

of Buddhism. Thousands of believers and others march in groups to the temple, many beating drums so as to keep time, shouting all the time the Buddhist sutra, "Namu-Myoho-Renge-kyo." Large paper lanterns, all lighted, are carried at the head of those processions.

**15th.** Hunting season—The ban on hunting in all districts is lifted until April 15th of the following year. The ban on hunting pheasants is opened from November 1 to the end of February.

**17th.** Kannamesai (first harvest festival) on this national holiday the Emperor makes an offering of the new grain harvested to the Sun Goddess enshrined in the Great Shrine of Ise and to the Imperial ancestors. A special service is held at the Imperial Sanctuary, while the Emperor despatches a messenger to the Great Shrines to offer prayers on his behalf.

**22nd.** Festival of Yasukuni Shrine—its second semi-annual celebration, lasting for three days, begins.

Festivals of the Heian Shrine are held on April 15 and on this day. The shrine is dedicated to Emperor Kammu, founder of the present city of Kyoto. The festival held on this day is known as "Zidai Matsuri" in which a parade of men dressed in costumes of different periods of Japan's history passes through the streets of Kyoto.

#### November

**November 1-12.** Festival of Oh-tori shrines—the annual shrine festival known as 'tori-no-ichi,' is observed on the "Tori no Hi," or the day of birds, that may fall on one of the first 12 days according to the old calendar which counts days by the names of 12 animals, at various shrines of Oh-tori, a winged god of fortune and wealth in Tokyo and elsewhere. There are the second and third 'tori-no-ichi' in the month.

**3rd.** Meiji'setsu, the Emperor Meiji's Birthday—a national holiday and all schools and public buildings are closed in honor of the great Emperor, and the week is celebrated as a national athletic week.

**8th.** Festival of Bellows—This is celebrated in the household of every metal-smith, silver-smith, iron-smith, and the like. On this day also takes place the annual bonfire fête of the Fushimi Inari Shrine in Kyoto and elsewhere.

**15th.** Celebration for children of 3, 5 and 7 years of age known as "shichigosan (7, 5, 3) festival." On this day boys who have attained the age of 5 years and girls who have attained 3 or 7 years of age are taken to the shrines of their tutelary deities, in their best clothes, and worship is offered at the shrines by way of expressing their gratitude for the protection of the guardian deities and their safe growth throughout the period of early childhood, at the same time beseeching future protection and happiness.

**23rd.** Niinamé-sai—The Emperor observes Niinamé-sai, a national holiday, with the ancient Court ceremony of offering new grain to the Sun Goddess and the Imperial ancestors, and partaking of it himself. The occasion is one of thanksgiving, when the Emperor and his subjects return thanks for the harvest.

**28th.** A religious fête in commemoration of the death of St. Shinran, founder of the Shin sect of Buddhism, is celebrated at the Honganji temples in Kyoto and Tokyo.

#### December

**December 14th.** The Gishi-sai, or the annual festival of the celebrated "Forty-seven Ronin," is held at Ako in Hyogo prefecture and at the Sengakuji Temple, Tokyo. During this month many theaters in Tokyo and elsewhere stage the drama depicting the cause, the development and the finale of the gallant undertaking carried out by the forty-seven ronin in 1702.

**25th.** Anniversary of the death of the Emperor Taisho, father of the present Emperor, a national holiday.

**25th.** Christmas—Although at first it was regarded by the general public as an event entirely foreign to Japan, it has now become a season of rejoicing for children in large cities, and the day is a regular annual feature, included in the Japanese calendar as such.

**29th.** Close of official business—All government and public offices close for the year-end and New Year holidays.

**31st.** Eating of noodles on the last day of the year—It being the last day of December, many businessmen eat noodles at their evening meal to bring the year to a happy conclusion. The noodle is regarded as a symbol of long life and continued prosperity.

## CHAPTER XXXVII

### PRINCIPAL CITIES AND NOTED PLACES IN JAPAN

# Hyogo Prefecture

Governor: CHIAKI SAKA



Akashi Park near Kobe, with a castle still standing of the feudal days, is a model Japanese garden.

Foreign trade and all sorts of industries are prosperous in this prefecture, and Kobe, the largest open port in the Orient, which has a natural good harbor for ocean-going vessels in addition to the modernest port facilities for foreign trade, is situated at the doorway of the Greater East Asia Co-Prosperity Sphere.

There are countless places historically famous and of fine scenery, such as Himeji Castle, Akashi Park, Suma and Akashi beach.

Trade enquiries will be handled carefully if addressed to the Trade Dept., the Section of Economy Controls.

# AICHI PREFECTURE

## Industries in General:

Having the plains of Nobi extended far and wide within the boundary, this prefecture is noted for the rich agricultural produce.

Chemical as well as mechanical industries are active and brisk in the cities of Nagoya, Okazaki, Toyohashi, Seto, and Tajimi, where motorcars, bicycles, machine-tools, porcelains, etc. are being manufactured in large quantities. The city

of Ichinomiya is famed both in Japan and abroad for textile manufactures, whose output being reputed highest in this country.



Nagoya Castle with gold dolphins stands high, kissing the heavens.



Masumita Shrine, Ichinomiya

## Scenic Spots:

Horai gorge,  
Horai temple,  
K a r a n gorge,

Gama-gori beach, etc. Above all the Chita peninsula is noted for the wholesome climate and abounds in many scenic spots.

# Gifu Prefecture

## Staple Products and Sightseeing

### Textile Manufactures:

Gifu crepe, Silk cloth (undegummed), Pongee, Velvet, Woollen textiles, etc.

### Chemical Products:

Japanese paper (Mino size), Foreign paper, Medicine, etc.

**Industrial Arts:** Porcelain, Paper umbrella, Paper lantern, Unfolding fan, Cutlery, Tableware, Marbles, Woodenware, Japan work, Agricultural produce, etc.

**Sightseeing:** World-famous cormorant-fishing, Nippon Rhine, Ena Gorge and many others.



Sanjoku Shrine—its precincts with a large Torii, sacred archway



A night scene of cormorant-fishing

# Shidzuoka Prefecture



Tea-leaf picking by Japanese girls, Mt. Fuji seen in the background.

Almost perpetually temperate in climate through all seasons of the year and situated in the central part of Japan Proper with all traffic facilities available, the products and manufactures produced in this prefecture are naturally rich in varieties and large in quantities, and considerable exports are being made every year.

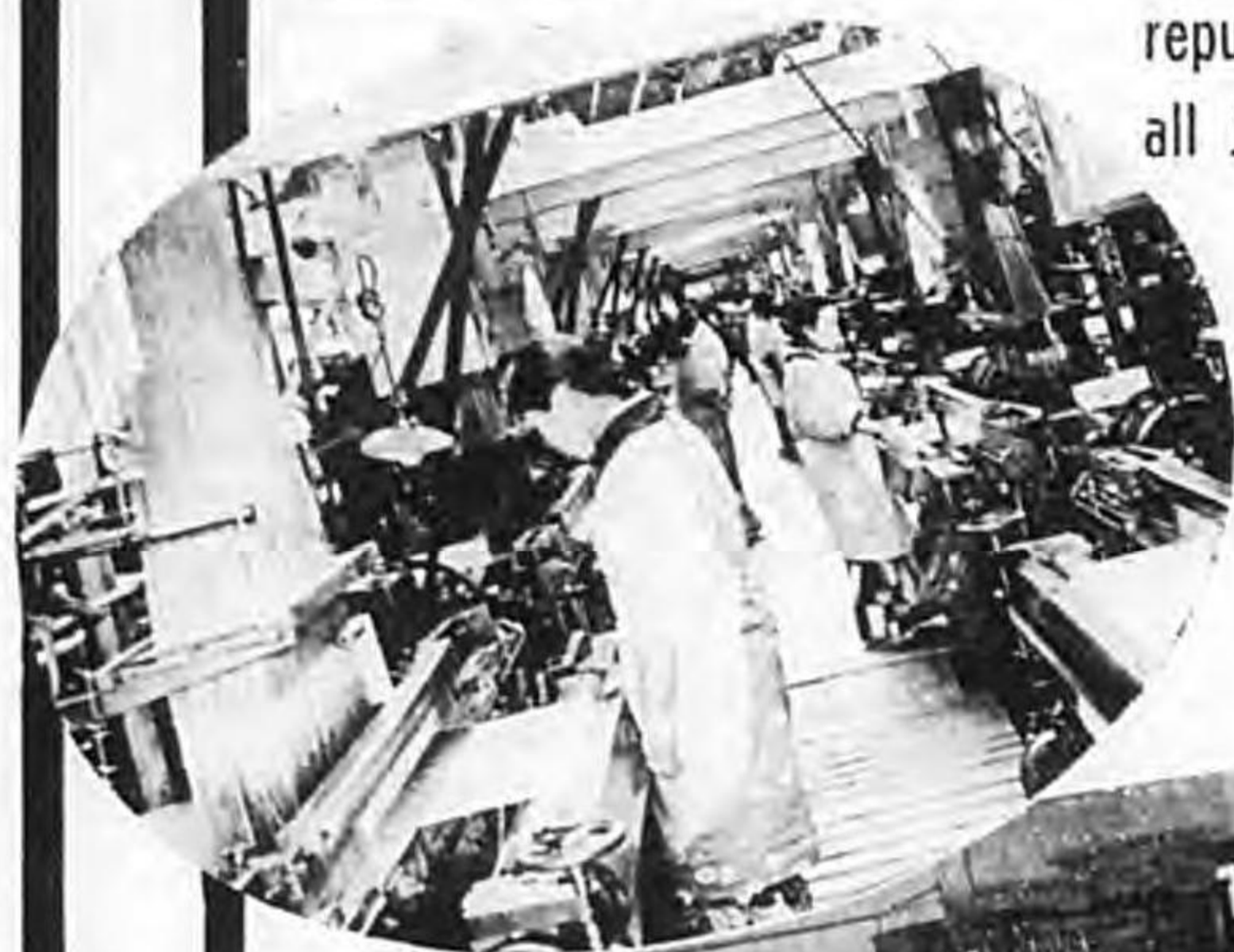
## OUTSTANDING EXPORTS:

Tea, Mandarin Oranges, Canned and Bottled Goods of Sea-food and Fruits, Various Fabrics, Dyed Goods, Japanned Works, Bambooware, Musical Instruments, Textile Machines, Tea-Manufacturing Machines and Many Others.

Trade Section of this Prefectural Office is mobilizing its complete organ for studying ways and means of promoting and encouraging the trade. Apply to the section for any information or requirements, as they will be pleased to serve such purpose.

# GUMMA PREFECTURE

This prefecture is noted for the textiles for export, the cities of Maebashi, Kiryu and Isezaki and the adjoining districts forming the centers of the industry. Both in quality and in quantity the silk and rayon textiles being manufactured in this prefecture are reputed highest in all Japan.



Momiyama Weaving Plant, Kiryu (Silk Textiles)

Dyeing Laboratory of the Institute of Weaving Education, Kiryu, Gumma Prefecture.



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(Tōa Tourist Bureau, formerly Japan Tourist Bureau)

Established in 1912

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## CHAPTER XXXVII

### PRINCIPAL CITIES AND NOTED PLACES IN JAPAN

#### YOKOHAMA

Yokohama is the fifth largest city in Japan with a population of 968,000 and an area of 66.8 square miles, being one of the foremost trade ports of the country, situated on Tokyo Bay. It is here that travelers to Japan from America get their first view of Oriental life as most of the trans-pacific liners make Yokohama their first port of call. Yokohama is also a terminal, or port of call, for steamers from Europe, Australia, India, South America, South Africa and South Seas ports, China, Manchoukuo and Siberia.

When opened to foreign trade in 1859 as the result of the treaty with America and other European countries, Yokohama was a mere fishing village of about one hundred families or 350 people, but its situation as an important port and as a gateway to the capital of the country established it during the following 50 years as one of the two foremost trade ports of Japan.

Hotels: Hotel New Grand, Bund Hotel, Center Hotel, Bluff Hotel.

Nogeyama Park, a hill near Sakuragicho Station, commands a wide view of the city and harbor. The temple close by is dedicated to Fudo-myoo, a Buddhist deity. The official residence of the mayor and the Earthquake Memorial Hall stand at the entrance of the park. On Kamonyama hill, a short walk from the Fudo temple, stands a bronze statue of Lord Ii Kamon-no Kami, premier of the Tokugawa Shogunate, who played an important rôle in opening Yokohama to foreign trade which led to his assassination in 1860.

The Silk Conditioning House and the Yokohama Commercial and Industrial Museum are interesting to those who are concerned with Japanese products. The Silk Conditioning House may be inspected upon presentation of a card of introduction from the Japan Tourist Bureau, the latter being open to the public.

Negishi, at the farther end of the bluff, is famous for its horse-races held yearly in the latter part of May and in early November. Golf links are situated inside the circular track.

Sankei-en Garden, reached after a short walk from the Hommoku tram-car stop, or by motorcar, is noted for its historic buildings, lotuses and flowering shrubs, being open to the public by its owners, a wealthy family. Hommoku bathing beaches are much frequented in the season. Hodogaya golf course, 15 min. by motorcar from Yokohama Station, is open to any visitor who is introduced by a member of the Hodogaya Country Club.

**En Route to Tokyo:** The principal places of interest on the way are: the Sōji Temple, at Tsurumi, the headquarters of the Sōtō sect of Buddhism; Daishi Temple, 5 min. by electric car from Kawasaki Station, is associated with the celebrated priest, Kōbō Daishi; The Honmonji Temple at Ikegami, one mile from Kamata Station, is a famous temple of the sect founded by Nichiren, the Japanese Luther.

#### TOKYO

From Yokohama Sakuragicho Station, Tokyo is reached in 30 min. by electric trains running every 3 min., or in 20 min. by frequent express and other trains from Yokohama Station.

Tokyo, the capital and the largest city of Japan, is situated at the head of Tokyo Bay, about midway between the northern and southwestern ends of the Pacific side of the Main Island. With a population of 6,800,000 and an area of 206.6 square miles, Tokyo ranks the second largest city in the world. The entire city is well served by trams, electric railways and motor buses running on asphalt roads, and a subway. A trip through streets affords glimpses of the daily life and the varied activities of the people whose number comprises nearly 10 per cent of the population of Japan proper.

Tokyo in olden times was called Yedo, meaning "entrance to the gulf." The first castle in Yedo was built by Ōta-Dōkan, in 1457 A.D. In 1590, Tokugawa-Iyeyasu, the first of the Tokugawa Shoguns, established his residence in the city, and after rebuilding the castle made it the seat of the Tokugawa Shogunate. Throughout 268 years of this government, and until 1868, Yedo was the center of national administration and finance, and became a thriving town with 2 million people when it was at the height of its prosperity between 1818 and 1844. After the Meiji Restoration in 1868, when the Shogun was deprived of his power, Emperor Meiji removed the capital from Kyoto to Yedo in 1869, changing its name to Tokyo, or "Eastern Capital." Tokyo is the center of all phases of national life, with the central offices of government, and headquarters of financial, business and industrial corporations located in the city. Tokyo beats Osaka even in industrial activities on account of the development of the key industries in and around the city in recent years.

**Hotels:** The Imperial Hotel, situated at Hibiya Park near the Imperial Palace, is unique in style and ranks among the best hotels in the world. The Dai-ichi Hotel, Tokyo Railway Hotel, Marunouchi Hotel, Sanno Hotel, are among the leading hotels. There are also numerous Japanese style hotels.

**Theaters:** The Kabukiza, Tokyo Gekijo, Meiji-za, Shimbashi Embujo, Yuraku-za, Nippon Gekijo, Tokyo Takarazuka Gekijo ("Tō-Hō"), etc. The Kokugikan at Ryogoku presents Japanese wrestling contests in the middle of January and May.

**Noh Dance Stages:** Hōshō Stage, near Suido-bashi Station, Kita Stage, at Alzumi-cho, Yotsuya Ward, Kanze Stage, near Ōmagari car-stop, Ushigomē Ward.

#### Places of Interest

**Imperial Palace.** The Palace is not open to the public, but its approach at Nijubashi (Double Bridge), the main entrance, is of interest, as also the encircling moat.

**Hibiya Park,** opposite the Imperial Hotel, is laid out partly in Japanese and partly in Western style. Many band concerts are given in the park, where in spring cherry blossoms and azaleas are viewed at their best and

in autumn a chrysanthemum show is held. The Tokyo Kaitan, or Hibiya Town Hall, located at the south-eastern corner of the park, is a center for public lectures, musical concerts and mass meetings.

**Shiba Park,** two-thirds of a mile south of Hibiya, is noted for the Zōjōji Temple, founded in the 16th century, where are the tombs of some of the Tokugawa Shoguns. Atago Hill, near the park, commands an extensive view of the city and the bay.

**Sengakuji Temple,** one mile south-west of Shiba Park, is famous on account of the graves of the 47 ronins of Akao, located within the precincts.

**Yasukuni Shrine,** on Kudan Hill, a little north of the Imperial Palace, is dedicated to the heroic dead who have given their lives for the country in the wars since the Meiji Restoration of 1868. Festivals are held in April and October. The Yūshōkan, military museum, in the shrine precincts, contains war trophies, relics, valuable swords, armour, etc.

**Ueno Park,** near Ueno Station, is a popular and beautiful park, where are located the Imperial Household Museum, Fine Arts Gallery, Imperial Library, academies of Music and Fine Arts, Science Museum, Zoological Garden, Tōshōgū Shrine, the Statue of Takamori Saigo, General Grants' Monument, etc.

**Asakusa Park,** 5 min. by underground railway from Ueno, is the "Coney Island" or "Earl's Court" of Tokyo. Sensōji Temple is noted for its Kwanon, the Goddess of Mercy.

**Sumida Park** on the east bank of the Sumida is noted for its cherry blossoms in season. In spring and fall, regattas are held on the river.

**Meiji Shrine,** dedicated to Emperor Meiji, comprises a group of buildings in pure Shinto style. Easily reached from Harajuku Station on the Yamatē belt line, the shrine is one of the holiest centers of pilgrimage in Japan. The Outer Garden of Meiji Shrine contains the Stadium, Baseball Field, Swimming Pool and the Meiji Memorial Hall dedicated to Emperor Meiji and his Consort. In the greatest athletic enclosure are held, mostly in autumn and winter, track and field meets, football games, swimming contests and other sports.

Among the numerous smaller parks,

may be mentioned the Inokashira Park, historically famous with a pool which was the reservoir or spring of the water which supplied drinking water to the Yedo Castle at the time of the Tokugawa Shogunate, and the Asukayama Park noted for cherry blossoms. The Shinjuku Imperial Garden is one of the best cared for gardens noted for cherry blossoms, chrysanthemums and other flowers, although it is not open to the public, except on special occasions. **Korakuōn,** located near Suidobashi Station on the Tokyo-Shinjuku line, is a typical Japanese home garden, being the site of the Tokyo residence of the Lord of Mito. **Shokubutsuen** at Kolshikawa, the botanical garden of Tokyo Imperial University, has a great variety of flowering plants.

**Kiyosumi Landscape Garden,** at Fukagawa, is one of the best landscape gardens in Tokyo, particularly celebrated for its rocks which were gathered from all parts of Japan.

**Ryogoku Bridge** across the Sumida is the scene of the most beautiful display of fire works in June which is a customary event taking place every year from the days of Yedo.

**Okutama Valley,** with its beautiful narrow gorge and Mt. Mitaké, is one of the best places around Tokyo for an outing and picnic. By electric train from Shinjuku to Mitaké, changing cars at Tachikawa, 1.5 hours.

**Imperial Mausoleum at Tama.** The remains of the Emperor Taishō are buried at Tama near Asakawa Station on the Chuō Line, 1.25 hours from Tokyo. About two miles east of the Imperial Tomb rises Mt. Takao, noted for its autumnal tints. Cablecar available.

**Murayama Reservoir,** about 15 miles northwest of Tokyo, is the main source of the water supplied to Tokyo. With its scenic beauty, the lovely artificial lake has become a popular holiday place for Tokyo people.

**Ōshima Island,** located at the entrance to Sagami Bay, first welcomes the steamships which steer up to Yokohama, often capped with clouds even on a clear day, for these clouds are smoke formations emanating from Mt. Mihara, an active volcano, in the island. A good two days' trip may be made from Tokyo, taking a special steam boat of the Tokyo-wan S.S. Co., from Reigan-

jima to Motomura of the island, then proceed via Yuba to climb up Mt. Mihara, where the live crater may be viewed. Descending from the mountain one might stop over for the night at the port of Habu. On the next day from Habu to Motomura, either on foot or by boat. This island is most popular with Tokyo folks on account of its volcanic scenery and easy accessibility, its cherry-blossoms and crimson camellias, and the country mood peculiar to the lone island in the open sea.

#### KAMAKURA

**Kamakura,** 20 min. by express electric train from Yokohama, abounds with historical remains of the Kamakura Period as it was the seat of the first Shogunate established by Minamoto-Yoritomo at the end of the 12th century A.D.

**Hotels:** Kaihin Hotel, on the seashore called Yuiga-hama, a summer resort.

**Daijutsu,** or Great Buddha, a superb, silently eloquent bronze image, erected in 1252. It was originally enclosed in a building which was damaged by a storm and finally carried away by a tidal wave in 1494, from which time the image has remained in the open. Its dimensions approximately are: height, 42 ft. 5 in., circumference at the base, 97 ft.; length of face, 7 ft. 7 in.; width of eyes, 3 ft. 4 in.

**Hasé Kwannon Temple,** near the Daijutsu, contains, at the back of the altar, a gilded image of Kwannon, the Goddess of Mercy, 30 ft. 3 in. high, which is said to have been carved from a huge camphor tree.

**Hachiman Shrine,** less than half a mile from Kamakura Station, stands in one of the most beautiful shrine precincts in Japan, and stores ancient swords, armour, and other relics of the Kamakura Period (1192-1337).

**Tomb of Yoritomo,** on a hillside, near Hachiman Shrine, is marked by a small moss-covered stone pagoda.

**Kamakura Shrine,** erected by Imperial order in 1869, is dedicated to Prince Morinaga, the son of Emperor Godalgo, who died an unfortunate death in 1335.

**Engakuji and Kenchōji,** are great Buddhist monasteries.

**Miura Peninsula.** A motor ride around the peninsula, visiting Uruga, Kurihama which is known as the place

of landing of Commodore Perry, Aburatsubo where the Marine Life Research Laboratory of Tokyo Imperial University is situated, and other places en route, is a good one-day outing.

**Enoshima**, an island with picturesque cliffs and inlets, is reached by tram, 4 miles, from Kamakura Station to Katasé, thence across a wooden bridge. An interesting visit may be made to the Dragon Cave, or the Benten Cave, reached by a broad path across the island. Near the Katasé car stop is the Ryūkōji Temple, built to commemorate the miraculous deliverance there of Nichiren, founder of the Hokkō Sect, from the executioner's sword. Zushi, 2.4 miles by rail from Kamakura, is a summer resort with fine bathing beaches and affords a beautiful view of Mt. Fuji in the blue sky beyond Sagami Bay. Hayama, 3 miles farther along the coast, is also good for bathing. The Imperial Family sometimes stays at the Imperial Villa there.

**Yokosuka**, 7 miles from Kamakura, is an important naval station. Here are the memorial tombs of Will Adams and his Japanese wife. Adams, a pilot, was the first Englishman to come to Japan (1600).

**Uraga**, 10 min. by electric car from Yokosuka, is the port into which Commodore Perry sailed with his expedition on July 8, 1853. On Kurihama beach, 2 and half miles farther down the coast from Uraga, is a monument marking the spot where on July 14, 1853, the representatives of the Shogun received the letter of President Fillmore to the ruler of Japan proposing the opening of the country to American intercourse and commerce.

#### HAKONE

Few visitors to Japan fail to visit the **Hakone District**, noted for its mountain scenery, invigorating climate, hot springs and places of interest. Reached by train from Yokohama to Odawara within 35 min., then by motor car to Miyanoshita, the center of the district, passing through the hot-springs, Yumoto and Tōnosawa. The district, popularly known as Mt. Hakone, is the crater of an extinct volcano. The Fujin Hotel at Miyanoshita, with its hot-spring baths, superior cuisine and service, is the objective point of the majority of foreign visitors. From Miyanoshita, walking or motor-car trip can be made

to every part of the district.

**Lake Ashinoko**, alt. 2,386 ft., 13 miles in circumference, a crater lake, is famous for its reflection of Mt. Fuji under clear heaven. The route is through Kowakidani and Ashinoyu, both noted for their sulphur springs, and along the lake shore the road runs through a noble cryptomeria avenue, leading to the site of the ancient Hakoné barrier gate, where in olden days the passports of travelers were carefully examined and the purpose of their journey ascertained.

Within short walks from Miyanoshita are many hot-springs scattered in the beautiful valleys. From the crest of the ridge of Owakidani can be had a superb view of Fuji and of Lake Ashinoko with Ubako hot springs half way down the slope. Otomé Tōgē, or Maiden Pass, and Nagao Tōgē, or Long-tail Pass, are other places for a magnificent view of Mt. Fuji.

#### ATAMI

**Atami** is a favorite, all-the-year-round hot-spring resort well patronized by foreign residents. Here the climate is quite salubrious and the scenery is fine, with the Tokyo Bay in front and the Hakoné mountains towering behind. It can be reached by train within 2 hours from Tokyo. Atami is also reached by motor-bus from Moto-Hakoné, on Lake Ashinoko, over an excellent mountain road via the Jūkoku Tōgē, or Ten Province Pass, 14 miles, in an hour. Itō is another prosperous spa on the eastern coast of Izu Peninsula. From Atami to Itō is a delightful 16 mile drive along winding and picturesque coast.

