengchiatun:</b>	
Ssutaio Railway Workers Union .....	200 Manchurians
Continental Workers Union .....	70 Japanese and Koreans
<b>Changchun (Hsinking):</b>	
Kihei Postal Service Workers Union Changchun Branch .....	— Manchurians
<b>Harbin:</b>	
Kihei Postal Service Workers Union.....	— Manchurians
<b>Antung:</b>	
Antung Workers Mutual Aid Society.....	800 Koreans

Table 13

## STRIKES AND PARTICIPANTS IN KWANTUNG LEASED TERRITORY AND S.M.R. ZONE

	Number of Strikes	Participants		
		Japanese	Manchurian	Total
1916	5	70	1,220	1,290
1917	5	40	979	1,019
1918	20	1,064	4,911	5,975
1919	55	1,282	10,054	11,336
1920	18	1,634	1,995	3,629
1921	7	37	922	959
1922	25	18	4,003	4,021
1923	27	46	4,131	4,177
1924	29	126	5,130	5,256
1925	61	—	8,889	8,889
1926	60	44	11,541	11,585
1927	43	40	12,789	12,829
1928	51	55	9,097	9,512
1929	37	20	6,515	6,535
1930	33	—	—	2,296
1931	20	—	—	3,021

Table 14

## CAUSES AND RESULTS OF STRIKES

	No. of Strikes	Causes					Results			
		Demand for wage increase	Objection to wage cut	Demand for better treatment	Expulsion of officials	Others	Demand accepted	Demand rejected	Com-promise	Died out
1916...	5	2	—	—	—	3	—	5	—	—
1917...	5	4	—	—	—	1	3	1	1	—
1918...	20	16	—	3	1	—	3	9	8	—
1919...	55	43	1	4	2	5	10	28	17	—
1920...	18	12	1	—	3	2	2	8	7	1
1921...	7	1	—	4	1	1	1	3	3	—
1922...	25	8	2	4	5	6	5	12	8	—
1923...	27	10	4	8	1	4	1	14	10	2
1924...	29	13	—	6	—	10	4	14	11	—
1925...	61	35	1	4	4	17	9	23	20	9
1926...	60	41	2	4	1	12	11	12	30	7
1927...	43	22	4	3	4	10	16	14	12	1
1928...	51	24	5	2	3	17	14	20	17	—
1929...	37	15	—	5	3	14	9	11	15	2
1930...	33	9	7	4	2	11	7	12	13	1
1931...	20	5	4	—	2	9	4	6	9	1

**Coolies.**—Among the labourers working in Manchoukuo, the most characteristic are the coolies or seasonal labourers. They come for the working season to Manchoukuo from Shantung, Hopei, Chiangsu and other provinces of China; those coming by sea land at Dairen, Yingkow or Antung, travelling via Tsingtao, Chefoo and Tientsin; and those coming by land routes take the Fengshan railway to Mukden or Huangkutung (皇姑屯), or enter Manchoukuo on foot, coming along the Fengshan line.

They begin to leave their homes in February, after finishing the New Year celebration (according to the old calendar), and their movement reaches its greatest volume in March; by April or May they generally reach Manchoukuo and start work. About November most of them leave, so that by January they are all back again in their homes to celebrate the New Year. In this way, year after year, they repeat the journey to Manchoukuo. The number of coolies entering Manchoukuo is larger in the first half of the year than in the second half, about 60 per cent of the total migration being completed before June. Comparatively brief detailed investigations have been made of this yearly coming and going, but as it is difficult to distinguish those coming as migratory coolies from others who settle permanently, they are treated together in the next section, entitled Immigration.

Their revenue is small, as shown in the table of wages. But as their living cost is extremely low, they generally possess some savings when they return to their native abodes in January.

Coolies employed at the Fushun Colliery are paid on an average 0.70 yuan in hsiaoyang silver per day, but if they take meals in the dining rooms operated by the colliery about 11 *sen* a day is sufficient. As the number of coolies at the Fushun Colliery is about 45,000, the annual amount of wages paid them reaches about 8,000,000 yuan. They work under the Patao (把头) or gang-chief system, a sort of contract system. Generally it is customary for the middleman or contractor to pocket some portion of the coolies' wages. To prevent this, wages are paid at Fushun directly to the coolies according to the amount of their work, and to the Patao or contractors is paid by the colliery a sum equivalent to 115/1,000 of the wages paid the coolies under their respective control, as it is necessary to consider the income of these contractors. In making payment of wages directly to the coolies, it is difficult to prevent payment to wrong persons, as there is no registration system for the coolies. Consequently, at Fushun the thumb-print system is used, and every day when the coolies enter

the pits their thumb-prints are taken and wages are paid only to those with the same thumb-prints.