#### MT. FUJI AND LAKES

**Mt. Fuji** is known all over the world for its peerless beauty. Its perfect cone rises singly to a height of 12,467 ft. above sea level and constitutes the center of the Fuji and Hakoné National Park. Fuji is one of the easiest mountains to climb, and thousands of men, women and children climb it every summer. The summit commands a magnificent view, and the scene of sunrise above clouds is markedly impressive. There are six trails to the top, the Gotemba on the Gotemba Line, and Yoshida reached via Ōtsuki on the Chūō Line, being the most popular. Two to three days are required for the round trip from Tokyo. Stone huts,

some holding 200 persons, are available along all the routes. Foreign visitors should better hire a gōriki, or mountain guide, available at moderate charges, who will carry a pack up to 25 lbs. Horses are available for varying distances up several trails.

**Tour of the Five Lakes of Fuji.** A trip to Fuji Five Lakes, Yamanaka, Kawaguchi, Nishino-umi, Shōji and Motosu, is enjoyable in all seasons, except winter. This excursion is best made from Gotemba. The Shōji Hotel on Lake Shōji is generally the objective point. Hotels: Fuji View Hotel, Kawaguchi-ko Hotel, first and second.

#### CHŪBU-SANGAKU NATIONAL PARK (The Japan Alps)

The title "Japan Alps" dates back to 1896 when the Rev. Walter Weston published his work "Mountaineering and Exploration in the Japanese Alps." It consists of three lofty ridges, in Nagano prefecture, called respectively Southern, Central and Northern. The Northern Range, the most popular of these three ranges and deservedly selected as a national park, **Chūbu-Sangaku National Park**, comprises more than 100 peaks, 40 of which are over 8,000 ft. The range extends for a distance of 98 miles, with a breadth of 37 miles, and is dotted with volcanoes, both active and extinct. The principal peaks are those of Shirouma (9,620 ft.), Yari (10,450 ft.), Hotaka (10,208 ft.) and Tatayama (9,814 ft.). Among the spas on the slopes or in the valleys, Kamikōchi, about 28 miles up from Matsumoto, is most popular due to its location on a scenic mountain plateau, called Kamikōchi.

**Kamikōchi**, 4,725 ft. above sea level, is surrounded by lofty peaks and extends like a broad belt for a distance of about 10 miles from E. to W., with a maximum breadth of 1 mile from S. to N. The Kamikōchi Hotel stands in such a picturesque ravine of the plateau that visitors are able to appreciate the wild mountain scenery and the beautiful lakes lying nearby.

Among several routes to the Northern range, the most popular one is from Matsumoto, 156 miles from Tokyo, or 117 miles from Nagano, from which the base for the ascent is reached by motor or tramcar.

#### NIKKŌ

"Don't say 'kēkkō' (splendid) until you see Nikkō," is a Japanese proverb.

Indeed, a trip to Japan is not complete unless Nikkō is visited. Nikkō, one of the great beauty spots in the Orient, is always included in the itinerary of well-informed foreign visitors. The magnificent shrines and temples of the Tokugawa Shogunate, the cryptomeria avenue, beautiful mountains, lakes, waterfalls, numerous walks and places of interest there are acclaimed by both foreigners and Japanese. The district is now made the Nikkō National Park. In May red wild azaleas adorn the countryside, while from late September to mid-October fall foliage shows a brocade of brilliant colors. In summer when the climate is temperate it is a favorite resort of those who are freed from regular pursuits in summer vacation.

Nikkō is about 91 miles from Tokyo, 2.40 hours trip from Ueno Station. Another route is via the Nikkō Line of the Tōbu Railway Co., which has frequent services from Asakusa Kaminarimon Station.

Hotel: Kanaya Hotel, one of the best resort hotels in Japan with an excellent skating rink open during winter.

The shrines, temples and the mausolea of Iyeyasu (1542-1616), founder of the Tokugawa Shogunate, and of Iyemitsu, his grandson and the third Tokugawa Shogun, are located here, presenting the skill of Japanese architect. Annually on June 1 and 2 the medieval shrine processions are held. Shinkyō, or Sacred Bridge, red lacquered, spans the Daiya River, in a graceful curve, on the way to the shrines. Gamman-gafuchi is a deep pool in the Daiya, about 1 mile upstream from the sacred bridge. On the river bank are rows of stone images of Amida Buddha.

**Lake Chūzenji**. The mountain walk to Lake Chūzenji, alt. 4,194 ft., is much favored by Nikkō visitors and is preferred to ascent by vehicles, because of the wonderful views one obtains by this means. Kégon waterfalls, the outlet of the lake, is one of the most beautiful sights in the district. The Lakeside Hotel caters for foreign visitors.

Nikkō hot springs, alt. 5,088 ft. The Chūzenji trip may be continued to Lake Yunoko where an overnight stay can be made at the Namma Hotel, with private hot-spring baths. Kinugawa spa, 4 miles by rail from Nikkō to Imachi, thence 8.5 miles by electric tram or motor-bus. The six mile motor drive along the beautiful gorge of the Kinu-

gawa River up to Kawaji spa is splendid.

Motorcar drive from Nikkō to Shiobara, one of the noted mountain spas, 50 miles, is recommended during October on account of the beautiful autumn foliage.

#### BÔSÔ PENINSULA

Easily accessible from Tokyo, the Bôsô Peninsula is a favorite resort at all seasons of the year; in spring for shell-gathering on shores at the low tide, in summer for its bathing beaches and in autumn for its scenic effects, and at all times for its shrines and temples.

Among many summer resorts in the peninsula, the most popular are Katsurawa and Kamogawa on the east shores and Hota and Hôjô on the west. Of the shrines and temples, Narita-Fudô is most celebrated as fortune giver and attracts over a million pilgrims every year. Both Katori and Kashima Shrines, the oldest and holiest in the district, are reached from Sawara, 59.5 miles from Tokyo.

#### KARUIZAWA

Karuzawa in Nagano prefecture, with its invigorating climate and scenery, was first opened by Christian missionaries as a favorite summer retreat, then became a country town of foreign residents in general, but, in recent years, well-to-do Japanese began to take part in passing comfortable summer days with foreigners. During the season many conferences and conventions are held on church mission and educational or cultural subjects. Sports are prominent, including tennis, baseball, cricket, track and field events and golf.

There are many delightful walks, picnic and excursion points about Karuzawa, and it is the departure point for the climb up Mt. Asama, the largest active volcano on the Main Island whose smoke clouds are frequently seen, often with powerful explosions.

Hotels: The Mampel Hotel, Mikasa Hotel, Karuzawa Hotel, Green Hotel, New Grand Lodge and Park Lodge.

#### IKAO SPA

From Ueno, Tokyo, to Shibukawa, 76 miles in 2.5 hours by rail, thence motor-bus or electric tram.

Ikao, alt. 2,800 ft., one of the noted hot-spring and summer resorts near

Tokyo, offers a wide choice of scenery in neighboring districts.

#### MITO

Mito, 3 hours by rail from Ueno, Tokyo, is the old city of Tokugawa-Mitsukuni, the celebrated lord who ordered the compilation of the "Daikoku Nippon Shi," or A History of the Great Nippon, and was most loved and revered by his own people for his high personality, and whose story is staged oftener than any other historical stories of the Tokugawa Period, except that of the "47 Ronin." The city and vicinity abound with historical places and buildings connected with Mitsukuni and other Mito lords and Fujita-Tôko, a famous Japanese scholar. The city is divided into two parts, the Upper and Lower (or Down) Towns; the former being the section where the castle and retainers' residences were located, the latter the section of artisans and merchants, this demarcation being maintained to a large extent even to the present day. With the River Naka, Lake Senba and Tokiwa Park, Mito is one of the most beautiful castle cities, Tokiwa Park being the first park of plum blossoms in Japan. A day's trip from Mito to Ôarai is worth a trial; Mito down to Kominato by a river boat on the Naka, thence to the north along the sea coast to Hiraiso, a summer resort, then back to the south via Kominato to Ôarai Shrine by motor-bus, then return to Mito by electric car or bus. The whole coast line, with rugged rocks washed by the white waves of the Pacific presents a picturesque view of pine hills and breezy sea in summer.

#### MATSUSHIMA

Matsushima, or Pine Islands, so named from the hundreds of pine-clad islets in Matsushima Bay near Sendai, is one of the "Scenic Trio of Japan" in their singularity of the handwork of Nature,—the others being Amanohashidate and Miyajima. The best season is from April to October, when the Park Hotel is open.

In the bay; 249 of the islets have been charted, some of them quaint and fanciful, and each has been given a name.

Radiating from the hotel, the places of interest, other than going around the fanciful islets on boats, are Zuiganji Temple, Oshima, Kanranjê and Gôdaidô.

During the season express trains stop at Matsushima Station, 231 miles north from Ueno, Tokyo, thence 2.5 miles to the park. It is an interesting diversion, however, to change cars at Sendai for Shiogama, and then proceed by steamer, motor boat or sampan, 5 miles to the park through the welcoming islets. The park is also accessible in 50 min. by tram from Sendai.

#### SENDAI

Sendai, with a population of 235,000, the largest and most important city in North-eastern Japan, an educational center, the home of the renowned Datô-Masamuné (1566-1636), is of interest to sightseers who desire to visit the mausoleum of that celebrated Daimyo, the site of his castle, the grave of Hasékura-Rokuemon who, as an ambassador of Lord Datô, made a remarkable voyage to Rome in 1613 on board the first Japanese-manned craft to cross the Pacific, the parks, the Tôhoku Imperial University and the Tôhoku Gakuin. The Sendai Hotel stands opposite the station.

Near Hirazumi, 47 miles north of Matsushima, in olden days called the "Nara in North-eastern Japan," is the Chûsonji Monastery, once a large temple group, one mile from the station. Its few remaining structures, timeworn, but still showing traces of their original decorations, are of great interest to students of art. About half a mile from the station are the two remaining edifices of the Môtsumi Temple.

#### LAKE TOWADA

Three routes are available. One from Furumaki on the Tôhoku Main Line, 194 miles north of Sendai, by motor-bus to Nénokuchi, 33 miles, on the east shore of the lake, along the Oirasé River. Another route is from Ôdaté, on the Ôu Line, to Kémanai by rail and thence by motor-bus to Oidé, 18 miles, via Ôyu spa. Oidé is connected with Nénokuchi by motor-bus. Aomori, the terminus of the Tôhoku Main Line, is also the starting point for the tour of the lake, motor service between Aomori and Wainai on the lake, 49 miles, being maintained by the State Railways.

Lake Towada is a beautiful fresh-water lake, high up in a mountainous region on the boundary between Akita and Aomori prefectures. It is the largest of the Japanese mountain lakes, having an area of about 23 square

miles. The main features of the lake are the wealth of vegetation around its shores and surrounding mountains which are covered with woods of various plants of different botanical zones, on account of their different altitudes, the picturesque promontories and islets and exquisite beauty of the autumnal tints. In addition, the delicate sylvan beauty of the mountain stream, the Oirasé, outlet of the lake, with its many waterfalls and rapids, is an attraction in all seasons. The district has been named the Towada National Park. The famed Wainai trout, with which the lake is stocked, is a constant lure for anglers. There are good Japanese inns on the shores of the lake.

#### HOKKAIDO

A trip to Hokkaido, the northern island, the home of the Ainu, is very interesting for foreign visitors to Japan. In its topographical formation the island of Hokkaido, 30,499 square miles in area, is more like that of continental countries than any other part of Japan. Express trains, operated between Ueno, Tokyo and Aomori, 457.5 miles, 12 hours, then from Aomori to Hakodaté by the well-equipped steamers of the State Railways across Tsugaru Straits, 4.5 hours.

The principal cities in Hokkaido are Sapporo, Hakodaté, Muroran, Otaru and Asahigawa. After landing at Hakodaté, foreign visitors are advised, for a rest, to proceed by motor-bus to Yunokawa, a noted hot-spring resort. Inns at Hakodaté are Gotôken and Katsuda.

Hakodaté Park, south-west of the main station, from which can be had a comprehensive view of the city and bay.

Lake Onuma, the "Matsushima of Hokkaido," is picturesquely dotted with islands, large and small. Mt. Komagataké, 3,625 ft., towers on the far side. Railway from Hakodaté, 17.5 miles—a charming one-day trip. Inn: Kôyôkan.

Otaru is the most prosperous commercial center in Hokkaido its location and facilities enabling it to command a steadily increasing sea trade with northern regions. By rail it is about 1 hour from Sapporo, 5.5 hours from Hakodaté. Inns are Etchûya and Hokkat Hotel.

#### SAPPORO

The city of Sapporo, the administrative center of the Hokkaido Govern-



ment, is laid out in blocks and streets like a modern American city. The principal places of interest are: Nakajima Park, Botanical Garden and Museum, and Hokkaido Imperial University.

Hotel: Sapporo Grand Hotel.

**Jōzankel**, a sequestered and popular hot-spring resort, is easily accessible from Sapporo. Inns: Jōzankel Hotel, Shikanoya Club, etc.

#### DAISETSUZAN

**Daisetsuzan**, or Great Snow Mountain, represents a wide range of mountains, also called the Ishikari range, lying in the central part of Hokkaidō. It includes Mt. Asahidake, 7,511 ft., the highest mountain in the island and several other peaks, all snow-capped and possessing altitudes not below 6,500 ft. Mt. Asahi attracts numerous climbers every year because of the wonderful views obtainable from its summit and the abundance of rare alpine plants which grow on its slopes.

The **River Ishikari**, one of the longest rivers in Japan with a length of 250 miles flowing along the northern foot of the range forms a grand gorge called Sōunkyo Canyon, about 15 miles in length. The cliffs on this canyon, sometimes rising sheer from the river in columns and pinnacles, but more often with a gradual slope, are covered to the top with a thick growth of timber.

**Daisetsuzan National Park** includes the Ishikari range, Sōunkyo Canyon and other scenic points in the vicinity. The park is reached from Asahigawa, 86 miles from Sapporo, whence two routes, to the north and south of Mt. Asahi, lead to the peaks, the north route via Sōunkyo spa lying on the way to the canyon, and the south route via Matsuyama spa.

#### NOBORIBETSU

**Noboribetsu**, the most famous hot-spring resort in Hokkaido, should be visited by every foreign traveler to Hokkaido. The sight of a huge crater on the side of Mt. Noboribetsu filled with rounded mounds of sinter, the hot water spurting and bubbling, and the clouds of steam will live long in the memory. Access: by railway from Hakodate or Sapporo via Iwamizawa, or from Muroran; from Hakodate, 128.6 m., 5 hrs. by express; from Muro-

ran, 15.9 m., 40 min.; from Noboribetsu Station, by motorcar or electric train to the spa. Inns: Daiichi Takimoto, Daiichi Takimoto, etc.

**Shiraol** is the easiest available place on the island to see the life and customs of the Ainu, the aboriginal people of Japan which the Japanese Government is doing its best to preserve. By rail it is 11.7 miles from Noboribetsu Station and if journeying via Sapporo the village may be visited on the way to Noboribetsu.

**Lake Tōya**, 24 miles in circumference, with three attractive islets in the center, is a picturesque tourist resort in Hokkaido. It is reached by electric tram from Abuta Station on the short cut line between Hakodate and Muroran.

#### LAKE AKAN

**Lake Akan** reposes in between the two peaks of Mō-Akan (4,960 ft.) and O-Akan (4,524 ft.) rising to the northwest of Kushiro, the district being designated the **Akan National Park** noted for its scenic grandeur and sublimity. The lake, 1,120 feet in altitude and 16.5 miles in circumference, is surrounded by thickly wooded hills and contains 4 wooded islets. Boats are available and there is good fishing for a species of salmon-trout.

**Lake Kussharo**, 35 miles in circumference and **Lake Mashu**, 12.5 miles in circumference, are also included in the national park, and both are celebrated for their noticeable features. There are several hot springs on or near these lakes, which are connected by a good motor road.

The usual route to Lake Akan is to Shtakara from Kushiro by the Yūbetsu Railway, thence to the lake by motorbus.

#### KARAFUTO

If it is desired to extend the journey farther north, Karafuto, or Japanese Saghalien, is now easily accessible from Wakkanai, at the northern end of Hokkaido, by the steamers of the State Railways, in 8 hours to Ōdomari, the principal port in the island, from where a railway runs to Toyohara, the administrative center, 1,080 miles north of Tokyo.

#### KŌFU AND MINOBU

**Kōfu**, on the plateau of Kōfu where the River Fuji-kawa gathers waters, 2

hours from Shinjuku, Tokyo and 7.5 hours from Nagoya, is an old castle city of Lord Takeda. The Kōfu Plateau grows grapes in abundance, the history of grape cultivation there beginning in early Kamakura Period (1192-1337). In the Meiji Era, American and Italian grapes were transplanted and crossed with old ones to give the fame of the Kōshū grapes and wine. The site of the old castle, the Takeda Shrine and the tomb of Lord Takeda-Shingen are the chief places of interest in the city.

**Mitaké Shosen-kyo**, gorge of naked granite rocks along the clean stream of the Arakawa, can be reached by motor-bus 5 miles from Kōfu.

Along the Minobu electric railway from Kōfu to Fuji station on the Tōhoku Main Line, there are the Kuonji Temple and the Fujikawa valley for a good excursion. The Kuonji Temple in Mt. Minobu, the head temple of the Nichiren or Hokke Sect, located at the side of the mountain, is one of the most sacred places of Buddhism and draws thousands of pilgrims from all parts of Japan; the main building is reached by a high flight of 300 stone steps in a thick wood of old cryptomerias. The beautiful temple garden is a representative work of the middle Yedo Period. The River Fuji is one of the three rapid streams of Japan and its valley is full of picturesque points. The excursion down-stream from Kajikazawa to Iwabuchi at the mouth of the river by Japanese river boats has become a story, but the Minobu Line serves with its 3 excursion boats for the convenience of sightseers.

#### ALONG THE CHUŌ MAIN LINE

Leaving Kōfu, the Chuō Main Line of the State Railway runs to the northwest to Shiojiri, in Nagano Prefecture, through the valleys of the Japan Alps. At the western foot of Mt. Yatsugatake there are many mountain spas, among which Tadashina is best known for its medical efficacy and good accommodations, 8 miles northwest of Chino Station by motorcar.

**Lake Suwa**, at Kami-Suwa, alt. 2,480 feet, 11 miles in circumference, is noted for skating.

**Kiriga-miné**, 4 miles northeast of Kami-Suwa, comprises a beautiful plateau of green grasses, commanding a grand view of Fuji and the Japan Alps. It has a popular skiing ground

and draws, in combination with Lake Suwa, thousands of winter sportsmen from Tokyo. Kiriga-miné has become more popular in recent years as the best drill ground for the gliders.

**Okaya**, on the west shore of Lake Suwa, constitutes, together with adjacent towns, the center of the Japanese silk industry.

The **Tenryu Valley**, in between the peaks of South Japan Alps and the Kiso mountain range, is famous for its picturesque gorge, near the city of Iida, with granite rocks, rich foliage and mountain azaleas. Japanese boats on the rapids of the River Tenryu will carry you down to the towns near the mouth of the river, through numerous scenic spots. The beauty of the Tenryu Valley was first discovered by Sakatani-Rōro in 1847.

At Shiojiri, the Chuō Main Line turns southwest, and running along the River Narai enters a ravine, goes through a tunnel under the Torii Pass to turn south along the eastern bank of the famous River Kisogawa and reaches the town of Fukushima in the Kiso Valley. The district is renowned for its forests, owned by the Imperial Household, one of the three most beautiful forest areas in Japan. Here thick woods of cypress, oak, fir, pine, beech, etc., grow in abundance the most stately being the cypresses, hundreds of years old.

**Nézaméno-toko**, about a mile south of Agématsu Station, accessible by motorcar, lies in the streams of the River Kisogawa, consisting of black granite rocks which are naturally arranged in the form of bedsteads to give it the name of "Nézaméno-toko" or the Sleepy Bedstead. The stone beds are surrounded by stone walls that stand 21 feet high, on both banks of the Kisogawa the lower reaches of which comprise the part called the "Rhine of Japan."

#### KUROBE GORGE

**Kurobé Gorge**, in Toyama Prefecture, starts in the mountains a little northwest of Mt. Yarigadake in the Northern Japan Alps and runs down 40 miles northward to Unazuki hot springs, south of Mikkaichi Station on the Hoku-riku Main Line which runs along the Japan Sea. The gorge is the longest and deepest of the kind in Japan, being created by waters from the high moun-

tains of the Northern Japan Alps. The trip may be better started at Unazuki and proceed up-stream to Kaneisuri spa, Sarutobi, Babadani hot-springs, along a good road or by electric car for 12 miles to Aso-hara, then up to Hieino-goya through Shimo-rōka, the gem of the Karobé Gorge. Three days are required to complete the trip from Unazuki to Hieino-goya; the safest season is July-October. Daring alpinists may continue the trip to climb the ravine up to Harinoki Pass and end the thrilling excursion at Ōmachi on the South Ōito Line. The entire course, especially the scene at Shimo-rōka ravine at the foot of Mt. Tateyama, impresses one with the mystery of Nature which leaves one with the most enduring memory.

#### ALONG TOKAIDO MAIN LINE (Tōkyō-Kōbē)

The Tōkaidō Main Line of the State Railways starts from Tōkyō and passes through Yokohama, Kōzu, Atami, Shizuoka, Nagoya, Kyōto, Osaka, until it terminates at Kōbē. At Kōzu, there runs a branch line and meets the main line at Numazu via Gotemba, the principal departure point for the ascent of Mt. Fuji. Beyond Atami a long Shimizu tunnel is bored through the Hakoné mountains to a point near Mishima, one of the entrances to the historic Izu peninsula with a group of hot springs.

**Izu Peninsula.** Numazu is another entrance to the peninsula. From Shuzenji, which is connected by a private railway to Mishima and Numazu, motor-buses run via Itō and other noted hot-spring resorts to Shimoda. Historically associated with American effort to make contact with Japan, from where a motor service over excellent roads is maintained along the eastern and western coasts of the peninsula.

**Shizuoka,** the largest city between Yokohama and Nagoya, is the center of a large tea growing district, the tea being exported from Shimizu, its port. Historically, the city is associated with Iyeyasu, the founder of the Tokugawa Shogunate, who here passed his last years in retirement. The resplendent temple on Mt. Kunō is the small model of some of the Nikko temples.

**Bentenjima** is a small island in Lake Hamana, on which is enshrined an image of the goddess, Benten.

**Gamagōri** is a noted sea-bathing resort facing Atsumi Bay, with picturesque views seaward. A comfortable trip is made from here to Toba across the Bay of Isé.

Hotel: Gamagōri Hotel.

#### NAGOYA

Nagoya is the third largest city in Japan with a population of 1,300,000 and the industrial center between Tokyo and Osaka. Of interest to sightseers are the **Nagoya Castle**, one of the best remaining examples of these feudal structures in Japan, celebrated for the two gold dolphins on its roof; the former Imperial Detached Palace in the grounds, the Commercial Museum, Honganji temples, Nissenji Temple, Gohyaku Rakan near by, and Ōsu Kwannon in the center of an amusement quarter.

**Atsuta Jingū** in the southern part of the city, modelled on the Isé Shrines, is held sacred because of its treasure, the sacred sword forming a part of the Imperial Regalia of Japan.

From Nagoya, the one hour trip by express tram to Inuyama, noted for the white castle, and the **Kiso River**, the "Rhine of Japan," where the pleasure trip up and down the river can be made in 4 hours, is worth while. Cormorant Fishing may be enjoyed in the river during the season, June-October.

Hotels: Mampei Hotel, Nagoya Hotel and Inuyama Hotel.

From Nagoya a railway runs to Ujiyamada where are the Grand Shrines of Isé, the most venerated shrines in Japan, to Futami-no-ura, with the famous "Wedded Rocks," and to Toba, noted for its magnificent views and cultured pearl fisheries near by—a one day trip, although it is advisable to spend two days, staying overnight at Futami, proceeding thence to Nara via Ujiyamada.

**The Grand Shrines of Isé** consist of the Nai-Kū, or Inner Shrine, dedicated to the Sun Goddess who is regarded as The Ancestress of the Imperial Family, and the Gō-Kū, or Outer Shrine, dedicated to the Goddess of Farms, Crops, Food and Sericulture. In the former is enshrined the Sacred Mirror, one of the Three Sacred Treasures, which forms another part of the Imperial Regalia of Japan. It is one of the dearest wishes of every Japanese to visit the Isé Shrines once in his lifetime, so that millions of devotees make a pilgrimage

to the sanctified spot every year. The two shrines are 4 miles apart the distance being covered by tram, motor-bus or ricksha.

Continuing on from Nagoya, Gifu is noted for its paper- and bamboo-wares and its cormorant fishing in the Nagara River, a sport and industry practised there for over 1,000 years. Here the rail line runs westward to Maibara, the junction for Tsuruga and other places along the Hokuriku Line, thence along the shore of Lake Biwa. At Ōtsu steam boats are taken for the trip to the "Eight Sights of Biwa-ko."

Hotels: Nagara-gawa Hotel at Gifu, Biwako Hotel at Ōtsu.

#### KYOTO

For over a thousand years (until 1869) Kyoto was the Capital of Japan. The city and vicinity are rich in historical associations with the mediaeval life of the Empire, and the hundreds of old temples and shrines still remaining attest the glory and splendor of those days. The city now comprises about 1,200,000 people and is the fourth largest city in Japan.

Kyoto is the center of a vast recreation region and there are countless spots of interest, of which Mt. Hiei, Lake Biwa, Hozu Rapids, Momoyama and Uji are the favorite haunts of sightseers and pilgrims. It is the city of the fine art industries of the country and the home of famous painters and artists, old and new, its hand-made products being renowned: lacquer, silk embroidery, "Tsuzure-no-Nishiki," brocades, kimono, cloisonné, damascene, porcelains, bronzes, fans, dolls, bamboo wares, etc. Some of the shops selling these artistic goods invite inspection of their factories and the processes of manufacture.