Coolies work as porters and longshoremen in large numbers. As such workers are not restricted by season as are agricultural and forestry workers, they have the tendency of working permanently. Generally speaking, the number of seasonal migratory coolies settling permanently in Manchoukuo has increased considerably. They constitute immigrants as described in the following section.

### Immigration

Labourers working in Manchoukuo are mostly natives of Shantung, Hopei, and Chiangsu Provinces of China, and native-born Manchurian labourers are extremely few. Statistics compiled by the Kwantung Government on June 1, 1931, of the native places of Manchurian factory and mine labourers working in the Kwantung Leased Territory and the South Manchuria Railway Zone are as follow :

Table 15

CLASSIFICATION BY NATIVE PLACES OF MANCHURIAN FACTORY AND MINE LABOURERS IN KWANTUNG LEASED TERRITORY AND SOUTH MANCHURIA RAILWAY ZONE

Native Places	Factory Workers		Mine Workers	
	Number	Percentage	Number	Percentage
Outside Manchoukuo .....	32,215	71.2%	29,685	83.1%
Shantung.....	25,971	57.4%	18,811	52.7%
Hopei .....	5,608	12.4%	10,094	28.2%
Others .....	636	1.4%	780	2.2%
Manchoukuo .....	13,011	28.8%	6,027	16.9%
Kwantung .....	4,884	10.8%	39	0.1%
Others .....	8,127	18.0%	5,988	16.8%
<b>Total .....</b>	<b>45,126</b>	<b>100.0%</b>	<b>35,712</b>	<b>100.0%</b>

According to the above table, it is seen that 71.2% of the factory workers, and 83.1% of the mine workers are from Shantung and Hopei Provinces, China, outside Manchoukuo.

Among the factory and mine workers included in the above table there is quite a number engaged in work requiring technical knowledge or intelligence ; they are thus not entirely physical labourers. Among such technical and intellectual workers, those who are natives of Manchoukuo are comparatively numerous, and thus the above-mentioned proportion is shown. But of the cargo-working coolies of the Dairen Fuchanghuakung

Company and coal-mining coolies employed at the Fushun Colliery of the South Manchuria Railway Company, those who are natives of China are found in much larger proportion, as shown in the following two tables.

Table 16

(1) CLASSIFICATION OF NATIVE PLACES OF COAL MINING COOLIES EMPLOYED AT FUSHUN COLLIERY

(As at the end of December, 1931)

Native Places	Number	Percentage
Manchoukuo .....	1,236	9.8%
Outside Manchoukuo .....	11,618	90.2%
Shantung .....	7,899	61.4%
Hopei .....	3,418	26.6%
Shanhsi .....	48	0.4%
Chiangsu .....	81	0.6%
Honan .....	162	1.2%
Others .....	10	—
<b>Total .....</b>	<b>12,854</b>	<b>100.0%</b>

(2) CLASSIFICATION BY NATIVE PLACE OF DAIREN WHARF CARGO-WORKING COOLIES

(As in March, 1932)

Native Places	Number	Percentage
Manchoukuo .....	129	0.9%
Outside Manchoukuo .....	13,188	99.1%
Shantung .....	13,122	91.0%
Hopei .....	914	6.9%
Chiangsu .....	102	0.8%
Others .....	50	0.4%
<b>Total.....</b>	<b>13,317</b>	<b>100.0%</b>

The main cause for the foregoing shown condition of the great majority of labourers working in Manchoukuo being from Shantung and Hopei is that the population density in those parts of China is great and the agricultural production capacity was greatly reduced in those districts, because of natural disasters, civil wars and political unrest, and they came to find that they could obtain a more secure living by settling in Manchoukuo where peace and order are assured. At first they were employed in railway construction, lumbering, land-developing, and agricultural work, and occasionally in mining, industrial and transportation work of the South Manchuria Railway Company and other organizations. In the past ten years, the number of those coming in large groups has shown a steady increase. Although the exact number of these people coming from China

to Manchoukuo is impossible to ascertain, the following estimate of those coming by ship from Tsingtao, Chefoo, Lungkow, and Tientsin to Dairen, Yingkow and Antung, and those coming by the land route to the Mukden district, serve as approximate figures :

Table 17  
NUMBER OF IMMIGRANTS AND SETTLERS

(1) ENTERING MANCHOUKUO

Year	Via	Sea Route			Land Route	Total	Index
		Dairen	Yingkow	Antung			
1923	.....	172,014	77,087	46,577	138,011	433,689	100
1924	.....	167,206	61,904	52,641	210,719	492,470	114
1925	.....	197,392	96,647	40,740	197,991	532,770	123
1926	.....	267,062	124,743	48,287	167,260	607,352	163
1927	.....	599,452	153,771	78,879	327,645	1,159,747	267
1928	.....	506,553	152,556	52,703	362,655	1,074,467	248
1929	.....	512,947	148,577	53,557	331,210	1,046,291	241
1930	.....	388,046	116,800	49,575	193,792	748,213	173
1931	.....	226,531	79,177	36,139	125,555	467,402	108
Total	.....	3,037,203	1,011,262	459,098	2,054,838	6,562,401	—

(2) LEAVING MANCHOUKUO

Year	Via	Sea Route			Land Route	Total	Index
		Dairen	Yingkow	Antung			
1923	.....	122,474	40,282	59,623	64,382	286,761	100
1924	.....	113,249	36,740	44,921	37,810	232,720	81
1925	.....	102,961	36,752	25,543	49,291	214,547	75
1926	.....	136,547	46,382	20,631	95,832	299,392	104
1927	.....	141,859	54,343	20,934	99,413	316,549	110
1928	.....	168,530	85,843	19,343	107,371	381,087	133
1929	.....	219,293	68,603	23,924	289,572	601,392	210
1930	.....	197,195	89,764	25,377	176,168	488,504	170
1931	.....	174,793	106,010	32,403	148,133	461,339	161
Total	.....	1,376,901	564,719	272,699	1,067,972	3,282,291	—

(3) SETTLERS

	Entering Manchoukuo	Leaving Manchoukuo	Balance	Percentage of Settlers of all Immigrants
1923	433,689	286,761	146,928	34
1924	492,470	232,720	259,750	53
1925	532,770	214,547	318,223	60
1926	607,352	299,392	307,960	51
1927	1,159,747	316,549	843,198	73



Shantung immigrants travelling northward on foot.



	Entering Manchoukuo	Leaving Manchoukuo	Balance	Percentage of Settlers of all Immigrants
1928 .....	1,074,467	381,087	693,380	65
1929 .....	1,046,291	601,392	444,899	43
1930 .....	748,213	488,504	259,709	35
1931 .....	467,402	461,339	6,063	1
<b>Total</b> .....	<b>6,562,401</b>	<b>3,282,291</b>	<b>3,280,110</b>	<b>50</b>

As shown in the above table, the number of Chinese entering Manchuria reached the largest figure in the 1927-1928 period, while the percentage of those settling there showed the highest mark, 73%, in 1927, since when it showed a gradual decline. But in the nine years from 1923 to 1931, nearly 6,600,000 Chinese came to Manchuria and of this total, 3,300,000, or one-half, have settled in Manchuria,—the greatest recorded movement of the human race in such a short period. The following tables give the number of immigrants from various parts of China, but these figures do not include those coming by the land route from China. The number of immigrants classified by sex is not known as only the number of Chinese landing at Dairen is classified by sex according to investigations made by the South Manchuria Railway Company Research Office. The ratio of men and women among the immigrants landing at Dairen is given as a reference.

Table 18

PERCENTAGE OF IMMIGRANTS CLASSIFIED BY  
PORTS OF DEPARTURE

	Tsingtao	Chefoo	Lungkow	Tientsin	Other ports	Total
1926 .....	32.2	22.7	20.2	22.8	2.1	100.0
1927 .....	43.4	20.7	12.6	19.0	4.3	100.0
1928 .....	40.5	18.0	16.8	20.8	3.9	100.0
1929 .....	33.5	20.3	20.1	19.9	6.2	100.0
1930 .....	30.4	23.9	20.7	17.5	7.5	100.0
1931 .....	24.0	26.2	19.0	16.0	14.8	100.0

Table 19

PERCENTAGE OF MEN AND WOMEN AMONG IMMIGRANTS  
LANDED AT DAIREN

	Men	Women
1927 .....	80.2	19.8
1928 .....	82.7	17.3
1929 .....	84.6	15.4
1930 .....	89.1	10.9

From the above table, it is seen that the percentage of men is increasing recently. Moreover, the number of children is reported to be extremely small being only about 10% in recent years.