Kyoto is the second educational center in Japan, next to Tokyo, with Kyoto Imperial University, Doshisha College, Buddhist colleges, colleges for art education and other schools.

With so many shrines, few days in the year pass without a festival being celebrated somewhere in Kyoto or vicinity. The quaintest spectacular festivals are the Aoi-Matsuri on May 15, Gion-Matsuri on July 16-17, and the mediaeval Jidai-Matsuri (historical pageant) on October 22.

The beautiful **Miyako Odori**, or Cherry Dance, is given yearly in April and Kamogawa Odori in May.

**The Palaces:** The old Imperial Palace, the home of the Imperial Family down to the Restoration of 1868, is situated in the northern part of the city. The park outside the palace is open to the public. Nijō Detached Palace with its interior elaborately decorated, dates from 1569. It was the abode of the Tokugawa Shoguns when in Kyoto, but, at the time of the Restoration movement, Yoshinobu, the last Shogun, left Nijō for Osaka on December 12, 1867, never to return. Katsura Palace and Shūgakuin Palace are celebrated for their excellent gardens and rare works of old Japanese architecture.

In the northern and eastern part of the city:

**Shimo-gamo and Kami-gamo Shrines:** The shrines are noted for their chief festival "Aoi-Matsuri" (Hollyhock Festival), held on May 15, the origin being traced back to the 6th century. It is a court festival conducted in purest Shinto style.

**Ginkakuji**, or Silver Pavilion, modelled on the Kinkakuji, or Gold Pavilion, as mentioned later, was built by Shogun Ashikaga-Yoshimasa in 1479 as a place of retirement. Its landscape garden is one of the best in Japan.

**Heian Shrine**, in Okazaki Park, a replica of a part of the first Imperial Palace, is noted for its buildings and attractive garden.

**Butoku-Den**, or Hall of Martial Virtues, near Heian Shrine, is a training institution for Japanese fencing, jūjitsu, archery, etc., open every day except Sundays and holidays.

Commercial Museum, Public Library, Zoological Garden, all in Okazaki Park.

**Nanzenji**, one of the five head temples of the Rinzai Sect, possesses valuable paintings and other art objects.

**Shōrō-in**, or Awata Palace, had, down to the Restoration, a prince of the blood as its abbot, the last of these prince abbots being the grandfather of the present Empress. The garden was laid out by Sōami and Enshū, famous landscape designers.

**Chion-in**, a great Buddhist monastery, is the head temple of the Jōdo Sect, and its furnishings, paintings and decorations are most interesting for the lovers of the Japanese arts.

**Maruyama Park**, Kyoto's principal park, is particularly celebrated for its "Shidaré-Zakura", or willow cherry tree, over 400 years old, which, when in bloom, is illuminated at night with torches and colored lights. Throngs crowd Yasaka Shrine in the park, when on New Year's eve the priests hand out straw rope lighted at the holy fire, for the purpose of starting the good luck fire on which in individual homes is cooked the customary New Year's dish, Ozōni, a sort of broth containing mochi, or rice-cakes, and vegetables.

**Kiyomizu Temple** commands a fine view of the city and adjacent country. Its approach is along a street lined with crockery shops, known to foreigners as "Tea-pot Lane." The cherry blossoms and the maples below the temple are beautiful in their season.

**Municipal Museum**, originally erected by the Imperial Household and donated later to the municipality, contains rare and valuable art objects.

**Sanjusangen-Dō**, or 33 ken Hall, so called because of the spaces between the front pillars of the temple measure 33 (sanjūsan) ken (ken=5.95 feet), is celebrated for its 1,001 images of the Goddess Kwanon.

In the southern part of the city:

**Nishi Honganji**, headquarters of the influential Shin Sect and **Higashi Honganji** of another branch of the same sect. The buildings and gardens of the former are quite old, while the latter was built in Meiji Era, though the latter is much grander than the former. Both temples contain priceless art and religious objects, and are splendid examples of Japanese Buddhist architecture.

In the north-western part of the city:

**Kinkakuji**, or Gold Pavilion, built in 1397 by the Ashikaga Shogun, Yoshimitsu, is so called because its interior was once entirely covered with gold foil. On its upper story, part of the foil, restored in 1906, still gives evidence of its past glory. Its garden is celebrated for its natural beauty.

**Myōshinji** and **Ninnaji** temples, and **Kitano Shrine**, all in the vicinity of the Kinkakuji, are historic edifices, noted for their art treasures and paintings.

**Arashiyama**, or Mist Mountain, at the foot of which runs the Ōi River, is much visited for its cherry blossoms in

dark green pine woods in spring, shady groves in summer, brilliant tints in autumn and snow scenery in winter. It is reached from Saga Station, or by electric cars from Kyoto in 20 minutes.

**Out-of-town trips:**

**Shooting the Hozu Rapids**, from Kameoka to Arashiyama, 7.5 miles in 1.5 hours. The charming country scenery is enjoyed throughout the whole journey. Train to Kameoka, then 10 minute walk to the river.

**Lake Biwa**, motorcar or tram to Ōtsu, where steamers start for the round of Chikubu-shima and other islets on the lake or the "Eight Sights" along the lake shore. Lake Biwa is the largest of the Japanese fresh-water lakes, with a circumference of 146 miles.

**Mt. Hiōi**, alt. 2,799 ft. Take traincar from Demachi-yanagi to Yasu, thence cable railway up to the peak. From its summit there are wide views over Kyoto and Lake Biwa. After visiting Enryakuji Temple, the descent may be made by another cable line to Sakamoto on the lake and return to Kyoto by electric car via Ōtsu. An interesting half-day trip.

**Mausolea of Emperor Meiji and Empress Shōken** at Momoyama by railway or electric tram.

**Takao**, **Makino-o** and **Togano-o** lie close together along the ravine at the foot of Mt. Atago on the northwestern outskirts of Kyoto. They constitute the historic places for maples which are the glory of the hillsides and dales in autumn.

**Uji**, where grows the choicest green tea, is a popular spot for excursion from Kyoto by motorcar. The Phoenix Hall of the Byōdō-in Temple, built in the 11th century, stands on the Uji River as a sample of the best religious architecture of the period when the Fujiwara Family was in its glory.

#### KYOTO TO SHIMONOSEKI by San-in Line

The country traversed by rail between Kyōto and Shimonoseki along the Japan Sea, a distance of 422.5 miles, has numerous places unfrequented by the general traveller, called the "Holiday Land" because of its excellent sea, lake and hot-spring resorts, its fishing and sailing and other diversions including mountain climbing. From the

#### NARA

Nara was an ancient capital of Japan during seven reigns, from 710 to 784, regarded as the period in which Japanese arts, crafts and literature were born and during which were compiled the first written histories of Japan. The temples and shrines in its eastern part have remained, in spite of the ravages of fire and time, practically as they were originally, and in Nara are found many rare old treasures. Visitors enjoy the quiet and restfulness of the old capital, and foreign visitors miss much if they omit Nara from their itinerary.

Hotel: Nara Hotel.

**Nara Park**, the largest of city parks in Japan, about 1,250 acres in area, and richest in classical memories, contains most of the relics of the ancient city. In the park there are the Shōsō-in Museum (see Chapter on Literature, Arts and Music), Imperial Household Museum with rich collections, Industrial Bazaar, Mt. Wakakusa, Uguisu Waterfall, and the ancient Kasuga Shrine situated in a grove of old cryptomerias. Deer strolling in the park are the favorite of all visitors.

On the way from the railway station to the hotel, the first pond noticed is Sarusawa-no-iké, fringed by willow trees. Kōfukuji, above the pond, is conspicuous with its two pagodas. Other temples and shrines near by are Tamukeyama Hachiman Shrine, Sangatsudo and Nigatsudo minor temples, Todaiji Temple, one of the seven great temples of Nara, noted for its big bell, beyond which is roofed the colossal bronze image of Daibutsu, or Great Buddha, 53.5 feet high. It was cast in 749 A.D. and is the largest of its kind in Japan.

**Hōryūji**, 3 miles from Nara, built about 1,300 years ago, is the oldest existing Buddhist temple in Japan, some of its buildings being probably the oldest wooden structures in the world. It contains priceless art treasures, best seen in the treasure house.

Among the other noted old temples and shrines in the vicinity are Hōkkōji, Saidaiji, Tōshōdaiji, Yakushiji, Hasedera Temple, Ōmiwa Shrine, Shigisan Temple, the Mausoleum of Emperor Jimmu, the founder of the Japanese Empire, and Kashiwara Shrine dedicated to him.

#### OSAKA

Osaka, the second largest city in

trains are picturesque views of the bold coast-line, rocky islets, small bays and sand beaches in succession.

Among numerous spas along the railway line, Kinokuni, the first spa reached from Kyōto, has been known since the 7th century for the curative efficacy of its hot mineral water. Near the spa stands Genbudo, the famous grotto, 78 to 100 ft. in depth, and filled with thousands of basalt pillars, giving the cave the appearance of a colossal beehive.

**Matsue**, on the east bank of Shinjiko Lake, is the largest city in the region; it was in the Matsue Middle School that Lafcadio Hearn first taught in Japan; the house in which he stayed for about two years is preserved in his memory.

The **Daisen National Park** and the Great Shrine of Izumo are in this region.

#### AMANO-HASHIDATE

**Amano-hashidatē**, or Heavenly Bridge, one of the "Scenic Trio of Japan", a sand-bar about 2 miles long, covered with pine trees, which extends from the mainland into Miyazu Bay, on the Japan Sea, has been famous from time immemorial as a scenic point, the combination of pine-trees, white sand and blue water appealing strongly to the esthetic nature of Japanese. Reached by rail from Kyoto, Kobe, or Osaka to Amano-hashidatē Station.

#### MT. DAISEN

**Daisen**, alt. 5,693 ft., selected as a National Park, is best reached from Hōki-Daisen Station on San-in Main Line, 199 miles from Kyoto, 10 hours. Bus available from the station up to the mountain side where stands the famous Daisenji Temple. The ascent from the temple is a severe one, taking 3 hours to cover only 4 miles. An extensive virgin forest of beech trees belting the upper half of the mountain constitutes a special attraction.

**Great Shrine of Izumo**, 244.7 miles from Kyoto, 12 hours, one of the oldest shrines in Japan, dedicated to Prince Ōkuninushi who founded a state which he surrendered into the hands of the Imperial Ancestors. The present shrine, built in 1874, is approached by an avenue of magnificent pine trees. It is built in the earliest style of architecture known in Japan and on that account the most dignified.

Japan with an area of 72.3 square miles and a population of 1,850,000, is the largest commercial center of the Empire, its industrial activities embracing many lines of business. Located at the mouth of the river Yodo and on the coast of Osaka Bay it is interlaced with numerous canals and is known as the city of canals and bridges.

Hotels: Hotel New Osaka, Osaka Hotel, Dōbiri Hotel, Takarazuka Hotel.

**Osaka Castle**, built in 1585 by Toyotomi-Hideyoshi, was one of the greatest and strongest castles in this country. Most of the old structures having been destroyed by fire, there now remain the elevated site and two deep moats with stately stone walls. The huge donjon has recently been rebuilt on the former site to revive the old glory of the castle.

**Tennoji**, or Shi-Tennoji, a temple founded in the 6th century, is noted for its architecture. From Tennoji, Sumiyoshi Shrine can be reached in 20 min. by electric railway.

**Dōtombori** and **Sensoji-mae**, near Minatomachi Station, are amusement quarters with theaters and other places of entertainment. The **Bunraku Theater**, noted for its historic puppet show, should not be missed. **Shinsaibashi-dori**, running north from Dōtombori, is the best shopping quarter of the city.

**Sumiyoshi** and **Hamadera Parks**, both favorite sea-bathing resorts of Osaka residents, are reached from Namba Station by electric railway running to Wakayama.

**Mino-o Park** is noted for its landscape beauty, water-falls and colorful foliage in the fall.

**Takarazuka**, 40 min. by electric railway, is noted for its mineral baths, and the "Paradise Hall," a large theater where operatic and other performances are given by the famous Takarazuka team of girl players.

**Mt. Kōyasan**, alt. 2,833, 2.5 hours by electric railway from Osaka, is celebrated for the great Buddhist monastery founded in 816 by Kōbō-Daishi. The holy precincts, surrounded by magnificent trees, cover about 24 square miles.

#### KII PENINSULA

**Kii Peninsula**, its south-western portion in particular, best reached from Osaka by O.S.K. steamers, or by combined service of railway and motor-

buses, is considered one of the best tourist points in Japan, owing to its mild climate, beautiful coast views, numerous spas, ancient temples and shrines. The **Kumano** district of the peninsula and some of the **Yoshino** mountains in Nara prefecture have been designated as a National Park.

**Nachi Waterfalls**, the highest in Japan running down 430 feet, is within easy reach from Katsura, a pretty seaport. **Doro Gorge**, on the upper reaches of the River Kumano, is considered the finest of the kind in the country. Reached from Shingu by boat, 28 miles in 3 hours.

#### YOSHINO-KUMANO NATIONAL PARK

**Yoshino** and **Kumano** districts extend over the three prefectures of Nara, Wakayama and Mie and cover an area of 168,500 acres. Yoshino was the seat of the Imperial court for some 60 years, in the 14th century, under the Emperor Godaigo and his successors. It is therefore associated with many romances, heroic and tragic, which make the spot particularly famous. There is, moreover, the surpassing beauty of cherry blossoms which almost entirely cover the valleys and mountain-sides in the season, usually April 10-25. Yoshino is best reached from Osaka by electric railway in 2 hours. Among the peaks of the Yoshino mountain range, **Sanjō (Ōminé)**, **Shaka** and **Bukkyo** are most prominent. The first named Ōminé is a sacred mountain with a temple on its summit. To the east of Ōminé stands **Mt. Ōdaigahara** which affords a wonderfully extensive view, including, on a clear day, even **Mt. Fuji** about 150 miles to the east. These peaks and historical places attract a vast number of pilgrims and excursionists not only in cherry time but in all other seasons.

**Kumano** is a sacred region in South Kii Peninsula, embracing the three holy places of **Hongū**, **Shingū** and **Nachi**; the last being noted for the **Nachi** waterfalls mentioned above. **Kumano's** claim, however, for its celebrity mainly lies in its attractive scenery; especially of **Doro** and other gorges, coastal views around **Kushimoto**, **Katsu-ura**, etc., and because of its rich vegetation found in the district in profusion, some being found only in the semi-tropical regions. **Doro Gorge** is situated on the upper reaches of the River Kumano which rises in the Yoshino mountains and

empties into the sea at **Shingū**. The clearness of its water, fantastic rock formation and mountain scenery combine to display ever-changing views for several miles, the beauty culminating in May and June when azaleas and rhododendrons in bloom on the cliffs are reflected in the liquid mirror below. For about 17 miles upstream from **Shingū** boats are available. The coastal views of **Kumano** are of exquisite beauty, especially in the vicinity of **Katsu-ura**, a picturesque harbor with many islets adorning the mouth. A group of hot springs around **Katsu-ura** Bay is comfortably reached by motor-boat from the pier. **Kumano** is not so conveniently situated as **Yoshino**, but the well-accommodated steamers of O.S.K. will take one comfortably from Osaka to **Katsu-ura** in less than 15 hours.

#### KOBE

**Kōbē**, the sixth largest city in Japan with a population of over 667,000, situated on the Inland Sea and landlocked by the **Rokkō** hills at the back, is one of the two greatest trade ports of the country. **Kōbē** is also a travel center, railway and steamer services radiating from it in every direction. All the wares of the Orient can be purchased here.

Hotels: Oriental Hotel, Tor Hotel, Kōshien Hotel.

**Suwayama Park**, on the hillside close to the Tor Hotel, is sometimes called "Venus Hill", from the story that a Frenchman in 1873 made observations of the transit of Venus at this spot.

**Nunobiki Waterfalls**, the celebrated twin falls located in a thickly wooded hill, are favorite objectives of the citizens' outings.

**Ikuta Shrine**, near Sannomiya Station, is said to have been founded by the Empress Jingō in the 3rd century.

**Minatogawa Shrine**, near **Kōbē** Station, dedicated to **Kusunoki-Masashige**, a loyal hero of the 14th century.

**Mt. Rokkō**, alt. 3,062 ft., reached from **Kōbē** by one hour's drive, or by cable line or ropeway from the foot, is a favorite summer resort for foreign residents of **Kōbē**, many of whom have cottages there.

**Arima**, a well-known hot-spring resort, is reached in about 1.5 hours by motor-car through strikingly beautiful scenery via **Mt. Rokkō**, or directly from

**Kōbē** by electric railway in 45 minutes. **Arima** is of great antiquity and has a delightful location. Various kinds of mineral water are noted for their medical efficacy.

**Suma, Maiko and Akashi**. A delightful motor trip can be made to these seaside resorts over a splendid road. They are charmingly situated along the Inland Sea with fine sand beaches and parks embowered in aged pine trees.

#### INLAND SEA

(Sēto Naikai)

The Inland Sea, or **Sēto Naikai** in Japanese, extending for about 230 miles along the south-western coast of the Main Island, from **Kōbē** to **Shimonoseki**, is dotted with 950 islands of all shapes and sizes, and the seascape view is ever changing as one voyages on its historic waters. The sea varies 8 to 40 miles in width in between the Main Island and **Shikoku** Island or **Kyushu** Island. On a bright day, the daylight steamer trip through it from **Kōbē** is a memorable event. Another worthwhile trip is on board special steamers from **Osaka** to **Beppu Spa** in **Kyushu**. Most of the trans-Pacific liners cross the sea. Occasional glimpses of its beauty can be seen from the trains running between **Kōbē** and **Shimonoseki**. The district extending from **Shōdoshima** Island on the east to **Tomo** and **Tadotsu** on the west, in which are many beauty spots, has been selected as a National Park.

**Okayama** Among many cities and towns on **Sanyo Main Line** from **Kōbē** to **Shimonoseki**, **Okayama** is particularly noted for its castle and historic landscape garden, the **Kōrakuen**. **Okayama** has been the educational center in the district west of **Kyoto** since feudal days. On the way from **Kōbē** to **Okayama**, another castle must not be missed. It is the **Hakuro Castle**, or **Snowy Heron Castle**, of **Himeji**, which has a singular beauty of its own among the Japanese castles.

**Hiroshima** is the largest city in this part of the Main Island; its beautiful landscape garden, the **Sentel**, owned by **Marquis Asano**, is open to the public.

#### SHIKOKU ISLAND

**Shikoku**, one of the four greatest islands of Japan Proper, has many places of interest, including **Ritsurin Park** at **Takamatsu**, an attractive landscape

garden; Yashima, off which a great naval battle was fought between the Taira and Minamoto clans in the 12th century. Kotohira Shrine, venerated by the seafaring people; all lying in or not far from Takamatsu which is reached by steamer from Uno, a short railway ride from Okayama on the opposite coast. Dōgo Hot Springs are reached by steamer from Onomichi or from Ujina, near Hiroshima, to Takahama, thence 6 miles by railway and electric tram, or directly from Takamatsu by rail.

#### MIYAJIMA

Miyajima, or Shrine Island, one of the "Scenic Trio of Japan", is considered one of the most beautiful shrine sites in Japan, and reached by ferry from Miyajima Station. It is widely known for its Itsukushima Shrine which at high tide appears to float upon the water, for its singular torii in the sea, and for the crimson richness of its maple foliage in the autumn. With its cool nights, sea-bathing, delightful sylvan walks and retreats, abundant pines, good drinking water, disintegrated granite soil and untilled land, the island is an ideal summer resort.

The Shrine, an open square in shape, is a unique sight at night when its lanterns are lighted. Kagura, or sacred dances, are performed by shrine maidens for a stipulated offering to the shrine. Tame deer wander freely about the precinct. Senjō-kaku is a time-worn building dedicated to the shrine by Toyotomi-Hideyoshi in the 16th century, who is said to have built the structure out of the wood of a single camphor tree. Mt. Misén, the highest point on the island, is easily climbed in less than 2 hours. From the top there is a splendid view of the Inland Sea. Circuit of the island by motor launch in about 2 hours is an interesting excursion.

Hotel: Miyajima Hotel.

#### SHIMONOSEKI

Shimonoseki, situated at the western end of the Inland Sea and the Main Island, is the gateway through which the majority of travelers from the Asian continent enter Japan via Fusan in Chosen. It is an important railway and steamer center, being the terminal of the Main Island system of railways along both the Pacific and the Japan Sea coasts, and the terminal or port of call for many steamship lines, including the State Railway steamer service to

Fusan. A frequent ferry service is operated between Shimonoseki and Moji, 2 miles in 15 minutes.

Hotel: Sanyō Hotel, located on the station premises.

Akamagū, a shrine dedicated to the infant Emperor, Antoku, who drowned in the desperate sea-fight between the Minamoto and Taira clans off Dannoura in 1185. Dannoura, is the left beach along the shore.

Chōmon-kyō Valley, 2.5 hours by the Sanyō Line, changing cars at Ogōri, is celebrated for its scenic beauty, peculiarly shaped peaks, fantastic rocks, ravines and tumbling streams.

Shōhodō, 18 miles from Ogōri, is the second largest stalactite cave in the world to be fully 1.2 miles long.

#### KYŪSHŪ

Kyūshū, the westernmost of the four large islands forming Japan Proper, was the first to be settled by the Japanese race, and contains much that is of historic interest.

Off Hakata, now a part of the city of Fukuoka, the great Mongol fleet sent by Kublai Khan in 1281 to subjugate Japan was completely defeated, civilization in the Asiatic continent entered into Japan through Hirato and Hakata in North Kyushu in olden times, while Western civilization gradually filtered into Japan through Nagasaki in South Kyushu for several hundred years down to the restoration of 1868. In North Kyushu are the largest coal mines in Japan. Some of the Kyushu hot-springs Unzēn, Obama, Aso, Beppu, Kirishima, etc., are visited by many foreigners resident in China and other overseas countries.

Moji. Together with its sister city, Shimonoseki on the opposite side of the channel, Moji is a most important travel center, being an open port for steamship lines and the terminal of railway lines on Kyūshū Island. The expansion of the coal mining industry in the island assisted its growth, and together with Wakamatsu and other neighboring cities, Moji constitutes the largest manufacturing center in Kyūshū.

Fukuoka, the largest city in Kyūshū, 2 hours from Moji by rail, lies on the head of Hakata Bay. Hakata now forming a part of the city is the oldest port for foreign trade in Japan. The city is the center of the famous Hakata silk

weaving industry and the manufacture of Hakata dolls. Sumiyoshi Shrine, Ōhori Park, the site of Lord Kuroda's castle in the park, etc. are places of interest in the city. The site of Dazai-fū, or the government seat of Kyushu of old, famous for its connection with the loyalist scholar Sugawara-Michizane, may be visited by motor-bus from Futsukaichi southeast of Fukuoka, on the Kyūshū Line.

Kumamoto, 2.5 hours from Fukuoka to the south or 4 hours from Kagoshima to the north by rail, is one of the oldest castle cities in Kyūshū. The Kumamoto Castle was built by Katō-Kiyomasa, one of the most powerful generals under Toyotomi-Hideyoshi, in 1601-1607. It is the castle which the Major-General Tani-Tateki of the Imperial Army defended in a deadly battle against the siege by the forces of General Saigō in the Southwestern Civil War in 1877. Other places of interest are Hanaoka Hill noted for its connections with the history of the Protestant Church in Japan, the Udo castle, the Katō Shrine, the Honmyō Temple, the small, but beautiful Suizenji Park, 3 miles by electric car from Kumamoto, etc.

#### NAGASAKI

From Moji, 150 miles, express 5 hours; reached also from Kōbē by N.Y.K. express steamers of the Kōbē-Shanghai service—a charming daylight trip through the Inland Sea each way.

Hotel: Hotel du Japon.

Nagasaki has the distinction of being the first port of the Empire to be opened to foreign trade, being one of the best harbors in the country. It is the first port of call in Japan for steamers from Australia and China, and overland travelers leave their ships here. The city is famous for its annual fêtes: Suwa Shrine Festival, October 7-9, Bon-matsuri, or all souls' day, July 13-15, and Hata-agē, the kite-flying festival, held for several days in April.

Suwa Park, the Commercial Museum and Suwa Shrine, adjoining the park, are to be visited. The Catholic Cathedral at Urakami is the largest in Japan and contains many relics associated with the Christian persecution in the 17th century.

Among the many delightful trips in the vicinity are those to the waterfalls of Takino-Kwannon, to Moji, a seaside

town on Chijiwa Bay, to Michino-o, a little spa much resorted to by Nagasaki folk, and to Obama, a well-known hot-spring resort at the foot of Unzēn.

#### UNZEN

The renowned sulphide hot-springs of Unzēn, alt. 2,400 ft., discovered in 1661, annually attract many foreigners and Japanese. It is regarded as the best summer resort in Kyūshū and is also visited for its wild cherry blossoms in spring, its splendid azaleas in May, its tinted foliage in the fall, and for its celebrated Silver Thaw in winter when trees and shrubbery are coated with ice. The Unzēn district has been selected as a National Park.

Hotels: Kyūshū Hotel, Yūmei Hotel, Shinyu Hotel, Unzēn Hotel, Midoriya Hotel, Takaki Hotel, Unzēn Kanko Hotel.

Access: From Nagasaki, rail to Isahaya and thence by motor-bus to Unzēn via Obama, or by motor-car all the way from Nagasaki. From Kumamoto, rail to Misumi, steamer connection to Shimabara, thence motor-car or bus to Unzēn.

#### BEPPU

Natural hot water is so abundant at Beppu that it is provided at the railway station for travelers' hand-washing, and besides baths in many private houses, bathing facilities are installed in almost every school, police station, and even in the prison. Extraordinary sights are the ten or more solfataras or pools of boiling water in the district which bubble and steam. The sand baths are also renowned for their miraculous cures.

Hotel: Kamēnoi Hotel, and Japanese inns.

Besides the hot-springs in the city of Beppu there are six spas in the district. The largest pools of boiling water, popularly called Jigoku, or Hell, are Umi, Chinošké, Bōzu, Hachiman and Kōya.

Yabakéi is known for its fantastic rocky heights and varied vegetation, which, with the meandering stream, form gardens of striking beauty. Train, Beppu to Nakatsu, 43 miles, change to Rakanji, 10 miles, thence bus, ricksha or on foot for the views.

#### MT. ASO

Mt. Aso, alt. 5,238 ft., recently selected as a National Park, is a general name for 5 volcanic peaks, of which

Nakadake is active. Its original crater, over 70 miles in circumference, is the largest in the world. The shortest and easiest ascent is made from Bōchū on the Ōita-Kumamoto Line, thence motor-bus to the summit. Other routes are via the Kagoshima Main Line and from Nagasaki. The trip to Mt. Aso, with its wonderful active crater, the hot-springs in the district and natural beauty in the valleys, will live long in the memory.

#### KAGOSHIMA

From Moji, 248.5 miles, express 8 hours; from Beppu, may be reached by railway running for the most part along the east coast of Kyūshū Island.

Kagoshima, the picturesque southern-most city of Kyūshū, is noted as the birthplace of Takamori Saigō and many other statesmen, generals and admirals renowned in the modern history of the nation. The city and vicinity produce the famous Satsuma porcelain.

Sakurajima, a volcano in Kagoshima Bay, once an island but now a peninsula, is reached in 30 minutes from the city.

#### MT. KIRISHIMA

Mt. Kirishima is a collective name for the two volcanic peaks, Takachiho and Karakuni, facing each other. In the vast area around the peaks, selected as a National Park, are found all the features of volcanic mountain scenery; wonderful craters, lakes, cascades, forests, hot-springs, rare trees and flowers. These peaks have associations linked with the dawn of the Empire. Kirishima hot-springs are 9.7 miles from Makizono Station, 29 miles from Kagoshima.

#### TAIWAN (Formosa)

The foremost port of the island is Keelung, or Keelung, 990 miles from Kōbe, three weekly steamer service via Moji being maintained by the O.S.K. and other steamships.

Taihoku, 18 miles from Keelung, the seat of the Government-General, is the political and economic center of the island. Among places of interest are the Museum, Botanical Garden, Central Research Institute, Taihoku Imperial University, the Market and the Taiwan Shrine dedicated to Prince Kitashirakawa.

Hotel: Taiwan Railway Hotel.

Hokuto and Sozan are delightful spas in the vicinity of Taihoku.

Jitsugétsutan, a beautiful mountain lake, 10 miles in circumference, is best reached from Gashatēi on the Shushu Line.

Mt. Nitaka, or Mt. Morrison, is the highest mountain in Japan with an altitude of 13,000 feet.

At Kagi, the center of the sugar industry in Taiwan, is handled a large quantity of timber from Mt. Arisan, 21.8 miles by train from Kagi. The heart of the mountain is Numano-taira, all 7,500 ft., a favorite resort of foreign visitors. The ascent of Arisan, with its scenic grandeur, is quite enjoyable.

#### CHŌSEN (Korea)

Fusan, a thriving seaport, is the southern entrance to Chōsen.

Tōral is the finest hot-spring resort in the peninsula and is reached from Fusan in half an hour by motor-car.

Kalundai, not far from Tōral, is a delightful seaside resort.

Taikyū is a flourishing commercial and industrial city. Exceptionally interesting is a big fair held in spring and autumn, when the city is thronged by tens of thousands of people from neighboring districts.

Kēishū had its glorious days over 1,000 years ago as the capital of Shiragi, the most powerful of the three kingdoms of Korea. Today, the pagodas, mausolea of kings and other historic edifices are of antiquarian interest. Bukkokuji, 7 miles by rail from Kēishū, is an ancient Buddhist temple noted for its architectural beauty. Sekkutsuan, the "Cave Temple", on the hill at the rear of Bukkokuji, contains many stone images of Buddha, masterpieces of the Shiragi period.

Keijo, or Seoul, is the seat of the Government-General. Flourished as the capital of Yi Kings for over 5 centuries, the city has many places of historic interest. Kelfuku-kyū Palace has many magnificent buildings such as the Hall of Administration, the Audience Hall and the Banquet Hall. Pagoda Park is a charming little park on the north side of Shōro Street. Shotoku-kyū Palace, in the northeast of the city, is the private residence of Prince Yi. The beautiful gardens in the residence, and

the Botanical Garden, the Zoological Garden and the Museum, in the adjacent enclosure, are worth a visit. Nansan Park is a pine-clad hill on the southern city boundary, where stands the Chosen Shrine, a memorial shrine dedicated to Emperor Meiji.

Hotel: Chōsen Hotel.

Kaijō, an important town between Kēijō and Hēijō, is the producing center of ginseng. The city was the metropolis of the Koral, or Kouli, Kingdom for nearly five hundred years until 1393.

Hēijō is the second largest and most picturesque city and the industrial and religious center in Chosen. Chinuampo is the nearest port to Hēijō, at the mouth of the Daidō. Those who have an archaeological interest will be repaid by a visit to the old Kōsēi tomb and the Rakurō ruins, both near the city.

Kongo-san, or Diamond Mountains, is situated in Kōgōn province near the eastern coast and is part of the great mountain range forming the backbone of the peninsula. The mountain, about 50 miles in circumference, consists of a large cluster of countless rocky peaks reputed from of old to number "twelve thousand." All the peaks are very

rugged and fantastic in form, towering sharply into the sky from a wild growth of primeval sylvan vegetation below, and embrace numerous ravines and canyon through which run crystal waters amid huge rocks of grotesque shape.

The mountains are divided into three sections. The western side facing inland is called Inner Kongō, the eastern side looking toward the sea Outer Kongō, while the extension jutting into the sea in broken masses near Kōjō is known as Sea Kongō.

The mountains have been famous in Chinese literature for nearly 2,000 years, though their history has only been known since the arrival of the 33 sages who settled at Yūtenji in the 4th century, which temple still retains the title of principal monastery and is indeed still the largest. The name Kongō is taken from the Buddhist "Diamond Sutra," the gospel most read in Far Eastern Buddhism.

The routes to Kongōsan are: To Outer Kongō, Kēijō to Sotokongo via Anpen by rail, 193 miles. To Inner Kongō, Kēijō to Chōanji via Tetsugen by rail, 140 miles. The best season to visit there is from May 1 to October 31, during which period the hotels, motor-bus, etc. are operated.

#### TOURIST INDUSTRY

The tourist industry in Japan may be classified under the following three heads:

1. Publicity
2. Tourist accommodation
3. Handling of tourists

By publicity is meant the making known abroad of various features Japan possesses, which are attractive to prospective tourists in foreign parts, so as to induce their travel to this country.

In the inducement of foreign tourists, the first thing to be done is the development and improvement of tourist points. Though well favored by nature and enjoying modern accommodation, a tourist point will fail to attract foreign tourists unless it has adequate special provision for them. Means of transit must also be improved to facilitate access to tourist points. Again, hotel accommodation at tourist points and elsewhere has to be amplified and made more efficient. The improvement of

these provisions covers an extensive scope and involves various activities. And the carrying out of the improvement has an important bearing on the inducement of foreign tourists.

By "handling" is meant direct service to foreign tourists. It is one of the important points in the inducement of foreign tourists that people in general should treat them in a spirit of hospitality so that they may forget that they are strangers in a strange land.

The Board of Tourist Industry of the Government Railways frames the fundamental policy for the guidance, direction and support of the triple activities of the tourist industry. This central tourist organization forms part of the Government Railways for practical convenience. For the full functioning of the central organization the Kokusai Kwanko Inkaï (a Committee for the Tourist Industry), has been organized with persons prominent in the public eye as its members. There are

organizations that act as executives for the Board of Tourist Industry. Publicity work is assigned to the Kokusai Kanko Kyokai (Japan Travel Publicity Association), while the work of affording travel facilities is in the hands of the To-A (East Asia) Tourist Bureau, formerly known as the Japan Tourist Bureau.

Thus, in the three sister organizations, the Kanko Kyokai takes charge of the work of general publicity; the To-A Tourist Bureau, the work of affording travel facilities; and the Board of Tourist Industry, the work of direction, control, and support of the tourist trade. With a view to the harmonious and efficient working of the three organs, the director of the Board of Tourist Industry is at the same time a director of the Kanko Kyokai and also of the To-A Tourist Bureau, while the managing director of the To-A Tourist Bureau is also a director of the Kanko Kyokai, and connected with the committee for Tourist Industry in the capacity of an executive secretary.

The To-A Tourist Bureau organized

in March 1912, is a juridical person, maintained by a fund contributed by its members, about 180 all told, including the Government Railways, the principal private railway companies, shipping companies, automobile companies, cities and towns, chambers of commerce and industry, tourist associations, hotels, theaters, banks, and firms. The business is conducted by officials selected from among the members, as well as by the Bureau's employees.

The headquarters are at Marunouchi 1-chome, Kojimachi, Tokyo and in front of Kanda Station with branches in Tokyo, Nagoya, Osaka, Hiroshima, Moji, Niigata, Sendai, Sapporo, Keijo, Mukden and Tashoku. Besides these are 57 offices in the principal cities of Japan proper (including four summer offices), 13 in Chosen, four in Taiwan, 35 in Manchoukuo, and 21 in China. It also has offices in Los Angeles, New York, Paris, London, Hongkong, and Manila. In addition to these are 29 agencies scattered through the chief cities in Europe and America.

#### FOREIGNER'S ENTRY TO JAPAN

Year	British	American	German	French	Russian	Chinese	Others	Total
1912	2,411	3,382	1,087	375	2,120	5,502	587	15,964
1916	3,604	4,225	9	242	4,803	6,236	759	19,908
1921	2,857	3,772	363	245	2,983	13,082	1,839	25,041
1926	3,624	6,704	536	429	849	10,977	1,587	24,706
1930	3,705	7,586	746	378	1,139	14,160	1,888	29,605
1931	3,103	6,739	735	457	851	8,866	1,841	22,492
1932	3,586	5,075	697	496	963	7,039	2,220	20,076
1933	5,515	6,091	1,154	705	1,060	8,167	3,766	26,458
1934	6,882	8,030	1,325	939	1,315	10,499	6,208	35,198
1935	7,293	9,111	1,523	894	1,280	14,260	8,268	42,629
1936	6,992	9,655	1,446	920	1,315	11,398	10,842	42,568
1937	6,097	10,077	1,816	882	1,562	8,275	11,593	40,302
1938	3,209	5,148	1,861	511	1,648	4,021	11,674	28,072
1939	4,012	6,711	2,585	532	157	7,325	15,922	37,244
1940	3,189	5,983	5,442	550	444	9,968	17,859	43,435

## CHAPTER XXXVIII

# TOKYO

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## CHAPTER XXXVIII

### TOKYO

#### Historical Sketch

In 1192 Yoritomo Minamoto (See Chapter III, Kamakura Period) established a military régime at Kamakura, 56.33 kilometers south-west of the present Tokyo, and it was at this period that the name of Yedo was recorded in the report of a local war in which a son of Lord Shiro Kanetsugu Yedo took part, and the name seems to have been given before he became the lord of the district. Yedo literally means "entrance to the gulf."

After the fall of the Yedo family the district was occupied by a feudal lord called Sadamasa Uyesugi; and Dokan Ohta, one of his retainers, discovering the strategic importance of Yedo constructed the Yedo castle which was completed in 1457. After changing hands a few times, it fell, in 1590, into the possession of Iyeyasu Tokugawa, who settled down there to be the over-lord of the eight provinces of Kanto. From that time it gradually expanded until it became not only the capital of Kanto but the seat of the Tokugawa Shogunate during 15 generations. During the 268 years of the Tokugawa Shogunate the obscure village of Yedo became a thriving town and it is said that 2 million people lived there in the height of its prosperity in the Bunsel (1818-1830) and Tempo (1830-1844) eras.

In 1869 the Emperor Meiji transferred the Imperial capital to Yedo and renamed it Tokyo, or Eastern Capital. Then came still further growth and prosperity. Contact had just been made with Western countries and as Tokyo was serving as the gateway for Western civilization much attention was given to building the city on modern lines.

The 50 years of Tokyo culture met with a terrible catastrophe in September 1923, when earthquake and fire, unprecedented in history, dealt the city an almost fatal blow. Nearly one-half of the entire city was completely reduced to ashes. But with hard work and the enthusiastic support of the whole country and the citizens of Tokyo, as well as the sympathy of the world, a new

and better Tokyo has arisen from the ashes in but a decade.

#### Location and Climate

Tokyo is situated at the south-east corner of Kanto plain in 35° 31' 59"—48° 50' N. latitude, 139° 33' 56"—55° 22' E. longitude. The climate of the city is generally mild: the annual mean temperature is 13° 9' C (57° F); the mean temperature in July is 24° 2' C (75° 5' F). In January 3° 1' C (37° 5' F); the annual average precipitation is 1,555 mm.

#### Population and Area

**Growth of Population** According to the 1940 census the population of Tokyo was 6,778,804 at the time when the census was taken on October 1. It increased 903,137 or 14.6 per cent during past 5 years, and represents 9.2 per cent of the total population in Japan proper.

Year	Population	Household
1878	813,400	235,943
1888	1,298,661	287,833
1898	1,425,366	316,527
1908	1,626,103	376,428
1920 (census)	2,173,200	456,816
1923 <sup>1</sup>	1,527,489	340,278
1924	1,926,310	417,833
1925 (census)	1,995,567	429,852
1930 (census)	2,070,913	414,710
1931	2,103,880	421,620
1932	5,314,700	1,112,640
1933	5,495,460	1,138,470
1934	5,682,370	1,164,890
1935 (census)	5,875,667	1,191,939
1936	6,085,800	1,236,500
1937	6,274,000	1,275,800
1938	6,457,600	1,313,400
1939	6,581,100	—
1940 (census)	6,778,804	—

<sup>1</sup> Earthquake year.

**Buildings and Dwelling Houses** At the end of 1938 there were 1,057,921 buildings and dwelling houses in the city, of which dwelling houses numbered 692,751, shops 223,552, governmental



offices 8,924, and schools and libraries 6,078.

**Area** The total area of the city of Tokyo in January 1939, was 535,068 square kilometers. The classified ownership in January 1939, follows:

Ownership	Area (In square kilometers)
Total	535,068
Imperial household	6,397
State	78,795
Tokyo prefecture	1,161
City	14,617
Private persons	434,005

#### Tokyo Enlarged

The development of modern Tokyo is best endorsed by the giant growth of the adjoining towns and villages.

Socially and economically the towns outside the city area have been closely connected with the city itself. The position regarding Tokyo during the 10 years ending 1930 was that the 32 adjoining towns and villages increased in population by 1,720,000, while the city of Tokyo lost 100,000, within the same period. In road construction, extension of communication facilities and in the execution of various municipal regulations the city experienced enormous difficulties due to the existence of over

80 different self-governing bodies surrounding the city area.

As is generally the case with great cities, a large number of people living in adjoining towns enter the city to earn their living. They are placed on exactly the same footing with the citizens in so far as the utilization of metropolitan facilities is concerned. Besides, as most of them are salaried men belonging to middle or intelligent class, to let them stand aloof from city government means an enormous loss to both.

It was after taking into careful consideration all these practical phases of administration that in October 1932, new Tokyo was founded by amalgamating 20 more wards. The newly annexed suburban towns then had 3,211,580 inhabitants and 469,029 sq. km., a density of 9,034 persons to the square kilometer.

The enlarged Tokyo now covers 570,337 square kilometers divided into 35 wards.

#### Commerce and Industry

**Retail Business** At the end of July 1939, the number of retail shops in the city was 156,831. Sweetmeats shops numbered 14,887, rice shops 7,768 and vegetables and fruits shops 6,536. Retail price index numbers based on the prices of December 16, 1929, as 100 follow:

#### RETAIL PRICE INDEX NUMBER IN TOKYO

(Of 100 Kinds of Commodities)

(The average retail price on Dec. 16, 1929 taken as 100)

	Foodstuffs	Clothing, etc.	Fuel	Building Materials	Miscel- laneous	Gross Average for Tokyo	Average for 13 Cities
1935	90.0	87.7	92.3	100.7	89.7	90.4	90.5
1936	96.2	89.5	93.4	103.9	89.2	94.5	94.8
1937	98.1	105.8	108.6	147.7	105.4	104.7	104.2
1938	110.3	135.5	124.6	179.1	125.2	122.9	121.6
1939	125.2	148.9	125.6	174.3	135.6	133.8	138.7
1940	—	—	—	—	—	157.6	162.2

**Wholesale Price** The wholesale average price index number for 100 kinds of commodities in 1940 was 173.1 against

100 of the average wholesale price index of December 1929. Below are given detailed figures:

#### WHOLESALE PRICE INDEX NUMBER

	Food- stuffs	Textile Goods	Metals	Building Materials	Chemi- cals	Fertili- zers	Fuel	Miscel- lane- ous	Aggre- gate Aver- age in Tokyo	Aver- age in 13 Cities
1935	96.0	96.6	109.2	93.0	87.0	99.3	90.1	115.9	98.7	97.4
1936	103.0	98.8	114.8	96.1	72.3	103.8	93.9	118.0	102.3	101.2

	Food- stuffs	Textile Goods	Metals	Building Materials	Chemi- cals	Fertili- zers	Fuel	Miscel- lane- ous	Aggre- gate Aver- age in Tokyo	Aver- age in 13 Cities
1937	107.4	117.4	193.7	122.5	99.0	126.5	114.3	158.8	128.2	123.8
1938	116.1	135.7	227.8	137.3	127.0	132.0	140.9	163.9	145.1	140.2
1939	141.1	134.8	192.0	160.6	128.0	164.8	145.1	167.5	153.9	153.7
1940	—	—	—	—	—	—	—	—	173.1	165.2

**Banks** At the end of 1938 there were 24 banks domiciled in Tokyo and 331 branch offices. Three were special banks, i.e. semi-governmental banks. The number of ordinary commercial banks was 16, with 259 branches in the city. Savings banks numbered 5 with 65 branches. The aggregate capital of the special banks was ¥250,920,000 of which the amount paid up was ¥211,796,062. The aggregate of deposits was ¥985,521,000 and the aggregate amount of advances and discounts was ¥2,902,988,000. The aggregate capital of the ordinary banks was ¥510,488,500, the amount paid up was ¥341,147,000, deposits ¥6,615,213,000 and advances and discounts totalled ¥4,203,631,000. The aggregate capital of savings banks was ¥15,535,000 of which ¥11,922,500 was the total sum paid up, deposits ¥1,238,589,000 and advances ¥171,783,000. In 1937 there were 95 branches of banks domiciled in other cities, and the total number of banks and branches in the city was 355, with aggregate deposits of ¥4,695,687,698 and advances of ¥3,333,170,808.

**Industry** At the end of 1938 there were, in Tokyo, 30,154 small working shops, where less than 5 operatives were employed, with 48,240 workers, and 15,419 factories, where more than 5 operatives were employed, with 482,939 workers.

#### FACTORIES IN TOKYO

(At the end of 1938)

Kind of Industry	Fac- tories	Opera- tives	Produc- tion (In yen)
Textile	2,490	39,513	189,563,000
Metallic	6,127	81,331	731,546,000
Machin and Tool	9,195	238,123	1,153,492,000
Ceramics	769	10,123	32,316,000
Chemical	2,354	50,963	603,614,000
Sawing and Wood-work	3,200	13,817	52,603,000
Printing and Book- binding	3,243	29,031	136,679,000
Foodstuff	13,935	23,590	245,653,000

Kind of Industry	Fac- tories	Opera- tives	Produc- tion (In yen)
Gas and Electric	4	737	14,062,000
Others	4,256	43,951	168,376,000
Total	45,573	531,179	3,327,907,000

**Companies** At the end of 1938 there were 18,239 companies in Tokyo, with an aggregate capital of ¥14,954,279,000.

#### COMPANIES IN TOKYO CLASSIFIED BY INDUSTRIES

(At the end of 1938)

Industry	Number	Aggregate Capital (In Yen)
Agriculture	115	116,178,000
Aquatic	27	196,170,000
Mining	511	1,759,919,000
Manufacturing	7,445	7,542,091,000
Commercial and Banking	9,654	4,516,915,600
Traffic	487	823,007,000
Total	18,239	14,954,279,000

#### Transportation

**Roads** At the end of 1938 the total mileage of public roads in the city was 8,583,700 meters covering an area of 49,840,000 square meters or 8 per cent of the total city area.

**Railway Service** In the fiscal year 1937, ending March 31, 1938 there were in aggregate 446,803,432 boarding passengers and 444,279,442 alighting passengers at 65 different governmental railway stations in the city, and the earnings in these 65 stations totalled ¥66,717,384 which was ¥6,893,886 more than in the previous year. The business results of 15 private railway companies in the year under review, exclusive of their bus services, were: the aggregate number of passengers, 331,221,292 and the aggregate amount of earnings ¥21,475,607, and the total length of lines in operation 235.9 kilometers.

## TRAFFIC SERVICE OF STATE RAILWAYS FOR TOKYO

Fiscal Year	Stations	Passengers who got in	Passengers who got off	Earnings (In Yen)
1932	63	335,659,845	334,103,799	47,353,680
1933	66	359,549,090	357,644,525	51,364,964
1934	65	374,591,543	373,084,109	54,050,989
1935	65	394,021,234	393,414,451	56,503,686
1936	65	420,627,220	419,349,144	59,823,498
1937	65	446,803,432	444,279,442	66,717,384

**Tramway Service** The business results of municipal tramways in the fiscal year ending March 31, 1938 over the average daily mileage of 352,742 kilometers were: the total number of pas-

sengers, 402,704,000 or 68,040,311 more than in the previous year and the aggregate amount of earnings ¥23,839,000, a gain of ¥3,801,863 as compared with the previous year.

## TRAFFIC SERVICE OF THE MUNICIPAL TRAMWAYS

Year	Passengers	Daily Average	* Fees (In Yen)	Daily Average
1932	287,829,840	788,574	18,810,840	51,537
1933	283,307,515	776,185	18,483,203	50,639
1934	287,459,090	789,000	18,024,000	49,381
1935	294,189,758	803,000	18,475,817	50,479
1936	309,841,146	848,880	19,079,203	52,272
1937	334,663,689	916,887	20,037,037	54,895
1938	402,704,000	1,103,000	23,839,000	65,211

**Motor Bus** Motor bus service in the city is being rendered by 36 firms besides the Municipal Bus Service and Tokyo Bus Company.

## BUS SERVICE IN TOKYO

(1937-38)

	Mileage in K.M.	No. of Buses	Passengers	Fees (In Yen)
Municipal	192.4	1,032	109,311,909	6,995,779
Tokyo Bus	67.0	553	77,429,625	4,714,143
Others	876.2	1,272	162,476,369	9,533,783
Total,	1,135.2	2,857	349,217,903	21,243,705

**Underground Railway** The urgent need of a high speed underground communications to relieve the congestion and pressure of surface traffic has long been felt necessary. A private company opened its first section of an underground railway, from Asakusa to Ueno, in the latter part of 1927, and is pushing forward its line under the very center of the city to Shinagawa. It completed the construction of the line to Shimbashi in June 1934, and the distance in operation now is 8 kilometers. The construction of the underground railway between Shibuya and Shimbashi was completed in the spring of 1939 by the hand of the Tokyo High Speed Railway Company and the traffic

was opened on April 1, the mileage of the new tube is over 6 kilometers.

**Bridges** The city of Tokyo has a network of rivers and canals and the beauty of the city is greatly enhanced by the bridges of manifold designs which traverse them. Before the earthquake the bridges under municipal management numbered 668, of which 426 were of wood. At the earthquake 280 bridges collapsed or were reduced to ashes. By the cooperation of the Reconstruction Bureau of the Government and the Municipality new bridges were built in their place. At the end of March 1937, there were 5,193 bridges in Tokyo, 1,126 of which were of stone, 469 concrete, 1,061 reinforced concrete,

537 iron, 5 iron and wood, and 1,990 wood.

**Rivers and Canals** The city is served with a veritable network of canals and rivers many of which are used for transportation purposes. Dredging has to be carried out continuously to keep them navigable. At the end of 1938 there were 65 rivers with the total length of 85 kilometers.

**Harbor** At the time of the great earthquake in 1923 the city of Tokyo keenly felt the necessity of better facilities for maritime transportation, and when rebuilding of the city took place it was decided to construct a pier, sheds and warehouses at Shibaaura, Tokyo. A sum of ¥18,000,000 was appropriated for the work and construction was completed in April 1935. The length of

the reinforced concrete Hinode-cho pier is 564 meters and six steamers of 1,000 to 3,000 tons can be moored alongside at a time. Another pier of Shibaaura has a length of 910 meters and can moor 7 steamers of 6,000 tons. Furthermore, there are 12 mooring buoys and 8 sheds. The total area of the harbor is 8,591 square kilometers. Steamers outgoing from and incoming to Tokyo and goods carried out from and into Tokyo follow:

## INCOMING OF VESSELS IN TOKYO HARBOR

(In 1937)

Kind	Number	Tonnage
Steamers	17,854	6,649,578
Sailing Vessels	250	22,061
Total	18,104	6,671,639

## GOODS CARRIED OUT FROM AND INTO TOKYO

(In metric tons)

## Outgoing Goods

Year	By Railways	By Steamers	Through Rivers	Total
1933	2,647,049	102,415	61,960	2,811,424
1934	2,967,012	105,437	64,874	3,137,323
1935	3,385,452	62,773	69,002	3,517,227
1936	3,583,885	1,634,327	95,330	5,313,542
1937	3,815,000	—	131,000	3,846,000

## Incoming Goods

Year	By Railways	By Steamers	Through Rivers	Total
1933	6,342,816	58,675	57,306	6,458,797
1934	6,573,974	90,054	79,642	6,743,670
1935	6,614,397	55,619	81,844	6,751,860
1936	7,380,876	9,086,196	107,409	16,574,481
1937	8,539,000	—	419,000	8,958,000

## Waterworks

The construction of modern water reservoirs was first commenced in 1890 and it was 20 years before the Yodobashi water reservoir was completed. But this proved inadequate to meet the ever growing water consumption and the Murayama water reservoir was constructed in 1916. It consists of two reservoirs, upper and lower, and the upper reservoir has a capacity of 3,576,000 cubic meters while the capacity of the lower one is 12,148,000 cubic meters. In 1934 another reservoir at Yamaguchi-mura was completed and it has a capacity of 18,824,000 cubic meters. The total volume of water which can actually be maintained by these reservoirs at

any given moment reaches 30,056,000 cubic meters. The total number of hydrants in Tokyo in March 1937, was 863,400, and the total quantity of water distributed during 1936-37 was 333,740,073 cu. m. In March 1935, the city bought all rights of the Tamagawa Waterworks which had been supplying water to the six southern wards.