Before the Manchurian incident, the South Manchuria Railway Company adopted the policy of welcoming the immigrants from China and carried them as deck passengers at very low fares on the ships of the Dai-aren Steamship Company, an affiliated company, and giving facilities for their transportation into the interior by reducing the railway fare. In the case of refugees from China, the railway company carried them free of charge to the northern districts of Manchoukuo. In those times, the Chinese authorities also protected and aided these refugees according to the Refugees Relief Regulations (難民救濟辦法) and the Incoming Refugees Relief Regulations (按撫外來難民辦法), to enable them to settle comfortably and engage in means of livelihood.

The following table, compiled by the Research Office of the South Manchuria Railway Company, shows in what districts these immigrants settled or engaged in seasonal labour.

Table 20

## CHINESE IMMIGRANTS, CLASSIFIED BY DISTRICTS WHERE SETTLED

	1929	1930
Southern districts of Manchoukuo.....	175,000	122,000
1. Mukden-Hailung Railway district .....	65,000	44,000
2. Ssuping-kai-Taonan-Angangki Railway district and its hinterland .....	30,000	25,000
3. Mukden-Shanbaikwan Railway district .....	10,000	—
4. Western and Northwestern districts of Hsinking .....	10,000	5,000
5. Valley of Yalu River .....	25,000	15,000
6. Hsinking-Kirin-Tunhwa Railway district and its hinterland .....	35,000	33,000
Northern districts of Manchoukuo.....	389,000	235,000
1. North Manchuria Southern line district and its hinterland..	1,828	—
2. Harbin and its vicinity .....	9,297	28,200
3. North Manchuria Eastern line district and its hinterland ...	72,587	25,850
4. Lower Sungari River district .....	128,409	51,700
5. Hulan-Hailun Railway district and its hinterland .....	39,095	32,900
6. North Manchuria Western line district and its hinterland..	100,557	89,300
7. Amur district and other districts .....	37,227	7,050

Last but not least, a phase of immigration into Manchuria has been the settlement of Koreans, which began chiefly after the annexation of Korea by Japan. By the end of 1927 about 160,000 households, or more

than 800,000 Koreans, had settled, the majority in the eastern part of Kirin Province, near the borders of Korea and the Siberian Littoral Province, particularly in districts around Chientao (間島) and Hunchun (琿春), and engaged in agriculture, mostly cultivating rice in paddy-fields. As a nationalistic anti-foreign sentiment arose in Manchuria especially under the régime of Chang Hsueh-liang, about 5% of these Korean settlers naturalized themselves as Manchurians.

The distribution of Korean settlers in Manchuria according to an investigation made at the end of 1927, was as follows :

Table 21  
KOREAN IMMIGRANTS

	Korean Immigrants		Koreans Naturalized as Manchurians	
	Number of Households	Population	Number of Households	Population
Fengtien Province .....	55,400	277,000	55	270
Kirin Province .....	103,950	519,000	6,690	37,470
Heilungkiang Province .....	2,980	14,800	150	740
<b>Total</b> .....	<b>162,330</b>	<b>810,800</b>	<b>6,895</b>	<b>38,480</b>

The number of Korean settlers is believed to have increased since the time of the above investigation.

The so-called Wangpaoshan (萬寶山) incident of May 25, 1931 was an international complication caused by the conflict of Koreans, working on a farm situated near Changchun (Hsinking), with the Chinese, which also became a fuse to fire the Sino-Japanese conflict. The condition of the Korean settlers since the recent Manchurian incident is not yet clearly known.

According to an estimate made in 1932, the total number of Koreans in Manchoukuo is something between 740,000 and 770,000, of which between 400,000 to 420,000 are in Chientao and the rest are settled mostly along the South Manchuria Railway line and its hinterland. The number of Koreans settled in the Littoral Province of U.S.S.R. is reported to be between 170,000 and 180,000, a number that is more or less stable.

Formerly Japanese agricultural workers who settled in Manchuria were limited to only a few in the Kwantung Leased Territory, but when the former political obstacles which had prevented their activities were removed, the Chiamussu (佳木斯) district of Huachuan-hsien (樺川縣), Kirin Province, came to be regarded as the most suitable district for the settlement of Japanese and a plan has already been made for making the

district the centre of Japanese settlement by cultivating about 20,000 hectares of the land most suitable for agricultural production. Already in 1932, 500 Japanese settled in this district, and in 1933, 450 Japanese emigrated to the area.