## Sewerage Works

**General Conditions** Until half a century ago waste water used to be discharged into moats, navigable canals and rivers. In 1876, there was a violent outbreak of cholera which impressed upon the Government the urgent need of a general water and sewerage

system, but it was not until between 1883 and 1885 that Tokyo prefecture laid the first sewers, with a government subsidy. The subject of sewage disposal was not undertaken in earnest until 1911, and it was not until ten years later that the modern Mikawajima Disposal Works were opened. Extensions and modernization are still going on. At present there are 7 sewage siphons at Sunamachi and Mikawajima.

Within the old city limits there are no longer any open street drains visible, the same, unfortunately, cannot be said of the new city area, though further development of the sewerage system is being planned.

In 1937 there were 594,055 square meters of undergrounds in use for the laying of iron pipes and the aggregate length of iron-pipes laid down was 1,791,092 meters. Moreover, 203,315,911 cubic meters of sewerages were the aggregate volume that were siphoned in the year under review and the water volume disposed of totalled 160,528,573 cubic meters.

#### SEWERAGE WORKS IN TOKYO

(At the end of 1937)

Area covered in sq. m.	594,055
Length of sewers in m.	1,791,092
Sewerage siphoned in cu. m.	203,315,911
Sewerage disposed in cu. m.	160,528,573
Sewerage washed out in cu. m.	1,474,785

#### Parks

**Parks** The absolute necessity of parks is more keenly felt in Tokyo than

in other cities in Japan because many lives were saved through the existence of parks on the occasion of the terrible earthquake of September 1923.

In January 1938, Tokyo had 143 parks with an area of 3,284 square kilometers.

In the old city area there are three large parks: Sumida, Kinshi and Hamacho and 89 others of about 2,682,130 sq. m., whereas before the earthquake the city had only Ueno, Hibiya and 32 other parks. Within the newly annexed quarters of the city there are two at Shinagawa covering an area of 3,900 tsubo.

Sumida park has an area of 174,400 sq. m., Hamacho park 36,000 sq. m. and Kinshi park 56,000 sq. m. All of the numerous small parks are laid out adjoining for the most part elementary schools. They serve as local parks, the largest being 4,700 sq. m. and the smallest 1,700 sq. m. in area.

#### Education

In the fiscal year 1937 there were 315 kindergartens in Tokyo of which 124 were in the old city limits. The number of elementary schools was 633, of which 218 were in the old city limits. Schools equivalent to elementary grade numbered 79, of which 44 were in the old city limits; blind, deaf and dumb schools numbered 9; middle schools 53 and girls' high school 78. Various schools of middle grade numbered 32; business and technical schools 139, normal schools 3, young people's schools 258 and various private schools 307. As for higher education there were 2 higher normal schools, 3 business teachers' institutes, 72 professional schools (colleges), 5 higher schools, and 22 universities.

#### KINDERGARTENS, ELEMENTARY AND SECONDARY SCHOOLS

March 1, 1937

	No.	Instructors	Pupils	Graduates
Kindergartens	315	947	19,425	11,896
Elementary schools	633	16,237	790,869	148,227
Elementary evening schools	79	133	6,277	2,124
Blind, deaf and dumb schools	9	189	1,329	294
Middle schools	53	1,452	41,163	6,635
Girls' high schools	78	1,926	53,254	9,839
Other schools of middle school grade	32	556	16,360	2,070
Vocational, business and technical schools	139	2,622	72,078	15,809
Young people's schools	258	356	48,696	15,842
Normal schools	3	103	1,745	548
Various private schools	307	3,502	67,203	42,600
Total	1,906	28,023	1,118,399	56,844

#### SCHOOLS FOR HIGHER EDUCATION

March 1, 1936

	No.	Instructors	Students	Graduates
Higher Normal schools	2	156	1,597	417
Temporary teachers' institutes	3	5	282	77
Temporary teachers' institutes	33	5	282	77
Professional schools	72	4,299	54,267	14,658
Higher schools	5	340	3,712	1,019
Universities	22	3,798	47,444	14,491
Total	104	8,598	107,302	30,662

**Public Libraries** There are 32 libraries in Tokyo, of which 27 are owned by the city, 1 by the Government and the rest by private persons. In the fiscal year 1937 the number of books held in all those libraries was 1,927,382 of which 875,028 were held by the Imperial Library at Ueno and 552,241 by the 27 municipal libraries.

**Religion** (See p. 839, the Japan Year Book, 1940-41.)

#### Administration and Government

**History** In July 1868, the Emperor Meiji granted an Imperial message on the proposed removal of the capital to Tokyo. It was the beginning of the regeneration of Tokyo. At the same time the downfall of the Shogunate régime was announced and new Japan was born.

The Tokyo prefectural office was established soon after the issuing of the Imperial Rescript. In 1871, the city was divided into 6 large wards, but seven years later these wards were abolished and 15 smaller wards established. In 1879, as the governor of the prefecture saw that these 15 wards were firmly established, he issued a decree concerning the formation and functions of ward assemblies, and thus instituted the first representative government system in this country.

**Legislative Body** To control municipal business the city has a city council and board of aldermen with a mayor as the head. Further, there are several

departments, bureaux, sections, etc., for the execution of municipal affairs and office work.

Membership of the city council is an honorary position, the term of service being 4 years. The membership at present is 144, but owing to resignation of and death of members, the actual membership at the end of 1934 was 139. The principal functions of the council are the enactment and reorganization of city regulations, decisions as to finance, approval of settled accounts, imposition and collection of city taxes; and the right of proposing any bill, except the budget for annual revenue and expenditure. The board of aldermen of Tokyo once was the executive body, but in 1911 it became a legislative body. It is composed of 15 honorary aldermen to whom the mayor is added as chairman. The functional powers include the right of proposing any bill or expressing opinions on other matters.

**Executive** From 1889 till 1898 the function of the mayor of Tokyo was entrusted to the governor of Tokyo prefecture, but on October 1, 1898 the city became self-governing. The mayor is elected by the city council. Under the mayor there are three deputy mayors, a city councillor, a treasurer, directors of departments, chiefs of bureaux, ward heads and other numerous offices. There are various kinds of committees as consultative bodies. The organization of the municipality is as follows:

#### THE DEPARTMENTAL ORGANIZATION OF THE TOKYO MUNICIPALITY

Sections	Functions
Private secretariat	Secret matters, keeping of seals, ceremonies and reward
Personnel	Personnel administration
General secretariat	General affairs, municipal research, elections, legal affairs, etc.

Sections Bureaux	Functions
Supervising	Supervision and inspection of municipal affairs
Finance	Budget, loans, public land, taxation, purchasing, etc.
Industrial	Industry, promotion of industry and commerce, agriculture, fisheries and stock raising
Education	Management of schools; education, libraries, museums, etc.
Social Work	Protection and correction. Management of lodging houses, housing, labor exchanges, commercial training, etc.
Public Health	Management of hospitals, social hygiene, refuse disposal, park and playgrounds, auditoriums, cemeteries, zoological gardens, etc.
Water Works	Water supply and extension
Public Works	Roads, bridges, harbors and rivers, sewage disposal, buildings, etc.
Electric	Supply of light and power: electric cars, motor buses, subways, etc.
Divisions	
Harbor	Care of Tokyo harbor
Municipal Office Building	Building the City Hall at Tsukishima
Miscellaneous	
Central Wholesale Market	Wholesale of provisions
Poor Asylum	Protection of helpless persons, aged or young
Hygiene Laboratory	Investigations on epidemics, bacteria, etc.
Electric Laboratory	Examination of meters and scientific research on electricity.

### Finance

The 1941-42 municipal budget was ¥406,776,539 for revenue and ¥406,776,539 for expenditure. The following

table shows the settled accounts for 1934-35 to 1936-37 and budgets for the following years. Among the enterprises tramways, bus, gas and water works are included.

### REVENUE AND EXPENDITURE OF TOKYO

(In Yen)

Fiscal Year	Total		Ordinary Account	
	Revenue	Expenditure	Revenue	Expenditure
1934-35	210,754,644	215,615,254	108,255,864	70,971,473
1935-36	196,497,423	180,086,912	107,457,241	78,877,884
1936-37	221,397,619	210,281,781	104,334,055	78,764,403
1937-38 (Budget)	239,728,780	238,455,096	124,657,897	97,942,072
1938-39 (Budget)	267,408,145	268,301,506	148,717,857	119,281,544
1939-40 (Budget)	256,394,000	256,003,000	132,108,000	101,348,000
1940-41 (Budget)	386,871,230	386,871,230	143,254,000	143,254,000
1941-42 (Budget)	406,776,539	406,776,539	127,440,000	127,440,000
Fiscal Year	Enterprises		Others	
	Revenue	Expenditure	Revenue	Expenditure
1934-35	94,383,118	89,649,688	8,115,662	54,994,093
1935-36	81,370,835	36,590,431	7,669,347	64,618,597
1936-37	103,684,809	49,474,800	13,378,755	82,042,578
1937-38 (Budget)	97,501,889	61,983,377	17,568,994	78,529,647
1938-39 (Budget)	102,993,656	67,769,892	15,696,632	81,250,070
1939-40 (Budget)	95,114,000	67,783,000	29,172,000	86,872,000
1940-41 (Budget)	243,617,230	243,617,230	—	—
1941-42 (Budget)	279,336,539	279,336,539	—	—

## CHAPTER XXXIX

## FIVE BIG CITIES

# OSAKA CHAMBER OF COMMERCE & INDUSTRY

OSAKA, NIPPON



President: DR. Y. KATAOKA

Vice-President: MR. C. YUKAWA

Vice-President: MR. M. SUGI

Director: MR. K. HAMANO

*The City of Osaka is the Commercial  
and Industrial Center of Japan*

Enquiries regarding merchandise made in  
Osaka will be promptly attended to.

## CHAPTER XXXIX

### FIVE BIG CITIES

#### OSAKA

##### General

**Geographical Position** The city of Osaka was founded 1,600 years ago and is situated approximately in the center of Japan proper, near the eastern entrance of the Inland Sea with easy access to the Pacific Ocean, while on the other sides extend the fertile plains in the valley of the Yodo River. The city of Kyoto, the ancient capital of Japan, is situated 43 kilometers to the northeast, and the city of Kobe lies 32 kilometers to the west. The River Yodo runs through the city, and with the numerous canals that connect with it affords excellent transportation facilities by water. The Yodo rises in Lake Biwa, the largest fresh water lake in Japan, and branches off into the Shin Yodogawa, Okawa, Dojmagawa, Tosaborigawa, Ajikawa, Kizugawa and the Shirinashigawa, which in turn connect with numerous

canals, the most famous being the Dotombori Canal.

**Area** The area of the city of Osaka is 187.37 square kilometers which means it ranks third so far as the area is concerned exceeded by Tokyo and Kyoto, but in point of population it is the largest, next only to Tokyo. Its city limits were extended twice in its history, the first time in 1897 and the second in 1925. The city is divided into 15 ku (wards) which are: Kita, Nishi, Minami, Higashi, Konohana, Minato Taisho, Tennoji, Naniwa, Nishiyodogawa, Higashiyodogawa, Higashinari, Asahi, Sumiyoshi, and Nishinari.

**Population** The census population of Osaka was 3,252,340 on October 1, 1940, an increase of 262,474 or 8.7 per cent over the figures of 1935 census. The comparison of the last 6 years follow:

October 1,	Population, 1935-1940			
	Men	Women	Total	Households
1935 (Census)	1,594,151	1,395,716	2,989,866	630,232
1936	1,654,900	1,447,000	3,101,900	653,900
1937	1,715,100	1,497,900	3,213,000	677,800
1938	1,773,500	1,547,700	3,321,200	700,100
1939	1,812,900	1,581,300	3,394,200	—
1940 (census)	—	—	3,252,340	—

Each of the 15 ku (wards) is inhabited by a population of more than 100,000, with the Minato-ku 361,400, Higashinari-ku 372,500 and Sumiyoshi-ku, 348,900 among the largest.

The population of Japan could be dividable in 1935 between 22,666,307 (32.7%) of urban districts and 46,587,841 (67.3%) of rural districts and the population of Osaka was 13.2% of the entire urban population.

In 1938 births numbered 76,919 (23.2 per 1,000 of population) of which 39,649 were male and 37,270 female, a decrease of 10,225 (11.7%) and of 3.9% in the rate of birth in comparison with the previous year. In the same year deaths numbered 48,735 (14.7 per 1,000

of population) of which 26,103 were male and 22,632 female.

In the same year still-births totalled 5,075 (1.53 per 1,000 of population) of which male numbered 2,754 and female 2,228.

As for the causes of deaths, 96.4% were illness and 1.2% suicide. Of the diseases 13.0% were pneumonia and 12.8% tuberculosis.

Residents from Overseas Territories and Foreign Countries. Chosenese residing in Osaka at the end of 1937 were 234,188 (137,250 being men and 96,938 women), an increase of 9,439 over 1936. Taiwanese numbered 268 (173 being men and 95 women). Foreign nationals run as follows: Manchoukuo

76; China 1,816; British India 41; the United States 43; France 12; Great Britain 13; Russia 17; and others 25; totaling 2,043 and Chinese occupying 89%.

### Industries

Osaka is an important industrial and

#### FACTORIES IN OSAKA AT THE END OF 1937

Principal Industries	No. of Factories	No. of Employees	Production (in ¥1,000)
Textile	5,525	44,047	221,244
Métallurgical	6,105	65,365	779,640
Machinery	9,470	90,899	502,123
Ceramics	727	15,445	55,523
Chemical	2,273	27,267	327,975
Milling and wood work	938	12,942	46,950
Printing and book binding	758	12,414	62,444
Foodstuffs	969	14,133	96,600
Gas and electric work	12	1,099	—
Miscellaneous	2,846	37,320	133,202
Total	52,363	320,922	2,225,702

### Commerce

**Business Companies** At the end of 1938 there were 9,240 business companies domiciled in Osaka, a decrease of 463 from the previous year. The aggregate paid-up capital amounted to ¥3,770,509,000 against ¥3,511,654,000 of the previous year, an increase of ¥258,855,000. Of these companies 2,886 (increase of 11.7%) were joint stock companies. The rest was in the cooperative basis either of names or funds.

**Banks** At the end of 1938 there were 8 banks domiciled in Osaka, and 95 banks domiciled in cities other than Osaka were found represented in the city by their branches. The aggregate paid-up capital of the 8 Osaka banks was ¥200,200,000, the aggregate deposits ¥3,383,982,000 and advances ¥1,775,401,000. Bills cleared at the Osaka Clearance House in 1938 amounted to ¥28,535,903,000, an increase of 0.6% over 1937.

**Exchanges** In Osaka there are 4 exchanges, viz., Osaka Stock Exchange, Osaka Dojima Rice Exchange, Osaka Sanpin Exchange and Osaka Sugar Exchange. The Osaka Stock Exchange is a rival of the Tokyo Stock Exchange in the transaction of stocks. The Osaka Rice Exchange is the forerunner of rice exchange business in Japan. In the Osaka Sanpin Exchange were cotton yarn and raw cotton only could be transacted. In February 1938, artificial

commercial center in Japan surpassed only by Tokyo excelling the latter in many respects. The aggregate 1937 production in all factories, including those where less than 5 operatives are employed, was valued at ¥2,225,702. Further particulars follow:

silk was admitted for the clearance transaction. But the transaction of cotton yarn was stopped for a while since March 27, 1939.

The Osaka Sugar Exchange is operated upon membership basis, but the other three are joint stock companies of limited liability. Transactions made at the Osaka Stock Exchange in 1937 were valued at ¥15,886,705,000. Rice was transacted up to 27,889,000 koku for ¥918,602,000. Cotton yarns were contracted up to 10,710,000 bales valued at ¥2,680,049,000. Rayon was transacted for 1,416,000 bundles against ¥113,621,000. Sugar dealings were booked for 12,350,000 sacks valued at ¥248,826,000. Transactions made at any of these Osaka Exchanges in 1936 exceeded those in any of the 5 other big cities.

**Warehouses** At the end of 1937 stocks in all the warehouses belonging to the 7 leading warehousing companies were found to be 6,332,251 units valued at ¥100,137,000, stocks brought in during the year being 27,597,090 units valued at ¥871,014,000 and those taken away 26,300,510 units valued at ¥808,050,000.

**Commodity Movements** The aggregate quantity of commodities taken away from Osaka in 1937 was 15,863,000 tons for ¥5,436,889,000 and those brought into 27,539,000 tons for ¥5,243,506,000. The net result was the excess of influx in quantity by 11,676,-

000 tons but the excess of out-going movements by ¥193,383,000. The following table shows this trend in the 5 classified leading commodities:

#### PRINCIPAL INCOMING & OUTGOING COMMODITIES

	1937		1938	
	Quantity (1,000 tons)	Value (¥1,000,000)	Quantity (1,000 tons)	Value (¥1,000,000)
Foodstuffs	956	217	2,878	522
Raw materials	3,678	555	13,236	738
Manufactures as raw materials	4,397	1,005	7,025	1,561
Finished manufactures	6,767	3,653	4,200	2,360
Others	64	10	200	34
Total	15,863	5,437	27,539	5,241

**Central Wholesale Market** The aggregate amount of sales made at the Osaka wholesale market in 1938 was valued at ¥100,447,000, the average daily sales being ¥286,993. This market was inaugurated in 1931, and it deals only in daily necessities of life such as fish, meat, eggs, vegetables and fruits, and there are 7 more central wholesale markets in the whole country.

**Municipal Retail Markets** There are 53 retail markets operated by the Municipality. Sales made at these muni-

cipal markets in the whole city of Osaka in 1938 totalled ¥24,298,289, an increase of ¥948,000 over 1937. The average monthly sales in 1938 resulted in ¥2,025,000 and the average daily sales showed ¥71,676.

### Foreign Trade

The 1938 foreign trade returns of Osaka showed ¥800,328,000 in export and ¥518,076,000 in imports, the excess of exports resulting in ¥282,252,000.

#### EXPORTS AND IMPORTS BY KINDS AND COUNTRIES

1938 (In ¥1,000,000)		
Exports		
Kinds	Amount	Countries
Cotton tissues	243	Dutch East Indies (30) Manchoukuo (34) British India (42)
Cotton yarn	29	British India (14) Dutch East Indies (6) Manchoukuo (3)
Machinery	60	China (19) Kwantung L.T. (23) Manchoukuo (13)
Rayon tissues	37	Kwantung L.T. (16) Dutch East Indies (2) British India (1)
Iron manufactures	30	Kwantung L.T. (15) Manchoukuo (7) China (4)
Imports		
Kinds	Amount	Countries
Cotton and ginned cotton	104	U.S.A. (39) British India (20) Brazil (15)
Wool	16	Australia (10) South Africa (1) New Zealand (1)
Materials for oil yielding	12	Manchoukuo (5) China (5) Dutch East Indies (1)

#### FOREIGN TRADE OF OSAKA IN 1938 BY CONTINENTS

Continents	Exports		Imports	
	Amount	%	Amount	%
Asia	704,046,097	88.0	179,564,982	34.7
Africa	43,125,749	5.4	18,844,190	3.6
Europe	19,043,741	2.4	62,086,986	12.0
North America	4,268,771	0.5	212,960,656	41.1
South America	14,071,016	1.8	23,867,558	4.6
Oceania	12,486,011	1.6	17,734,551	3.4

Continents	Exports		Imports	
	Amount	%	Amount	%
Central America	3,286,245	0.4	3,017,015	0.6
Total	800,327,030	100.0	518,075,938	100.0
1939 total	1,035,351,000	—	611,086,000	—

### Transportation

**Roads** At the end of 1939 the total road area of Osaka was 15,338 square km., 7.7% of the entire area of the city and the total road length was 2,630,773 meters. The total area of paved roads was 6,421,000 sq. meters, an increase of 2.2% compared with the previous year.

**Rivers, Canals and Bridges** Osaka may be called the Venice of Japan on account of its many canals, and to that fact it owes much of its development as a big commercial and manufacturing center. Rivers that run through the city number 12 and canals 4 which are serving the city as effective means of transportations. The total length of rivers in 1938 was 182,928 meters and the total number of bridges was 1,299 in the same year.

**Tramway and Bus Lines** At the end of March 1938 the business kilometerage of street tramways was 106.0 kilometers, the number of passenger cars in use counting 765. The total number of passengers in 1938 was 232,532,000 (15.8% decrease from 1937) and the total revenue ¥12,895,000 (16.3% decrease from 1937). All tramway lines and some bus lines are operated by the Municipality.

The subway work was first started in 1930 and its operation between Shin-saihashi and Umeda was inaugurated in 1933, and the line was extended southward from Shin-saihashi to Namba in October 1935 and then from Namba to Tennoji in April 1938, the total business kilometerage being 7.5. The total number of passengers in 1938 was 23,575,000 with fares totalling ¥1,987,000. The subway lines are also operated by the city.

**Suburban Electric Railways** On March 31, 1938 there were 9 private companies operating suburban electric lines to various suburban points with a total kilometerage of 929 carrying 1,286,000 passengers per day in average and fares per day being ¥144,000.

These companies are the Nankai Railway Company, Hanshin Electric Railway Company, Hanshin Express

Railway Company, Keihan Electric Railway Company, Osaka Denki Kido Company, Sangu Electric Railway Company, Osaka Railway Company, Hanwa Electric Railway Company.

**Sea Transportation** The Osaka Harbor is one of the three largest ports in Japan and steamships that entered the port in 1938 numbered 19,976 (19% decrease from 1937). Sail boats numbered 179,553 (11% increase from 1937).

**Airways** Osaka is an important airway point in Japan. The Japan Airway Company is operating its regular airway passenger service with Osaka as a center-point, Tokyo to Osaka and Osaka to Fukuoka, thence to various points of Chosen and also southward to Taiwan. The Nippon Air Transport Institute is operating the airway service between Osaka and Beppu and between Osaka and Shirahama.

### Education

On March 1, 1938, there were kindergartens and schools in Osaka totalling 1,015 against 941 of the previous year; teachers, professors and nurses numbering 16,898 against 15,885 of the previous year; and pupils and students 548,775 against 517,953 of 1937. Schools and kindergartens established by the Municipality numbered 537; schools alone established by the Prefecture and the Government 30; and private schools and kindergartens 448.

Kindergartens numbered 129, on March 1, 1938, children enrolled numbering 16,400 and nurses 560. Attendants in elementary schools totalled 371,500, on March 1, 1938, with their teachers numbering 7,374. Middle schools and schools of the same grade totalled 127, with pupils numbering 77,512. Institutions for higher and university education were 10 in number, faculties totalling 774 and students 8,017.

Furthermore, there were on March 1, 1938, Young Men's Schools numbering 356 in all, with teaching forces of 3,006 and pupils counting 48,289.

Educational expenditure of the Muni-

cipality for 1937 was ¥24,491,000 an increase of ¥3,272,000 (15.4%) over 1936. Of this expenditure for education 35.4% was for salaries.

Universities and colleges in Osaka are the Osaka Imperial University (governmental), the Osaka University of Commerce (municipal), Osaka Higher School (governmental), the Osaka School of Foreign Languages (governmental), the Kansai University (private), Naniwa Commercial College (private), Osaka Girls' School (prefectural), etc. At the end of March 1937 there were 12 libraries, 1 being under governmental maintenance, 6 under municipal maintenance and 5 of private ownership. In the governmental library there were 283,308 books on March 31, 1938.

### Social Welfare Works

**Relief of the Poor** Since the issuance by the Government in 1874 of the relief regulation, the municipality of Osaka has active interest in the relief of the poor, old-aged and deserted children. More recently it has undertaken to institute various social works directed for the prevention of poverty. In 1937 three municipal maternity homes received 5,766 expectant mothers of small means and births numbering 4,608 were obtained, still-births numbering 382.

**Protection of Infants & Children** At the end of 1937 there were 44 nurseries, 13 poor children educational homes; 8 blind and deaf protection homes; 10 minors protection houses; and 16 children health consultation offices. Infants who were received in the 44 nurseries

totalled 2,684.

**Employment Exchanges** The municipality also maintains 23 employment exchanges and 2 training places for workseekers. The employment exchanges gave work to 95,133 men and 17,531 women during 1937.

**Medical Relief** On March 31, 1938 there were 62 relief hospitals. The total number of patients treated in all the relief-hospitals was 4,492,165 (out-patients) and 15,010 (in-patients) in 1937.

**Social Education Work** In 1937 there were 19 institutes for the social education work, of which 8 were under municipal management. Protection of infants and children, assistance to advice-seekers on matters of health, law, etc. and holding of necessary lectures for social educational purposes etc. are the works that are being carried on by the 19 institutes.

### Municipal Finance

The fiscal year 1940 budget was formulated, taking into consideration the need of meeting all that was urgent for the healthy expansion of the city and the promotion of the welfare of the citizens and it was balanced at ¥353,860,000 1.7% decrease each in revenue and expenditure compared with the previous year. The main items for which the expenditure was allotted cover the following: ¥27,605,000 for education work; and ¥13,804 for sanitation work.

The municipal loans aggregated ¥596,290,000 on May 31, 1938.

### KYOTO

Kyoto, known in antiquity by the name of "Heian" (the city of peace), was for about a thousand years the metropolis of Japan. At the Restoration, the Emperor Meiji moved his capital to Tokyo, but Kyoto retained its position as a cultural center, and today it is looked upon as "the classic city" and the leader of culture in the western part of the country. The city, lying in what is called the Kyoto basin, is surrounded by many famous hills and mountains such as Arashiyama, Atagoyama, Kuramayama, Hiéizan and Higashiyama. The area of the city is

288.65 square kilometers, the greatest length from N. to S. is a little over 26 kilometers and the greatest breadth is about 25 kilometers, the form being roughly rectangular. Osaka lies 43 kilometers to the southwest.

**Boundaries** The boundaries of the city have undergone considerable changes since 1888. At that date the first annexation of adjacent villages was made, a second extension was made in 1902 and a third in 1918. In 1929 three wards, Nakakyo-ku, Sakyo-ku, and Higashiyama-ku were newly added to

the city. In 1931 the last annexation was made and two more wards, Ukuyo-ku and Fushimi-ku, were constituted.

**Population** The population grew from 717,100 in 1927, to 736,000 in 1928, to 755,200 in 1929, and due to the above mentioned extensions in the boundaries, was found in 1930, to be 952,397. On October 1, 1935 the total population of Kyoto was 1,080,593, the number of households being 224,663. According to the census taken on October 1, 1940, the population was 1,089,726, an increase of only 9,133 in the past 5 years.

#### Industry and Commerce

In 1938 the conditions of factories in Kyoto were as follows:

	Facto- ries	Opera- tives	Produc- tion (In yen)
Textile	1,471	29,670	101,039,000
Metallurgical	159	3,332	37,148,000
Machinery	292	14,004	55,355,000
Ceramics	75	1,775	6,301,000
Chemical	130	2,673	48,848,000
Caw milling & wood work	160	1,264	16,005,000
Printing & binding	107	1,061	7,493,000
Foodstuffs	332	4,327	37,943,000
Electric & gas	26	346	7,501,000
Miscellaneous	124	1,550	4,475,000
Total	2,876	60,702	316,111,000

#### PRODUCTION OF PRINCIPAL INDUSTRIES IN 1938

(In yen)

Bleaching and dyeing	34,476,321
Textiles	78,082,761
Artistic bags, etc.	10,023,464
Spinning	16,954,462
Lacquar-wares	3,916,385
Soaps	5,876,465
Machinery	23,312,773
Ceramics	7,482,385
Metallies	25,769,586
Brewery	23,818,763
Total	229,763,365

**Banking Statistics** Figures concerning the banks in the city are quoted below:

At the end of	No. of Banks	Deposits	Loans
1932	88	453,702	156,344
1933	85	474,504	178,553
1934	80	494,295	208,386
1935	80	535,339	179,773
1936	71	680,692	185,964

**Commercial and Industrial Corporations** At the end of 1938 there were 2,564 companies in Kyoto. Their capital amounted to ¥441,976,000. Of the total number, 981 were industrial companies and 1,519 commercial companies.

#### Transportation

**Municipal Tramways** In 1939-40 the total length of the lines was 71.6 km. and carried 125,123 passengers, while the bus ran on 67.3 km. of the lines and carried 16,276.

**State Railways** In 1936-37 the number of passengers who moved through Kyoto and other seven stations in the city was 21,346,437.

**Suburban Electric Railways** On the north the Eizan Electric Railway extends from Demachi Bridge to Kurama and Mount Hiéi; on the northwest the Arashiyama line starts Shijōomiya and goes to Arashiyama and connects with the Atago Electric line. To the south Kyoto is connected with Osaka and Nara by three electric railways, i.e. Keihan Electric, Shin (new) Keihan Electric and Nara Electric. The Keihan line extends to the east from the terminal of Sanjō to the city of Otsu by Lake Biwa.

#### Rivers, Water-Power Works

**Rivers** Almost all the rivers that meet in the Kyoto Basin, rise in the Tamba tableland. The Hozu River, which later changes its name into the Katsura River, touches the western side of the city; the Kamo River and the Takano River, rise in the southern part of the tableland, join together and flow across the city to empty into the Katsura River. The Uji River, starting from Lake Biwa, and the Katsura River meet in the southern suburbs of the city to form the Yodo River which flows south-westwards, through Osaka, into Osaka Bay.

**Canal and Water-power Work** The first Biwa Canal, completed in 1895 at the cost of ¥1,838,317, was designed for the conveyance of passengers and goods and for the supply of water power, while the second canal, completed lately at the cost of ¥4,477,805, supplies water for drinking, fire-brigades and for producing electricity, etc.

The waterworks were started in 1908 and completed in March 1912, at the

cost of ¥3,000,000 of which ¥750,000 came from the State treasury. The water is drawn from Lake Biwa by means of the second canal mentioned above and supplies water to 500,000 people. Further work, to cater to the needs of 200,000 people, is on the way. The supply in 1939-40 was 52,598,964 cubic meters to 165,604 households.

#### Education

Governmental and Prefectural: Kyoto

Imperial University, the Third Higher School, Kyoto Higher Industrial and Art School, Kyoto Higher Sericultural School, Kyoto Sangyo Koshujo (School of Sericulture).

Municipal schools: Kyoto Painting School.

Private schools: Ritsumeikan University, Doshisha University, Ryukoku University, Otani University, Shingonshu University, Buddhist School, Military Arts School.

#### NUMBER OF EDUCATIONAL INSTITUTES

(October 1939)

	No. Instruc- tors	Stu- dents	No. Instruc- tors	Stu- dents
Kindergartens	56	199	4,793	
Elementary schools	143	3,140	133,288	
Blind, deaf and dumb schools	2	50	384	
Girls' high schools	15	485	12,163	
Middle schools	16	440	8,851	
Technical schools	16	612	13,867	
Normal schools			2	73
Higher school			1	70
Colleges			13	390
Universities			6	555
Young Men's Schools			134	933
Miscellaneous schools			42	624
Total			446	7,571
				200,903

**Libraries and Museums** There are also in Kyoto other institutions for educational purposes as the Imperial Gift Museum, Kyoto Municipal Library, Kyoto Fine Arts Museum, and the Memorial Zoological Garden.

**Shrines and Temples** In 1938 the numbers of Buddhist temples and Shinto shrines for which Kyoto is

famous were 403 shrines, 351 preaching places of sectarian Shinto sects, 1,428 Buddhist temples, while Christian churches numbered 59.

#### Social Work

Conditions of social undertakings under municipal management in 1939-40 were:

	No. of Establishments		
Public markets	16	Sales account	¥2,758,876
Housing	5 places	No. of houses	357
Public baths	6 houses	Floorage (tsubo)	334.46
Labor exchanges (1938)	3	{ Cases handled	60,297
Lodging houses	1	{ Employed	16,348
Lunch-room	1	Capacity	200
Pawn shops	6	Meals (1938)	94,713
		Loans	¥535,943

#### Finance

The annual revenue and expenditure, both general and special, of Kyoto amounted to:

Fiscal Year	Revenue (In ¥1,000)	Expendi- ture
1935-36	28,527	42,869
1936-37	30,608	43,945

Fiscal year	Revenue	Expendi- ture
1937-38	45,187	49,753
1938-39	63,797	63,797
1939-40 (Budget)	62,868	62,868
1940-41 ( " )	63,775	63,775

Municipal debts outstanding on March 31, 1940, totalled ¥66,594,475 or ¥56.57 per capita of population.



## NAGOYA

Nagoya is situated in the very center of the main island. Facing Isé Bay on the south and bordered by the fertile plain of No-Bi on the north, the climate is always mild. Nagoya castle, with its famous golden dolphins, speaks of the glorious history of the city. Old and historically important as the city is, she fills today a more important role

than of old, for she is a distributing and industrial center for the middle part of Honshu, a role that will grow in importance as time goes on.

## Area and Population

The increases of population and area during the past 11 years, 1930-1940, are shown in the following table:

On October 1.	Population	No. of Households	Area (sq. km.)
1930 (census)	907,404	190,379	150.733
1931	934,400	198,000	151.044
1932	961,800	203,700	151.044
1933	989,600	209,700	151.044
1934	1,017,700	215,600	151.044
1935 (census)	1,082,816	219,737	151.093
1936	1,119,500	231,200	151.210
1937	1,186,900	243,200	160.000
1938	1,224,100	252,900	160.000
1939	1,249,100	—	160.000
1940 (census)	1,328,084	—	160.000

**Buildings** Number of buildings at the end of 1938 was as follows:

Concrete buildings	361
Brick buildings	301
Wooden buildings	315,402
Others	10,638
Total	326,702

## Commerce and Industry

**Companies and Banks** At the end of 1938 the number of business corporations in Nagoya was 3,050 with an aggregate authorized capital ¥869,641,000, and that of banks 8 with 94 branches. At the end of 1938 their deposits amounted to ¥752,610,000, outstanding loans to ¥378,023,000.

**Domestic and Foreign Trade** Foreign and home trade values in recent years were as follows:

	Exports	Imports
Home Trade (In yen)		
1934	47,397,255	137,081,837
1935	57,205,175	149,122,814
1936	65,839,589	165,466,005
1937	80,242,407	215,705,847
1938	83,957,100	238,679,555
Foreign Trade		
1934	115,515,093	88,526,006
1935	129,478,126	95,528,520
1936	131,500,961	108,777,074
1937	147,909,395	148,328,796
1938	115,100,000	74,130,000
1939	144,872,000	76,705,000

**Exports Imports**  
(In yen)

Totals of Home and Foreign Trades	Exports	Imports
1934	162,912,348	225,607,843
1935	186,683,301	244,651,334
1936	197,340,550	277,243,079
1937	228,151,802	364,034,643
1938	199,057,100	312,809,555

**Exchanges** Nagoya has three exchanges, i.e. the Stock Exchange, Rice Exchange and Cotton Yarn Exchange. In 1938, the turnover of the Stock Exchange was 20,451,000 shares long term transaction valued at ¥2,851,539,000. The Rice Exchange handled 2,186,000 koku (¥77,183,000) while the Cotton Yarn Exchange handled 477,950,000 bales.

**Industry** Commodities that are brought into city are foodstuffs and raw materials such as rice, sugar, timber, coal, ginned cotton, iron, wool, etc., while those sent out are mainly lumber, coal, cotton piecegoods, porcelain and pottery, beer, cement and other manufactures. Nagoya has been from olden times a famous place for porcelain and pottery and in 1937 the output totalled as much as ¥28,687,560. It is only since the growth of the cotton spinning industry in the city that the value of the annual output of pottery has been challenged. The total

production of the cotton spinning industry reached ¥169,738,000 in 1938. An equally significant development is that of the machine and tools. In 1938 the total output of the machine industry reached ¥355,738,000, an increase of

4.6 per cent as compared with the previous year.

**Number of Factories and Production** Number of factories and productions of various industries in 1938 follow:

Kind of Industries	Factories		Operatives		Output (In ¥1,000)	
	1937	1938	1937	1938	1937	1938
Textile	758	880	32,053	30,135	196,686	169,738
Metallic	528	631	9,031	12,365	35,635	75,936
Machine and tool	1,070	1,505	49,901	86,314	167,115	355,738
Pottery and porcelain	223	212	12,895	9,659	28,687	27,726
Chemical	182	189	6,254	6,019	48,991	65,350
Saw mills and wood works	769	765	8,195	7,390	39,230	38,098
Printing and bookbinding	247	246	2,810	2,703	16,868	11,747
Comestibles and beverages	521	515	4,573	4,711	54,501	63,575
Gas and electrel	3	3	276	352	6,555	—
Others	1,009	917	7,428	6,164	46,643	55,478
Total	5,310	5,863	133,416	165,812	640,915	863,386

## Transportation

**Railways** Lying as it does between Kyoto, the old capital, and Tokyo, the present capital, Nagoya is known as Chukyo (middle capital). It is an important intermediate city on the Tokaido highway. The Kansai line, which starts from Osaka, passes through Nara and Miyé prefectures and connects at Nagoya with the main Tokaido line to Tokyo. The Chuo line, which runs through Gifu, Nagano, Yamanashi and other prefectures to Tokyo, has Nagoya as its other terminus. Nagoya is thus one of the most important railway centers of Japan. The railway station and the harbor are directly connected by rail and the importance of the city as a distributor of goods is thereby enhanced. There are 10 stations, viz., Nagoya, Nagoya-Minato, Atsuta, Chikusa, Ozoné, Hata, Shiratori, Maizuru, Sasajima, and Horikawaguchi. The annual passenger traffic passing through these 10 stations is estimated at about sixteen million persons, and goods traffic amounts to approximately four million tons. The city is provided with an extensive network of electric railway lines to connect with outlying districts. Since 1935 the city bought several private electric railways, and now only two private ones are left, i.e. the Seto Electric Railway Co. and the Nagoya Electric Rail-

way Co., and most of electric car business is run by the municipality, the total kilometerage open to business being 84 kilometers.

At the end of 1938 the total length of roads in Nagoya extended to 3,519 kilometers, the number of bridges 724.

**Harbor Works** Nagoya has a splendid harbor well protected by Chita Peninsula from typhoons. Construction of the harbor was started in 1896 and the third stage of the entire plan was completed in 1928 after a total outlay of ¥15,490,000. The area of the wharves is 1.52 square kilometers, with anchoring space for thirty-eight steamers of ten thousand tons or so. The fourth stage of construction was undertaken at an estimated expenditure of ¥20,120,000. When the work is finished the area of the wharves will be increased to 2.23 square kilometers and there will be anchoring space for fifty-two steamers of ten thousand tons. At present direct trade is carried on with the American continent, Europe, China, the South Sea Islands, Australia and Africa. The number of ships which entered the Nagoya harbor in 1938 was 117,472 with an aggregate tonnage of 16,105,954.

## Education and Social Work

**Social Work** Social undertakings in the city in 1937-38, were as follows:

	Establishment	Beneficiaries
Lodging houses	7	152,291
Public pawnshops	5	{ Loans ¥266,080 { Persons 53,195
Labor exchanges	10	Cases handled 433,411
Public markets	14	Amount of sale ¥2,920,157

## EDUCATIONAL STATISTICS

(March 1939)

Kind of Schools	No.	Instructors	Pupils
Imperial University	1	69	388
Higher School	1	47	619
Colleges	7	248	2,351
Elementary schools	120	3,462	171,324
Middle schools	11	—	8,974
Girls' high schools	14	—	10,371
Business schools	31	—	10,305
Normal schools	2	—	688
Young Men's schools	128	3,451	42,758
Kindergartens	42	166	4,209

Total public educational expenditure including others ¥8,328,876.

## Finance

Revenue and Expenditure The annual revenue and expenditure of Nagoya

city has shown a marked increase of late as it is clear by the following table:

Year	Total		Index	
	Revenue ¥	Expenditure ¥	Revenue	Expenditure
1935-36	97,190,191	90,799,989	117,345	151,467
1936-37	99,418,901	94,212,486	121,796	157,656
1937-38	86,839,151	73,838,716	95,457	123,177
1938-39	65,744,570	51,022,070	84,992	85,113
1939-40 (Budget)	55,302,997	55,302,997	714,943	922,547
1940-41 ( " )	65,047,000	65,047,000	—	—

Municipal Loans At the end of March 1939, the total indebtedness of

Nagoya city amounted to ¥111,964,857 or ¥442.72 per capita of household.

## YOKOHAMA

## General

**History** Yokohama, in the Bunroku Era, about 1587, was a hamlet of twelve families and by the time it became an open port, July 1, 1859, it was only a small fishing village of one hundred families or 350 people. The real growth began with the arrival of the foreigners. The commercial treaties Japan entered into with the United States of America, the Netherlands, Russia, Great Britain, and France stipulated that Kanagawa should be an open port, because it stood on the open harbor nearest Tokyo, then known as Yedo and the seat of the Shogunate Government, but

as that village was already very crowded the Tokugawa Shogunate opened up the village of Yokohama instead.

In the beginning four streets were laid out, but as more and more Western, Chinese and Japanese merchants gathered there the area was quickly extended. The population in 1877 was 30,000, five years later it had grown to 52,000, and five years after that there were more than 94,000 in the town. At the end of September 1932, the population was 661,500. Yokohama received the status of a municipality on April 1, 1889. In 1901, the once thriving port of Kanagawa and other adjoining villages and towns were absorb-

ed by the newly risen Yokohama, and in 1911 and 1927, further extensions took place.

**Location** Yokohama is situated in the south-eastern part of Honshu, the main island of Japan, on the western shore of the Bay of Tokyo about 22 miles from the entrance to the bay, in latitude 35° 27' N., longitude 139° 38' E. It is the seat of government of Kana-

gawa prefecture, of which it is also the largest population center. It is surrounded by hills on which the better class residential districts are located.

**Area and Population** At the end of March 1937 the area of Yokohama was 173.18 square kilometers. The population of Yokohama was 968,091 on October 1, 1940.

## POPULATION

October 1,	Men	Women	Total	Households
1930 (Census)	321,415	298,891	620,301	135,929
1935 ( " )	360,363	343,927	704,290	148,545
1936	377,200	361,200	738,400	155,785
1937	387,500	372,200	759,700	—
1938	395,800	381,700	777,500	—
1939	440,000	426,200	866,200	—
1940* (Census)	—	—	968,091	—

**Foreign Residents** Foreign population in Yokohama numbered 4,602 at the end of December 1937, against 5,484 in 1936, the decrease being 882. Chinese increased by 169 during the same period, Hindu 78, German 45, American 19 and English 18.

## Commerce

**Banks** At the end of December 1936, the number of banks in Yokohama including branches of those banks having their head offices in cities other than Yokohama counted 16 of which 3 were foreign banks. The banks which are carrying on foreign exchange business extensively are Yokohama Specie Bank, Dai-ichi Bank (branch), Mitsui Bank (branch), Sumitomo Bank (branch), Bank of Taiwan (branch), Hongkong & Shanghai Banking Corporation (branch), Bank of India, Australia & China (branch) and National City Bank of New York (branch). The banks domiciled in Yokohama numbered 5 in December 1936, the most powerful one being the Yokohama Specie

Bank, Ltd. The 16 banks showed the following accounts in aggregate as outstanding in 1938: Aggregated capital ¥111,100,000, reserves ¥143,317,000, and deposits ¥400,598,000. 12 out of the 16 banks were on Dec. 31, 1936, member banks of the Yokohama Clearance House.

**Companies** At the end of 1938 there were 1,614 commercial and industrial companies in Yokohama of which 569 were for trade and 529 for industries.

**Warehouses** At the end of 1936 stocks in all warehouses in Yokohama were balanced at ¥79,465,634 as against \$113,366,674 at the end of 1935. Stocks stored in during 1936 were valued at \$62,900,988 and those withdrawn ¥67,677,236.

**Foreign Trade** Goods exported from the port of Yokohama for foreign countries in 1936 amounted to ¥950,977 and goods imported in the same year were valued at ¥929,127, the adverse balance being ¥21,850.

## FOREIGN TRADE THROUGH YOKOHAMA

(In ¥1,000)

	Exports	Imports	Total	Excess of
1932	400,659	355,358	756,017	ex. 45,031
1933	500,888	456,354	957,242	" 44,534
1934	490,201	537,316	1,027,517	im. 47,115
1935	626,017	616,588	1,242,605	ex. 9,429
1936	678,323	687,012	1,365,335	im. 8,689
1937	800,002	1,047,600	1,847,602	im. 247,598
1938	681,063	877,981	1,559,044	im. 196,918
1939	950,977	929,127	1,880,104	ex. 21,850

**EXPORTS**  
 (In ¥1,000)

Articles	1935	1936	1937	1938	1939
Wheat flour	27,173	14,112	23,151	30,890	30,075
Canned crab	18,362	15,753	18,525	15,154	29,671
Raw silk	283,771	296,601	307,590	279,134	386,512
Silk crepe	17,550	13,001	14,578	9,988	6,631
Electric lamps	5,763	8,330	8,802	5,221	799
Toys	17,945	20,285	23,659	13,815	13,917

**IMPORTS**  
 (In ¥1,000)

Articles	1935	1936	1937	1938	1939
Wheat	30,789	21,912	20,624	5,382	3,084
Crude oil & heavy oil	47,751	63,797	—	—	—
Rubber	11,944	17,781	22,695	21,168	22,972
Cotton	52,210	50,632	55,467	29,166	37,737
Wool	40,715	49,169	—	—	—
Coal	11,785	12,303	15,051	14,495	17,164
Automobiles & parts	20,581	20,020	—	—	—
Lumber	14,483	16,861	19,278	9,392	9,932
Soya beans	13,393	13,596	18,731	19,648	29,035

**TRADE BOATS ENTERED YOKOHAMA DURING 1937 AND 1938**

Year	Number of Ships	Tonnage
1937		
Japanese	1,588	6,030,000
Foreign	1,384	6,269,000
Total	2,972	12,299,000
1938		
Japanese	1,301	8,521
Foreign	1,219	9,150
Total	2,520	17,671

**Industries**
**Factories and Production** At the end

of 1938 there were 178 factories for the spinning industry, 107 for the metallic industry, 234 for the machine and tool manufacturing industry and 89 for the chemical industry, all showing expansion compared with 1937. Both the number of workers and the amount of production also showed a corresponding increase, workers increasing from 64,920 to 77,432 and production from ¥689,142,403 to ¥786,612,298, an increase of 17 per cent.

**FACTORIES AND PRODUCTION IN YOKOHAMA**

(In 1938),

Kind	Factories	Workers	Production (In yen)
Spinning	178	6,395	24,002,184
Metallic	107	9,115	116,021,079
Machine & tool	234	42,906	326,522,774
Ceramics	18	2,458	13,524,239
Chemical	89	7,985	203,557,272
Wood works	75	1,254	6,428,756
Printing & book binding	58	656	2,224,809
Commodities	112	3,849	62,068,283
Gas and electricity	2	294	—
Miscellaneous	170	2,490	32,262,902
Total	1,044	77,432	786,612,298

Note: This table excludes small factories operated by less than 5 workers.

**Transportation**
**Ships** The total tonnage of vessels

that entered the port of Yokohama in 1937 was 12,299,000, and in 1938 was 17,671,000. Details in 1936 follow:

**SHIPS ENTERED AND LEFT THE PORT OF YOKOHAMA IN 1936**

	Clearance		Entrance	
	No. of Vessels	Tonnage	No. of Vessels	Tonnage
Total	72,132	29,987,669	72,071	29,896,663
S. S.	Foreign lines	3,009	2,970	19,927,154
	Domestic lines	3,034	3,059	7,637,330
	Others	1,940	1,941	80,739
Small S. S.	223	2,933	224	2,946
Motor boats	24,568	644,111	24,540	644,133
Sailing boats	Foreign lines	15	11	23,366
	Domestic lines	6,413	6,411	220,209
Lighters	32,930	1,362,866	32,915	1,360,786
1935	67,377	29,060,389	66,860	29,073,880
1934	66,176	26,294,086	65,989	26,396,672

**Passengers** Passengers by ocean-going vessels who landed and called at Yokohama in 1938 totalled 47,136 of whom 15,415 were those whose sea journeys ended at Yokohama and 31,721 were those who just called.

Below are given the nationalities of the passengers in 1938:

Nationalities	Number	
	Those who landed	Those who called
Japanese	12,261	6,388
Chinese	1,823	15,974
British	2,673	3,331
French	121	118
German	422	396
American	4,809	12,053
Other foreigners	1,280	4,890
Total	23,409	43,150

**Railway Passengers** In 1938 the Government railway passengers who left and arrived at Yokohama, Sakuragicho, Tsurumi, Higashi-kanagawa and Hodo-gaya stations numbered 52,369,890.

**Electric Tramways** Tramways were first installed in July 1904, by a private company and later were purchased by the municipality. There are now over 92 kilometers of lines and carried 62,685,000 persons in 1938. There are five private tramway companies attending to the suburban services, viz., the Keihin Electric Tramway, the Tokyo-Yokohama Electric Ry., Tsurumi-Rinko Ry. Co., Shonan-Electric Ry., and the Jinchu Electric Ry. The number of passengers of these private tramways for 1938 was 49,834,000.

**Education**

**Schools and Colleges** At the end of March 1939, there were 100 elementary schools maintained by the municipality. The number of children at these schools was 136,631.

There were 22 kindergartens with 1,239 children.