It is reported that the new government of Manchoukuo will limit, for the present, the immigration of the Chinese which was formerly not only unconditionally permitted but also welcomed and encouraged. Already the Fengtien Provincial Government has announced, by an order dated April 1, 1932, the policy of restricting the entrance of foreigners and of prohibiting the entrance of foreigners who do not possess proper passports or certificates, or who come without proper funds in their possession. Of course, this order was issued specifically for the purpose of preventing the entrance of plain-clothed soldiers from China.

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CHAPTER XXI  
EDUCATION  
Historical Outline

Such historical records as are available show that the system of education in vogue in Manchuria before the establishment of the State of Manchoukuo followed Chinese lines mainly.

In days gone by the Chinese idea of education was to give occasional lectures on patriotic duty and filial piety, based on the teachings of Confucius and on the so-called family system which was the basis of the social structure in China for thousands of years.

Even this kind of education was given at only scattered private schools, and in consequence literacy in Manchuria was—and still is, so far—restricted to a small proportion of the population.

But since what is known as the 'Fourth of May' movement was started in 1909 in China, a sort of cultural revolution was set in motion and the necessity of a widespread school system and civil education of the people as a whole, on modern lines, came to be loudly demanded in many quarters in China.

This movement spread to Manchuria, and the Manchurians, influenced as well by Japanese and Russian educational development, commenced to adopt an educational system of their own, and subsequently several Manchurian schools were established.

When the new system, imitating the American school system, was adopted in China in 1922, the Chang administration at Mukden, also adopted a similar system. Later, in 1928, after the Northern subjugation by the Kuomintang, the so-called Educational Party Policy was adopted, and nationalistic education based on the spirit of the 'Three Peoples Principle' of Sun Yat-sen came to govern the educational field of China. The cry for recovering lost national rights was gradually instilled into the younger generation, and even the text-books for elementary schools were injected with much anti-foreign sentiment. Likewise into Manchuria this tendency flooded rapidly, particularly under the régime of Chang Hsueh-liang after his so-called declaration of allegiance to the Nanking Government. Thus the Manchurian students were educated under such ideas up to the time of the Manchurian incident in September, 1931.

Educational Institutions of Manchoukuo

**General Outline.**—Previous to the establishment of Manchoukuo, or under the former Northeastern military régime, the welfare and happiness of the people were not well considered, as those in power were occupied with political rivalry, amassing private fortunes, expansion of military strength, and repetition of wars. Consequently the educational expenditure was severely cut down, and excepting the universities and one or two higher grade educational institutions at the provincial capitals, local schools were miserably equipped and did not obtain good results. Then immediately after the outbreak of the Manchurian incident, the schools in various districts had to be temporarily closed because of the activity of the remnants of the former régime's troops and bandits, and teachers and students fled from the schools. As the subjugation of the former soldiery and bandits came to be successfully carried out and peace was restored, the closed schools were gradually reopened, and also new educational institutions and enterprises for propagating and materializing the new educational policy based upon the Wangtao State principle have been rapidly established.

The educational policy of Manchoukuo aims to respect the Wangtao, and humanity and justice; to observe the Declaration issued by the Chief Executive upon the State foundation; to govern individual life, families, and the country by the Wangtao; to establish the national spirit; and to harmonise the sentiments of the peoples of the world. That is to say, the educational policy is based on moral education, and thus it is fundamentally different from the educational policy under the former 'Three Peoples Principle' which was founded upon anti-foreign sentiment.

To explain the organization of the Department of Education, under the Minister and Vice-Minister of the Department of Education, there are three bureaus, the General Affairs Bureau (總務司), the Educational Affairs Bureau (學務司), and the Religious Affairs Bureau (禮教司). Then the General Affairs Bureau has four sections, the Secretariat, the Section of Archives, the General Affairs Section, and the Research Section. The Educational Affairs Bureau has three sections, the General Affairs Section, the Section of Ordinary Education, and the Section of Special Education, and also has compilation officials and inspectors. The Religious Affairs Bureau has two sections, the Social Education Section and the Religious Section. All provincial governments, also, have their respective Educational Offices which are divided into the General Affairs Section, the Educational Sec-