The number of middle grade, higher, and special schools and their pupils follows:

	No.	Students or pupils
Middle schools	6	4,606
Girls' high schools	8	6,067
Technical schools	13	6,715
Young people's schools	41	8,459
Blind, deaf and mute schools	3	195
Colleges	5	3,373
Prefectural normal school	1	230
Miscellaneous schools	41	6,929

**Libraries** The library statistics as of March 1, 1936 were as follows:

	No.	Books	Visitors
Prefectural	1	10,012	1,580
Municipal	1	42,515	260,547
Private	2	22,560	10,654
Total	4	75,087	272,781

**Religion** At the end of 1938 the number of Shinto shrines was 160, Buddhist temples 232, and Christian churches 44.

**Social Works** In 1936 the conditions of social works in Yokohama were as

follows:

	Establishments	Beneficiaries	Establishments	Beneficiaries
Employment exchanges	4	372,153	Lodging houses	2
Lunch halls	5	348,670	Poor relief	—
Pawnshops	12	46,568		
Dwelling houses	2,014	¥713,885		

	Total	Ordinary Account	Enterprises	Miscellaneous
Revenue				
1937-38	30,534,552	16,390,679	11,911,246	2,232,627
1938-39	57,022,000	18,117,000	—	—
1939-40	55,529,000	15,799,000	—	—
1940-41	59,730,000	16,426,000	43,303,000	—
Expenditure				
1937-38	31,060,760	16,985,676	11,492,955	2,582,129
1938-39	57,022,000	18,117,000	—	—
1939-40	55,529,000	15,799,000	—	—
1940-41	59,730,000	16,426,000	43,303,000	—

In 1939-40 budget of Yokohama the total amount of ordinary expenditure was estimated at ¥15,640,000. Itemized details follow:

Items	Amount in yen	Percentage
Municipal office	1,195,000	7.6
Education	3,454,000	22.0
Industry	395,000	2.5
Hygiene	654,000	4.1
Social works	796,000	5.0
Public works	1,757,000	11.2
Loans	6,789,000	43.4

Items	Amount in yen	Percentage
Miscellaneous	599,000	3.8
Total	15,640,000	100.0

Note: The total differs from that given in the preceding table because of some overlappings with other accounts.

**Bonded Indebtedness** At the end of 1936, the total bonded indebtedness of Yokohama city amounted to ¥176,968,346.

## KOBE

### General

Located between the Osaka Bay and the Rokko mountain range, Kobe covers an area of 83.06 square kilometers, stretching 14.4 kilometers from east to west and 13.5 kilometers from north to south. With a population of 964,000 including about 8,030 foreigners, Kobe is one of the six largest cities in Japan. It is the "City of Wonders," as an international trade center in the world. It ranks second in the revenue of bill-of-lading freight, London coming first.

Before the Restoration of Meiji in 1868, there were less than a thousand houses in Kobe, fishermen's village. In 1867 Hyogo harbor (Hyogo village) was first opened to foreign trade and then the foreign settlement came into existence near the East Recreation Ground in Kobe village and Kobe harbor has

since been gradually turned to advantage. Since then Kobe has increased in population. Accordingly, Kobe village grew into the "Town" of Kobe in 1868. Hyogo and Sakamoto villages being annexed to it in 1879, the city of Kobe was born in 1889. Recently neighboring villages being annexed again, Kobe has become a "Prosperous Greater Kobe."

**Geographical Position and Area** The city of Kobe lies on the southwest coast of Hyogo prefecture in the Kansai district of Honshu, situated at 135° 5'-15' E. long. and 34° 35'-45' N. lat. The greatest length from west to east is 14.47 kilometers and the greatest breadth from north to south is 13.5 kilometers, the total area being 83.06 square kilometers, of which about 60 per cent is occupied by mountains and hills, and

the rest by farms and the city proper. The form of the city is like a long band, and is divided into eight wards known as Nada, Fukui, Kobe, Hyogo, Soto, Minato, Hayashida, and Suma.

**Population** The following are the results of the national census for the year 1935 and 1940:

1935: Families	198,018
Population	912,179
1940: Population	967,234

**Foreign Residents** The total number of foreign residents in Kobe was 7,445 at the end of 1939.

**Houses** With the exception of public and municipal buildings and the houses of foreign residents, the total number of houses in the city was registered as 86,615 at the end of 1927, among which one-storied houses numbered 44,473, two-storied ones 41,185, and three-storied ones 957. There were 84,507 buildings of wood, 98 per cent of the total number; of brick 1,651; of concrete 402; and of stone 11.

**Waterworks** The waterworks were at first designed in 1909 to supply 3 cu. ft. per capita a day to 250,000 inhabitants, but the plan was later altered to provide for 100,000 families, 25 cu. ft. a day. The work lasted until 1923 and

cost ¥12,858,720, of which state grants amounted to ¥3,403,000. In 1926, the municipality increased its water supply by laying pipes in the eastern suburbs to draw water from the Sengari pond behind Mt. Rokko. In 1935 the city supplied 52,803,380 cubic meters to 167,576 households and other uses.

**Police Stations** The total number of police stations in the city at the end of 1939 was 11. Police boxes numbered 208, and policemen 2,076.

### Commerce and Industry

**Movement of Commodities** The movement of commodities through the Kobe harbor and railway stations in 1934 within Japan proper and Chosen was as follows:

	Value (in yen)	
	Tonnage (in 1,000 tons)	Japan proper
Outgoing	2,436	477,315,042
Incoming	4,916	357,710,973
Total	7,352	835,026,015

**Foreign Trade** The grand total of exports and imports in 1939 reached ¥1,046,443,000, and Kobe stood first among all ports open for foreign trade in Japan proper in recent years, but it was beaten by Yokohama in 1939.

### EXPORTS AND IMPORTS OF KOBE

(In ¥1,000)

	Exports	Imports	Grand total	Excess of
1932	499,303	535,647	1,034,950	im. 36,344
1933	650,539	641,122	1,291,661	ex. 9,418
1934	790,601	791,544	1,582,145	im. 943
1935	910,899	821,641	1,732,540	im. 89,258
1936	970,784	958,220	1,929,004	ex. 12,564
1937	1,107,552	1,119,515	2,227,067	im. 11,963
1938	774,038	706,257	1,480,295	ex. 67,781
1939	959,909	686,534	1,646,443	ex. 273,375

**Warehousing** At the end of 1936 number of principal warehouse companies in Kobe was 9 and the aggregate floor area covered by the warehouses was 146,803 tsubo. In 1936, goods received by these warehouses were valued at ¥713,410,635, while ¥682,664,177 worth of goods was delivered. Goods stored at the year end amounted to ¥127,696,298.

**Electricity and Gas** At the end of 1937 the number of electric lamps in the city was 1,182,502 and electric mo-

tors 117,422 k.w.

In 1934, gas was supplied to 138,448 families with 347,633 spouts.

**Banks and Business Firms** At the end of 1938 the total number of banks and branches was 59, in exception of savings banks. The deposits of ordinary banks and branches outstanding at the end of 1938 amounted to ¥8,065,208,000 and advances and loans ¥7,159,663,000.

At the end of 1938 the number of companies was 3,453 with the paid-up

capital amounting to ¥786,223,000.

**Factories and their Workers** At the end of 1938 there were 1,407 factories. The total number of workers was 84,689, and the total production was valued at ¥774,455,000.

#### Transportation

**Roads** At the end of 1939 the total length of roads in the city reached 798,191 km.

**Sea Transportation** In 1939 the number of steam ships which entered the Kobe harbor was 23,749 with 40,230,000 gross tons.

Of the total number 20,031 were vessels sailing home waters and 3,718 on international courses.

#### VESSELS ENTERED KOBE

	Number of vessels	Tonnage
1934	97,170	49,481,808
1935	105,642	52,359,980
1936	107,042	32,389,306
1937	104,279	30,531,245

#### TRADE VESSELS ENTERED KOBE

	Number	Tonnage
1934	4,145	15,649,444
1935	4,421	16,752,490
1936	4,603	17,289,371
1937	4,254	16,266,031
1938	3,603	23,060,000
1939	3,718	23,470,000

**Railways** In 1936 the total number of passengers who left from and arrived at 12 stations in Kobe was 53,334,000.

**Electric Tramways** The tramways within the city limits are operated by the municipality, the total open mileage being 32,578 km. at the end of 1939. Attending to the suburban service, there are private companies, the Sanyo Electric Tramway (Hyogo-Himeji), Han-Shin Electric Ry., (Kobe-Osaka), Han-Shin Express Electric Ry., (Kobe-Osaka), and the Shin-Yu Electric Railway (Kobe-Arima). Han-Shin Kokudo Ry. was laid along the national road between Osaka and Kobe in 1927 and opened business in 1932, forming a parallel line to the state railway.

#### Education, Religion and Social Works

**Schools** In March 1940 the number

of municipal elementary schools was 72 with 2,774 teachers and 125,926 pupils. Middle schools numbered 32, of which 9 were prefectural schools and 17 were private schools, with 1,011 teachers and 25,609 students. Kindergartens numbered 42 with 180 nurses and 4,010 children. Young people's schools numbered 49, of which 13 were private schools, with 579 teachers and 17,178 students. There is a government university of commerce and a technical college. Above these schools there are 40 miscellaneous business schools with 475 teachers and 9,113 students. Budget for educational expenditure for 1937 was ¥11,781,231.

**Shrines, Temples and Churches** At the end of 1938 there were 99 Shinto shrines, 154 Buddhist temples, 423 Tenrikyo and Shinto churches, 296 Buddhist halls, and 60 Christian churches.

**Social Welfare Work** At the end of 1937 municipal establishments for social welfare work were as follows:

Markets, 11; cheap eating-houses, 6; employment exchanges, 4; public nurseries, 2; lodging-houses, 4, child consultation office, 1; municipal dwelling-houses, 2; municipal pawnshops, 3; relief houses, 2; peoples' hospitals, 3; sanatorium, 1.

#### Finance

Budget for 1940 of Kobe was ¥77,587,000. It shows an increase of ¥5,013,000 compared with the previous year. The revenue and expenditure of the municipality for the past five years follow (in yen):

	Revenue	Expenditure
1936-37	62,522,556	57,118,620
1937-38	84,641,000	62,254,000
1938-39 (budget)	63,292,000	63,292,000
1939-40 ( " )	72,574,000	72,574,000
1940-41 ( " )	77,587,000	77,587,000

The total amount of the city loans standing at the end of May 1937, was ¥114,739,200. The loans and the sum borrowed in cash in the fiscal year 1936-37 was ¥125,752,000 while the sum refunded was ¥11,013,400.

## CHAPTER XL

## CHOSEN (KOREA)



President  
MASASUKE ITANI



Managing Directors:  
YOSIKUMA KAWASAKI  
YASUSADA YOSIOKA  
SYUITI MATUMURA

WORKS: SHIPBUILDING and ENGINEERING WORKS  
PLATE and SHEET MILLS  
STEEL WORKS

**KAWASAKI HEAVY INDUSTRIES LIMITED**

HEAD OFFICE: KOBE, JAPAN

CAPITAL . . . . . ¥ 200,000,000

## CHAPTER XL CHOSEN (KOREA)

### General Description

Chosen, a peninsula extending southward from the north-eastern side of the continent of Asia, is washed on its eastern and western coasts by the Sea of Japan and the Yellow Sea respectively, and borders Manchoukuo and the Maritime Province of Siberia on the north, from which it is separated by the two rivers, the Yalu or Oryokko and the Tumen. Between the upper waters of these two rivers there is a mountain range which separates and turns them in opposite directions, the former flowing through Antung into the Yellow Sea. On the south the peninsula faces the Island of Kyushu and the western coast of Honshu, across the Chosen Straits, with the island of Tsushima and Iki about midway. It lies between the parallels of 33°06' and 43° north and 124°11' and 130°56' east, having a total area of 220,788 square kilometers which is about one-third of the area of the whole empire.

Surrounded thus by sea on three sides, Chosen has a long coast line extending in all to 8,674 kilometers. It has many good harbors on the south and west coasts, such as Fusan, Retsul, Moppo, Jinsen and Chinnampo. The tides rise far higher on the west coast than on the east, the difference between the highest and the lowest tide-mark on the former reaching over 10 meters, while on the east coast near Gensan it is less than half a meter. The country is as a whole mountainous, the eastern side steep and rocky, but sloping down more gently on the western side toward fertile plains traversed by large rivers such as the Daido, Kan, Kin and Rakuto. The northern half of the peninsula is comparatively level and fit for agricultural work, whilst the southern half is rich in timber and minerals indicating good possibilities for future industrial development. The climate in Chosen is continental running to extremes of both heat and cold, the spring and autumn seasons being very short but highly delightful. One needs hardly add that the climate is decidedly

rigorous in the north and milder in the south. Moreover, the eastern coast has on the whole a milder climate than the western, the average temperature being some 2° C. higher, except in the middle of summer.

**Flora and Fauna** Plants in Chosen are classified into 160 families, 883 genus, 3,070 species and 550 varieties. Of these five genus and 550 species are peculiar to the country. The pine, larch, spruce, juniper, oak, willow, maple, alder and birch trees are found over the whole peninsula, the spruce, larch and birch mainly in the north, and the pine, oak, maple and alder in the south. Large specimens of old sophora, ginko biloba and spruce are also scattered over the country, especially in the central district; they are remnants of ancient forests and old temple sites. The poplar trees of Chosen type exist, but the Lombardy poplar and the acacia have been imported and both are found widely scattered as aids against erosion. Flowering shrubs such as azalea, cherry illuc, syringa and spiraea are numerous and grow profusely on hill sides. The beech, maple and paulownia found on Dagelet Island are peculiar to that place. The soil and climate of Chosen have proved most suitable for the cultivation of fruit trees, and large orchards for imported apples, pears, peaches and vines have been set up. The walnut, chestnut, pinenut and persimmon are indigenous and yield good crops.

Fauna of Chosen is of the Palae-arctic geographical distribution. Animals commonly found are the boar, deer, wildcat, wolf, hare, weasel, tiger and leopard, (the number of the last two is now much reduced). Native horses are small, but strong and wiry; the cattle are large and useful and are widely distributed. Among birds are the crow, magpie, jay, kite, heron, crane, oriole, lark, sparrow, robin, tits, pheasant, and quail, while the goose, bustard, duck, teal, swan and snipe are migratory, passing Chosen in spring and in autumn. The variety of aquatic

animals is extensive, comprising the mackerel, sardine, herling, sea bream, plaice, cod, pollack, whale, oyster, crab and lobster. Various kinds of snakes are found in the country, but few are venomous. Insect life has been well studied, as many are harmful to trees

and crops. Among butterflies over 200 species have been identified.

**Population**

According to the report of the Ministry for Overseas Affairs, the population of Chosen was as follows:

**POPULATION OF CHOSEN**

1935-1940

At year end	Total		Japanese		Per Men to 100	
	Male	Female	Male	Female	Household	Women
1935	21,891,180	11,116,144	299,760	283,668	5.28	103.2
1936	22,047,836	11,205,940	313,211	295,778	5.28	103.4
1937	22,355,485	11,352,056	322,412	307,100	5.29	103.2
1938	22,633,751	11,489,113	323,187	310,101	5.29	103.1
1939	22,800,647	—	650,104		5.30	—
1940	24,326,327	12,266,230	—	—	—	101.7

**BIRTHS AND DEATHS**

	Births	Per 1,000 of Population	Deaths	Per 1,000 of Population	Natural Increase	Per 1,000 of Population
1933	590,035	29.20	392,668	19.43	197,367	9.77
1934	615,579	30.01	398,482	19.43	217,096	10.58
1935	625,979	29.46	421,444	19.83	204,535	9.63
1936	615,381	28.79	424,063	19.84	191,318	8.95
1937	628,205	28.97	386,733	17.84	241,472	11.13
1938	792,975	36.13	384,179	17.50	408,796	18.63

**DISTRIBUTION BY AGE GROUPS**

(1935 Census)

Ages	Total	Unmarried		Married		Parted by Death or Divorce	
		Males	Females	Males	Females	Males	Females
	22,899,038	6,074,011	4,957,199	5,016,503	5,194,592	572,143	1,084,590
0	894,077	454,876	439,201	—	—	—	—
1	768,601	389,027	379,574	—	—	—	—
2	744,578	376,430	368,148	—	—	—	—
3	720,987	367,380	353,607	—	—	—	—
4	631,481	320,743	310,738	—	—	—	—
5	667,042	339,153	327,889	—	—	—	—
6	600,652	306,740	293,913	—	—	—	—
7	596,437	305,379	291,058	—	—	—	—
8	583,305	298,735	284,557	1	12	—	—
9	509,734	263,651	245,959	50	74	—	—
10	554,189	284,330	268,960	269	623	1	6

Ages	Total	Unmarried		Married		Parted by Death or Divorce	
		Males	Females	Males	Females	Males	Females
11	520,785	266,516	252,024	611	1,619	6	9
12	491,711	249,822	236,405	1,673	3,753	23	35
13	522,730	263,414	241,718	4,937	12,493	70	98
14	499,903	247,542	210,338	11,355	30,284	153	231
15	446,062	211,137	158,170	19,250	56,646	289	570
16	418,899	185,457	109,260	30,541	91,992	537	1,112
17	408,941	163,091	66,952	46,923	129,207	1,008	1,760
18	454,505	159,446	41,752	71,254	177,624	1,851	2,578
19	432,373	131,215	22,721	87,674	185,061	2,593	3,109
20	391,221	100,905	13,956	95,555	174,562	3,082	3,161
21	423,073	96,117	11,124	119,532	188,538	4,086	3,676
22	395,732	70,702	8,201	127,663	180,915	4,519	3,732
23	372,337	49,065	5,495	133,861	174,631	5,267	4,018
24	404,498	40,699	2,953	158,470	191,001	6,797	4,578
25	338,378	25,779	1,948	138,690	161,709	6,106	4,146
26	368,511	21,364	1,541	157,854	175,641	7,180	4,931
27	337,358	14,826	1,100	150,156	159,434	6,897	4,945
28	299,703	10,669	874	133,908	142,578	6,621	5,053
29	344,499	8,724	705	158,992	161,949	8,059	6,070
30	299,689	5,784	482	139,886	140,827	6,895	5,815
31	242,352	4,486	395	113,443	112,751	6,108	5,169
32	264,638	4,056	382	124,539	122,815	6,669	6,177
33	261,871	3,558	342	123,501	120,804	6,842	6,824
34	279,146	3,424	271	132,089	127,586	7,969	7,807
35	283,894	2,690	258	135,669	128,598	7,910	8,769
36	251,116	2,570	196	118,335	114,014	7,318	8,683
37	286,448	2,537	233	136,062	127,920	8,870	10,826
38	274,533	2,271	180	130,039	121,079	9,030	11,934
39	264,031	2,066	184	125,030	114,047	9,809	12,895
40	245,475	1,538	144	117,236	104,269	9,803	12,985
41	228,550	1,535	151	108,477	95,781	9,404	13,202
42	207,607	1,077	136	97,920	86,945	7,964	13,565
43	242,183	1,325	121	113,710	99,712	10,233	17,082
44	229,390	1,211	120	105,855	93,472	10,530	18,202
45	224,661	993	123	104,430	90,434	9,744	18,937
46	203,458	906	122	94,113	79,664	10,036	18,617
47	231,562	942	121	106,962	88,429	11,753	23,355
48	199,771	842	94	91,327	74,519	10,964	22,025
49	165,969	723	86	75,358	58,773	10,648	20,381
50	152,936	531	80	69,560	53,983	9,316	19,466
51	167,565	466	87	75,989	57,425	10,592	23,006
52	161,497	426	93	72,667	53,954	10,479	23,878
53	163,164	493	113	71,434	53,615	11,349	26,160
54	177,993	562	145	77,601	55,800	13,520	30,365
55	148,471	390	112	63,293	45,716	11,344	27,616
56	181,269	445	106	77,649	52,789	14,524	35,756
57	124,627	315	106	51,587	35,746	10,786	26,087
58	106,591	382	142	42,641	29,154	9,922	24,350
59	122,706	349	142	48,845	31,571	11,956	29,843
60-64	513,378	1,120	468	194,523	115,251	58,282	143,734
65-69	387,134	621	317	124,183	64,900	57,419	139,694
70-74	250,662	262	147	66,166	28,629	48,186	107,272
75-79	147,095	136	93	28,582	10,567	34,378	73,339
80-84	49,668	37	43	7,000	2,226	12,906	27,456
85-89	12,868	6	19	1,293	340	3,441	7,769
90-94	2,084	—	4	205	95	458	1,322
95-99	537	2	—	71	42	110	312
100 and above	146	—	—	—	—	31	97

## POPULATION OF CHOSEN ACCORDING TO PROVINCES

(At the end of 1939)

Province	Japanese	Chosenese	Foreign	Total
Kelki	167,807	2,416,057	6,138	2,590,002
North Chusei	9,297	890,469	345	900,111
South Chusei	25,949	1,498,509	921	1,525,379
North Zenra	35,287	1,507,239	900	1,543,426
South Zenra	44,015	2,446,678	520	2,491,213
North Keisho	43,967	2,387,285	423	2,431,675
South Keisho	88,274	2,120,499	362	2,209,135
Kokai	24,321	1,695,197	2,009	1,721,527
South Helan	43,130	1,490,584	4,483	1,538,197
North Helan	26,684	1,607,415	21,639	1,655,738
Kogen	19,839	1,571,502	577	1,591,918
South Kankyo	59,308	1,602,642	5,581	1,667,531
North Kankyo	62,226	864,234	8,335	934,795

## POPULATION ACCORDING TO OCCUPATION

(At the end of 1939)

Occupation	Japanese	Chosenese	Foreign	Total
Agriculture	33,257	16,486,959	11,188	16,531,404
Fisheries	9,540	337,310	70	346,920
Mining	18,604	322,988	2,169	343,761
Industry	111,808	611,958	8,650	732,416
Commerce	144,647	1,601,548	19,027	1,665,222
Transportation	37,705	225,264	2,586	265,555
Public service and profession	246,967	666,782	1,425	915,174
Miscellaneous occupations	24,932	1,559,101	6,922	1,590,955
Others	22,644	386,400	196	409,240
Total	650,104	22,098,320	52,233	22,800,647

On October 1, 1940, the density of the population average was 110 per square kilometer. The average is 89 per square kilometer less than in Japan proper.

## Origin of the Native Race

Though no conclusive opinion has ever been given as to the origin of the Chosenese, it is evident that they are of the Mongolian family, and it is generally admitted that their cradle was in the neighborhood of Changchun, Manchoukuo, in and around the place now called Petna on the River Sungari. It seems, therefore, but natural that they should have a profound liking to emigrate and settle in those parts of Manchoukuo. From various historic relics it appears that they were of the same stock as the Manchurians and those Japanese dwelling in the western half of Japan. In course of time much intermingling of blood seems to have taken place among the Chosenese and the Chinese ever since Chinese colonies

were first established along the north-western coast. But the latter did not supersede the native Chosenese race to any appreciable degree. This is clearly seen from the fact that the two races today have a distinctly different facial appearance, though both alike have black straight hair, dark oblique eyes and a tinge of bronze in the skin. The Chosenese language belongs to the Turanian group; it is poly-syllable and possesses an alphabet of 11 vowels and 14 consonants, and a script known as Eunmonn. In grammatical construction it is almost identical with Japanese, though in sound and vocabulary it is quite dissimilar. From all these and other facts and evidences it may be concluded beyond any doubt that these two peoples were closely related to each other from very remote times.

## Administrative Organization

Chosen is administered by the Government-General which was inaugurated on August 29, 1910, and has 8 main

administrative offices and two departments, viz., (1) Governor-General's Secretariat, (2) Home Affairs Bureau, (3) Financial Affairs Bureau, (4) Industrial Bureau, (5) Agricultural and Forestry Bureau, (6) Judicial Bureau, (7) Educational Bureau, and (8) Police Bureau, and the Department of Foreign Affairs and the Department of Planning. There are also many affiliated offices such as (1) Central Council, (2) Communications Bureau, (3) Railway Bureau, (4) Monopoly Bureau, (5) Provincial Office, (6) Revenue Superintending Bureau, (7) Custom House, etc.

**Position of the Chosenese** For a number of years since the establishment of the Government-General in Chosen all Chosenese in government service were placed under different regulations from those applying to Japanese officials. Gradually, however, almost all discriminative features in treatment and salary have been wiped out and in October 1919, Chosenese officials were finally placed on the same footing as the Japanese and came under the same regulations. Moreover, prior to March 1920, in the courts Chosenese judges were allowed to try only those civil cases in which both parties were Chosenese and the criminal cases where the accused were Chosenese, but now they are allowed to try all cases in which people of any nationality may be involved. Moreover, prior to 1919 the freedom of the press had been rigidly restricted. No newspaper except the few already in existence was allowed to be issued. Now, however, more daily papers are issued, and the restrictions placed on the holding of public meetings have been partly removed.

**The Central Council** As the highest consultative body there is the Central Council which is convened by the Governor-General several times a year to discuss such measures as may be presented by him. This Central Council consists of 5 advisors, 65 councillors, 1 chairman and 1 vice-chairman. One of the characteristic principles by which the Japanese administration in Chosen is guided is respect for the old Chosenese customs and manners, and the work of investigating these old customs so dear to the native people is entrusted to the Central Council. Chosenese attach great importance to their ancestral tombs as a form of ancient worship,

and the selection of a burial site is always made with great care. This, coupled with their age-old superstition that the fate of one's family would be greatly affected by the position of its grave, has resulted in the devastation of a large area of land; wherefore the Government-General in 1912 issued an order requiring all people to use the public cemeteries for the disposal of their dead. This order, however, was revised in 1919 so as to allow the people to follow their old customs.

## Local Autonomy and Suffrage

In establishing local administrative system due consideration was given to the system obtaining under the old régime and also to Chosenese culture and customs. Revisions have been made from time to time to suit changes in local conditions, and the system has finally developed into what it is at the present day.

The main principle upon which revisions were made was to prepare the way for laying foundation for local autonomy. The establishment of advisory organs in the revision of the local administrative system effected in 1920 had this object in view. During the 10 years following progress in the preparation for self-government was made to such an extent that the time was considered ripe to effect further important reforms in the local system. An ordinance was, therefore, promulgated on October 1, 1930, the substance of which was as follows:

**Administration of Province** The former provincial advisory council (Do-Hyogi-Kwai) was changed into the provincial council (Do-Kwai) which is vested with administrative power. Two-thirds of members of the council are elected by members of the municipal councils, "yu" councils and "men" councils in each province, and one-third appointed by the Provincial Governor.

The Provincial Governor acts ex officio as Speaker of the council and the Vice-Speaker is elected from among members of the council. The term of members of the provincial council is four years.

**Municipal System** Each municipality has two bodies of the first and second educational sectional councils. The former is composed of Japanese and the latter of Chosenese members of the municipal council.



**Yu-Men System** The "men" (township) system (men-sei) has been substituted by the yu-men-system, and the yu (town) council was established in each yu and made an executive organ. The "men" council, composed of elected members, remains as an advisory body. The term of members of the yu and men councils is four years.

**Administration of County and Island Counties and Islands** have county and island councils, the councillors of which are elected by the members of the yu and men councils. The term of the councillors is four years.

**Supervision of Local Bodies** As in Japan proper the right to reverse, to cancel, or to reconsider any decisions reached by local administrative organs is reserved to the Government-General, which may suspend or dissolve meeting when necessary.

Those portions of the ordinance that apply to the municipal system, yu-men system, county and island councils were enforced on April 1, 1931, while other parts which apply to the administration of provinces were enforced on April 1, 1933.

**Suffrage** Since conditions have not yet adequately improved and the sense for civic responsibility is not yet sufficiently strong or wide-spread to abolish the franchise qualification, which is payment of local rates of five yen the subject is still left untouched. This may be reduced, as conditions improve, to one yen for the yu-men council election. A course in civics has lately been added to school curriculum which will aid in impressing upon the people the importance and benefit of franchise.

#### \* Finance

**Budgetary System Introduced** Under the old Chosenese régime there was no clear distinction between the court and the government in the use of money collected from the people in the form of various taxes. Moreover, most of the state revenue was from the ginseng monopoly, leasing of state lands, and granting of concessions of various sorts. Accordingly, therefore, there was no means of framing a yearly budget. This state of affairs, more than anything else, called for speedy remedies. When, therefore, a Japanese financial adviser, Baron Megata, took up his duties in August 1904, his first task was to bring order out of this financial confusion

and his work was quickly done during the protectorate period. He drew up necessary plans for introducing the modern budgetary system, and the gold standard with a central bank to act as a state treasury and empowered with a right to issue convertible notes. A rigid taxation system was brought into existence, with the burdens of the people more equitably distributed. The former method of tax collection which gave rise to many serious abuses was quickly corrected. All the monopolies, such as that of ginseng, were turned over from the Imperial court to the government, and a clear distinction was marked between the finances of the court and of the state.

**Japan in Chosen** Upon the establishment of the Japanese hegemony in Chosen the Government-General took on its shoulders the heavy task of developing the country in every possible way so as to promote the welfare of the Chosenese people to the utmost extent. It necessitated starting new enterprises and increased expenditure, and the government outlay for the year 1911 reached over ¥48,740,000, an amount twice that of the preceding fiscal year. Since that time the tendency had always been upward, till it reached ¥246,852,843 in 1929, the highest mark ever seen in the budgetary history of Chosen. In 1930 a slight decrease was seen; the figures fell to ¥239,729,783, with a further slight reduction in each year until it reached ¥219,132,671 in 1932. Mention must be made of the fact that the determination of the Government-General to do its utmost for the economic development of the country and the promotion of the welfare of the people is shared by the Japanese government at home, for the latter is yearly advancing a subsidy of more than ¥15,000,000 from the national treasury to the Government-General. The budget again took an upward turn in 1933, and in 1941 it reached the highest mark of ¥996,725,094. Below is given a budget table showing the trend of steady expansion of expenditure:

#### BUDGETS 1921-1940

	Revenue	Expenditure
	(In yen)	
1921	162,474,208	162,474,208
1922	158,124,617	158,124,617
1923	146,007,225	146,007,225
1924	142,700,159	142,780,159

	Revenue	Expenditure		Revenue	Expenditure
	(In yen)			(In yen)	
1925	178,082,382	178,082,382	1933	232,026,949	232,026,949
1926	194,487,914	194,487,914	1934	278,284,452	274,634,642
1927	210,910,111	210,910,111	1935	290,267,414	290,267,414
1928	222,746,979	222,746,979	1936	329,645,390	329,645,390
1929	246,852,843	246,852,843	1937	427,653,964	425,123,781
1930	239,729,783	239,729,783	1938	527,814,250	528,245,954
1931	238,923,617	238,923,617	1939	656,099,928	656,099,928
1932	220,140,627	220,140,627	1940	837,786,717	837,786,717

#### BUDGET FOR 1941-42

Revenue		
(In yen)		
Items		
Ordinary Revenue		
Taxes		153,704,131
Stamp receipts		26,482,942
Receipts from government undertakings and properties		545,640,312
Miscellaneous		6,709,894
Total		732,537,279
Extraordinary Revenue		
Proceeds from the sales of government properties		10,000
Temporary profits tax and juridical person special tax		27,112,119
Receipts anent the compensation systems		568,067
Replenishment from the National Treasury		13,841,545
Transfer from the Gold Fund Special Account		11,303,027
Public loans		160,432,877
Miscellaneous		1,319,670
Brought forward from the balance of the previous year		49,600,510
Total		264,187,815
Grand total of revenue		996,725,094

Expenditure		
Items		
Ordinary expenditure		
Shrines		79,420
Prince Yi's Household		1,800,000
Government-General Office		9,555,366
Justice		5,266,828
Prisons		9,304,017
Provincial offices		33,906,846
Meteorological observatory		929,801
Keijo Imperial University		3,603,666
Schools and libraries		4,283,576
Agricultural experimental stations		1,866,603
Cattle disease serum manufacturing plant		967,572
Inspection offices		3,234,758
Monopoly Bureau		63,790,442
Railways		275,901,214
Forestry Bureau		20,463,571
Communications		32,818,407
Tax Superintending and Tax offices		7,115,071
Custom houses		2,194,235
Social work		1,854,448
National debt adjustment fund		48,409,036
Pension		8,924,002
Miscellaneous		1,090,579
Reserve fund		13,000,000
Total of ordinary expenditure		550,359,458

Extraordinary Expenditure	
Pension for soldiers under the old régime of Chosen	32,829
Investigations and experimentations	2,364,950
Subsidies and encouragement	61,497,317
Buildings and repairs	9,910,769
Communications	4,847,163
Public work	34,077,633
Railways	138,258,149
Forestry	2,461,934
Adjustment of title-deeds, etc.	142,861
Improvement of lands	15,122,131
Aid to local finances	14,312,340
Revision of land price	1,744,545
Training of teachers and the young people	96,380
Training of volunteer soldiers	607,177
Protection of Chosenese abroad	7,586,549
Arbitration of matrimonial troubles	42,791
Compilation of the history of Chosen	35,685
Temporary police measures	4,334,637
Construction of salt fields	1,431,186
Development of northern Chosen	3,318,854
Promotion of the production of gold and important minerals	24,413,918
Improvement of farm villages	2,093,537
Fisheries	526,645
Students abroad	8,146
Promotion of rice production	2,991,400
Temporary control of exports of rice	142,929
National general mobilization	641,240
Emergency measures	18,295,753
Promotion of foreign trade	1,261,081
Levying of Temporary Profit Tax	423,812
Transfer to the Special Account for Military Expenses	84,262,141
Special increase of salaries for frontier guards	521,423
Calamities	480,464
Preparation for improving the elementary education system	89,343
Rewards anent China Affair	49,966
Temporary allowances to families of officials	5,621,952
Maintenance of special buildings	250,000
Transfer to the necessities fund of railways	2,000,000
Total of extraordinary expenditure	446,365,636
Grand total of expenditure	996,725,094

## ACTUAL RECEIPTS FROM TAXES IN RECENT YEARS

Description	(In yen)		
	1938	1939	1940
Income tax	5,139,797	8,191,546	10,788,559
Land tax	13,431,822	13,502,268	13,190,531
Business tax	2,541,279	3,027,123	7,774,790
Unearned increment tax	1,180,535	1,395,293	3,364,458
Corporation tax	811,589	783,455	3,335,444
Foreign currency loan special tax	1,577	2,162	1,870
Mining tax	2,146,532	2,577,016	3,897,276
Inheritance tax	475,775	765,340	1,197,365
Temporary profit tax	2,663,780	4,850,838	5,401,188
Dividend tax	175,138	775,593	466,967
Public loan and debenture interest tax	70,682	74,135	65,650
Transit tax	1,017,923	1,029,447	1,750,397
Admission tax	131,750	195,729	470,027
Tax on goods	4,441,483	9,867,699	14,419,073
Building tax	—	172,514	82,492
Liquor tax	21,854,363	24,086,253	24,133,550

Description	1938	1939	1940
Non-alcoholic beverage tax	329,670	565,752	836,862
Tax on eating & drinking for pleasure	—	3,030,128	7,590,400
Sugar consumption tax	4,165,969	4,108,959	5,547,059
Volatile oil tax	1,553,112	1,580,924	2,420,731
Exchange tax	844,035	875,396	543,424
Bank of Chosen note emission tax	24,531	24,268	24,268
Total	63,002,342	81,483,838	107,301,481
From customs duties	16,760,693	17,231,496	—

## Government Monopolies

Several industries are being carried on as monopolies by the Government-General under direct control of the Financial Affairs Bureau; they are the manufacture or preparation of ginseng, tobacco, salt and opium. Net profit from the Government monopolies amounted to ¥50,484,915 in 1939-40.

**Ginseng** This medical herb is regarded as a wonderful cure for many diseases in China and Chosen. The drug is obtained from the root of the plant carefully tended for six years. The principal customers for this plant are the Chinese, who are ready to pay a high price for it. Figures relating to its production follow:

Year	Raw Prepared			
	Area (tsubo)	Root (kin)	Product (kin)	Receipts (yen)
1911	14,345	7,719	2,300	119,000
1926	230,368	109,759	29,369	2,768,000
1927	332,102	154,237	41,540	2,444,000
1928	327,491	197,340	50,901	3,067,000
1929	334,479	165,897	54,099	2,482,000
1930	336,918	170,709	62,097	2,449,463

## Raw Prepared

Year	Raw Prepared			
	Area (tsubo)	Root (kin)	Product (kin)	Receipts (yen)
1931	350,243	161,952	59,302	2,039,541
1932	365,090	165,172	58,789	2,099,819
1933	350,623	142,686	49,525	1,339,941
1934	357,600	142,577	49,829	1,567,061
1935	357,947	142,662	52,125	1,703,788
1936	379,124	152,063	55,368	1,832,462
1937	377,564	151,390	53,502	1,812,963
1938	302,401	121,247	43,872	1,454,000
1939	—	99,077	36,136	1,723,515

**Tobacco** As practically all Chosenese smoke, the tobacco industry is a great source of income to the Government. Three kinds are grown in Chosen, namely, Native, Japanese and American. There are four tobacco manufacturing centers, these being Keljo, Heljo, Tai-kyu and Zenshu, the annual production reaching over 5 million kan valued at 6 million yen.

In 1939 the output of cigarettes was 7,082,959 pieces, and that of cut-tobacco 15,348,519 kg. Tobacco amounting to ¥83,579 was also imported from Japan and foreign countries.

## AREA, PRODUCTION &amp; SALES OF TOBACCO

Year	Area (cho)	Production of Leaf Tobacco (kan)	Sales in yen		Total
			Native Product	Imported	
1932	13,637	5,309,923	32,076,449	91,290	32,167,739
1933	13,558	4,414,268	35,227,038	87,148	35,313,186
1934	14,692	4,107,358	38,941,646	84,030	39,025,676
1935	16,367	5,845,627	42,835,698	90,588	42,926,286
1936	17,533	5,500,360	47,575,664	230,170	47,805,824
1937	18,672	7,433,022	—	—	55,110,488
1938	19,704	7,806,893	61,886,518	491,044	62,377,562
1939	21,032	—	76,737,651	83,579	76,821,230

**Salt** The yearly salt consumption in Chosen amounts approximately to 350,000,000 kg. Production capacity in Chosen is 282,050,000 kg., so that 76,000,000 kg. has to be imported. The demand for industrial use has increased recently and about 300,000 kg. is im-

ported to supply the need. The Chosen Government-General is making efforts to bring about the time when it can supply the total demand of 350,500,000 kg. with domestic production. The following shows production and the area of salt-fields in 1939:

PRODUCTION AND AREA OF  
SALT-FIELD IN 1939

	Area (cho)	Production (1,000 kg.)
Koryowan	993	92,838
Kijo	1,535	74,501
Shuan	6,664	230,356
Nanshi	483	33,660
Total	9,675	431,355

**Opium** Owing to the strict control of the Government-General the number of opium smokers has in recent years greatly decreased, but at the same time the number of those indulging in morphine-injection has increased. The use of morphine has of course been prohibited by the Government, but owing to the activity of cunning dealers all the efforts of the Government to put an end to it have been fruitless. The Government thereupon has come to the decision to monopolize the manufacture and sale of morphine so as to more effectively control the spread of its use. Accordingly, in March 1930, the Gov-

ernment's manufacture of morphine was started at Keijo, its production being sold to certain designated pharmacies to be used for medical purposes only, and since 1937 no morphine for opium smokers was produced.

MORPHINE MANUFACTURE  
IN 1939

Raw opium	26,702 kg.
Manufacture	
Morphine (salt)	141,565 g.
Diacetyl morphine (salt)	4,100 g.
Opium for medical use	45,380 g.
Total	191,045 g.
Sale	
Morphine (salt)	145,400 g.
Diacetyl morphine (salt)	4,335 g.
Opium for medical use	35,875 g.
Total	185,610 g.

Economic Progress

The following table shows the progress during recent three years as compared with the conditions in 1910.

	1910	1936	1937	1938
		(In ¥1,000)		
Paid up capital of corporations	15,909	663,569	853,988	1,022,022
Value of agricultural products	157,158	830,321	1,134,114	1,104,488
.. forest products	19,240	118,065	138,709	156,750
.. marine products	8,466	79,879	89,923	87,080
.. mineral products	6,065	110,429	150,145	—
.. manufactures	30,964	730,806	959,308	1,140,118
Trade	59,696	1,355,730	1,545,753	1,935,536
Bank deposits	17,855	415,530	462,454	624,316
Bank loans	40,912	845,831	957,914	1,053,349
Bank exchange received	28,227	2,132,886	2,481,659	2,935,977
Bank exchange drawn	23,907	2,146,385	2,556,437	3,064,395
Amount of bills cleared	20,489	1,782,369	1,961,472	2,342,820
Price index (Average in Keijo)	100.00	190.62	206.16	237.12
Wage index (Average in Keijo)	100.00	161.15	181.11	196.80

N.B. In the column of agricultural products only rice, barley, wheat, oats, rye, pulse and miscellaneous grains are included.

Overseas Trade

Prior to its annexation by Japan the overseas trade of Chosen amounted to about 50 millions of yen a year. Now

it is approximately put at ¥1,876,969,000 based on figures for January to September 1940. The following figures indicate its development:

OVERSEAS TRADE

Year	Exports (In ¥1,000)			Imports (In ¥1,000)		
	Foreign Countries	Japan	Total	Foreign Countries	Japan	Total
1922	17,489	197,915	215,404	95,798	160,247	256,045
1932	29,210	282,144	311,354	61,686	258,670	320,356
1933	52,773	315,854	368,627	64,368	339,817	404,185

Year	Exports (In ¥1,000)			Imports (In ¥1,000)		
	Foreign Countries	Japan	Total	Foreign Countries	Japan	Total
1934	57,674	407,693	465,367	79,527	439,622	519,149
1935	64,903	485,893	550,796	44,185	558,813	659,403
1936	75,265	518,047	593,313	114,499	647,918	762,417
1937	113,098	572,445	685,543	128,139	735,414	863,553
1938	169,067	710,540	879,607	134,583	921,346	1,055,929
1939	269,911	736,883	1,006,794	159,031	229,417	1,388,448
1940 (Jan.-Sept.)	150,708	550,140	700,848	169,097	1,007,023	1,176,121

OVERSEAS TRADE BY COUNTRIES

Countries	Exports (In ¥1,000)			
	1936	1937	1938	1939
Japan proper	518,047	572,445	710,539	736,882
Kwantung L.T.	9,901	20,616	18,737	22,952
Manchoukuo	55,533	71,527	122,003	205,149
China	3,702	4,842	22,155	33,566
British India	388	750	429	475
Dutch Indies	265	1,021	477	634
Germany	10	2,261	1,062	336
The U.S.A.	993	1,474	1,280	3,645
Africa	—	6,923	1,401	985
Others	4,474	3,363	1,421	1,864
Total	593,313	685,542	879,606	1,006,794

Countries	Imports (In ¥1,000)			
	1936	1937	1938	1939
Japan proper	647,918	735,813	921,345	1,292,417
Kwantung L.T.	6,642	6,928	10,157	8,181
Manchoukuo	59,402	62,227	58,050	80,459
China	15,148	10,367	12,217	10,334
India	208	255	10,788	8,845
Dutch Indies	9,726	8,534	4,260	3,392
Germany	1,042	1,973	1,888	3,939
The U.S.A.	9,151	21,311	17,775	23,521
Philippines	—	1,871	2,335	3,422
Others	13,180	14,273	17,104	16,937
Total	762,417	863,552	1,055,928	1,388,448

VALUE OF PRINCIPAL EXPORTS  
AND IMPORTS

In Jan.-Sept. 1939 and 1940

Articles	EXPORTS (In ¥1,000)		Articles	IMPORTS (In ¥1,000)	
	1939	1940		1939	1940
Cow	7,697	8,443	Rayon tissues	9,393	5,217
Rice	139,785	9,079	Pulp	7,030	6,891
Beans	15,653	29,793	Coal	9,000	17,067
Fresh fish	7,471	10,715	Fish powder	7,202	14,157
Dried fish	5,340	9,444	Fertilizer	35,966	38,393
Dried laver	8,976	15,849	Others and total	749,707	700,848
Other marine products	7,226	11,594			
Soap	5,545	5,709			
Carbide	2,446	6,251			
Glycerine	2,465	6,251			
Ginned cotton	9,145	15,078			
Raw milk	13,217	21,201			
Cotton tissues	10,482	5,523			

Articles	1939	1940
Raw silk	12,509	6,849
Woolen tissues	17,144	11,671
Silk tissues	25,435	44,288
Rayon tissues	32,280	8,000
Staple fiber tissues	24,630	15,967
Clothes	16,251	16,910
Papers	17,244	20,213
Coal	27,570	38,311
Cokes	6,447	7,930
Ceramics	8,066	10,358
Nails	7,249	7,119
Electric wire	6,085	7,570
Machinery	101,721	129,276
Fertilizer	21,279	19,737
Others and total	1,007,488	1,176,121

### Banking

Banking on a modern system was first introduced into Chosen in 1878 when the Dai Ichi Ginko of Tokyo established a branch office at Fusan. Later on, the Juhachi Ginko of Nagasaki opened branches at Jinsen and Gensan. After the China-Japan War these banks opened their branches in Keijo and other centers, while two native banks, the Chon-Il (later renamed the Chosen Commercial) and the Hansong, came into being in Keijo.

In 1902 the Dai Ichi Ginko was authorized to issue bank notes for circulation within Chosen. In 1906, to promote economic development in the provinces, agricultural and industrial banks were formed in several of the principal towns, the Government taking shares in them or granting them loans free of interest, and in the same year a third native bank called the Han-Il was founded in Keijo.

In 1909 the Bank of Chosen capitalized at ¥10,000,000 was founded in Keijo as a de jure central institution, and to it was transferred all the functions belonging to a central bank hitherto performed by the Dai Ichi Ginko. After the Annexation the bank was renamed the Bank of Chosen and branches were opened by it one after another in important places. Nor was its sphere of activity confined to the peninsula, for

many branches were opened in Manchuria where it enjoyed free circulation of its notes, and its activity even penetrated North China and East Siberia. The Bank also made loans to China, and opened an agency in New York with a view to facilitating exchange operations and to utilizing the American money market for the development of Chosen and Manchuria. Stimulated by the steady expansion of its business, the Bank increased its capital to ¥40,000,000 in 1918, and to ¥80,000,000 in 1920, while authority was given to increase its maximum limit of note issue as occasion demanded; but owing to continued business depression the Bank suffered severe losses and was compelled in 1925 to reduce its capital by one-half. (See Chapter IX, the Bank of Chosen.)

Since then, encouraged by the economic development in general, and especially influenced by the wartime boom, many local banks were established in the country. During this time, however, the agricultural and industrial banks in existence were found much too weak to cope with the increasing demand for funds, their capital all told being only ¥2,600,000, so in 1918 they were all merged into the Industrial Bank of Chosen under special Government protection, with a capital of ¥10,000,000, which has since been increased to ¥40,000,000.

The first clearing house was opened in 1910, and banks in Keijo became its members. Later additional clearing houses were established in Jinsen (Chemulpo) and other large commercial centers—the total number being nine at the present time.

In 1911 there were in Chosen 11 banks with 59 branches. The total aggregate capital was then ¥12,350,000, with total reserve funds amounting to ¥366,000 and the deposits totalling ¥18,335,000. At the end of 1939 the number of banks was 9, together with branch offices of 3 banks in Japan proper. The following gives a more detailed account of the 9 banks:

### CONDITIONS OF BANKS IN CHOSEN

(In ¥1,000)

	1934	1935	1936	1937	1938	1939
Capital subscribed	100,675	99,175	99,175	99,175	97,175	127,175
Capital paid-in	61,731	65,912	65,981	72,731	71,931	79,431
Reserve funds	22,673	23,829	27,276	29,944	32,106	36,931
Deposits	567,754	609,028	386,191	462,454	624,316	1,550,586
Loans	1,047,339	1,013,146	712,380	957,914	1,053,350	1,915,778

The banking institution which is utilized most by the native people is the Post Office Savings Bank. In 1921 there were about one and a half million depositors at this bank, their aggregate deposits reaching ¥18,726,338. On March 31, 1940 the number of depositors increased to 8 millions, with the aggregate deposits expanding to ¥112,502,101. The following figures show the annual expansion:

### P.O. DEPOSITS

March 31	Number of Depositors	Amount (yen)
1931	2,118,178	38,852,866
1932	2,283,871	41,432,670
1933	2,494,062	40,939,391
1934	2,840,656	44,807,154
1935	3,156,074	52,631,553
1936	3,571,237	54,820,710
1937	3,861,105	60,422,961
1938	4,247,123	68,303,285
1939	5,381,152	87,270,254
1940	6,006,378	112,802,101

Local Credit Associations Local credit associations were first organized in 1907 by virtue of the Local Credit As-

sociation Regulations promulgated in the same year. The object of the organizations is to assist the Agricultural and Industrial Banks in the capacity of their auxiliaries, accommodate small Chosenese farmers with funds, and look after their interests in several other ways so as to ensure a healthy development of agriculture. Membership is confined to those who engage in agriculture, and each association is organized as a corporate juridical person. The Government endows each association with ¥10,000 as foundation fund or grants subsidy to encourage its development.

Principal business of the associations is to loan funds to the members, and store crops for them. In addition they distribute and loan seeds, seedlings, and fertilizers to their members, and also undertake consignment sales of products for the members.

At the end of June 1940, there were 723 associations with 2,036,434 members and an aggregate paid capital of ¥15,232,000. The progress of these associations is illustrated in the table below.

Year	Associa- tions	Members	Paid-up Capital	Deposit (In ¥1,000)	Advance	Reserve Fund	Government Grant
1920-30	621	588,560	8,561	76,892	104,931	12,295	3,777
1930-31	622	606,813	9,010	80,128	123,368	13,131	3,777
1931-32	663	726,322	9,279	88,755	123,842	13,556	3,970
1932-33	674	831,805	9,362	103,752	127,832	14,316	4,027
1933-34	685	1,003,648	9,871	124,284	133,897	15,647	4,092
1934-35	692	1,178,769	10,580	139,417	150,107	17,779	4,132
1935-36	698	1,363,537	11,496	153,417	179,325	19,070	4,162
1936-37	709	1,563,391	12,462	162,355	228,464	20,809	4,217
1937-38	719	1,637,323	13,644	179,515	232,178	23,200	—
June 1939	723	1,793,616	14,477	244,652	271,029	28,860	—
.. 1940	723	2,036,434	15,323	323,625	362,278	32,864	—

### Agriculture

Chosen, though mountainous, is essentially an agricultural country. In 1930, more than 72 per cent of its entire population was engaged in agricultural pursuits. Though the soil is not very fertile, it is sufficiently so to produce enough foodstuffs to support its entire population.

In 1910, the year of annexation, the value of production scarcely reached ¥250,000,000, but in 1939 it reached ¥1,644,404,479.

Grains In 1910 the rice fields covered a total area of 1,350,000 cho, yielding 10,400,000 koku, which rose in 1939

to 1,234,805 cho and 14,355,793 koku. This wonderful development has been achieved by the improvement made in cultivation, in the selection of seeds and manure, and in irrigation and reclamation. Next in importance come barley, wheat and rye, which are, however, mostly cultivated for home consumption. In almost every province these grains are raised in the paddy fields, after the rice crop is harvested, production of these in 1939 being 7,570,488, 2,491,564 and 2,995,688 koku respectively. Owing to the help in various ways given by the authorities to aid in the cultivation of these three cereals, their production has been on

the increase year after year. Third in importance comes soya bean. In earlier times it was far from being an important produce owing to ignorance on the part of native farmers of the proper method of preparation, such as drying and assorting. It is now, however, in high esteem on the Japanese market where there is a demand for it not only as food, but for chemical and industrial purposes, and thus the amount exported to Japan is yearly on the increase. In 1939 the total area under cultivation was 737,815 cho and the amount produced reached 2,332,782 koku. German millet is for most Chosenese what rice is for the Japanese people. They depend more upon it than upon rice on account of its cheapness in price. The Chosenese farmers sell their rice, but use their millet crops for their daily diet, so that the supply of the grain hardly suffices to meet the entire demands of the Chosenese people. In 1939, the native production of the grain reached 5,029,171 koku.

**Cotton** Cotton is another important agricultural produce in modern Chosen. The present scale of its growth is owing to the encouragement given by the Government-General. It was in 1906 that the first trial plantation of American cotton was carried out in the neighborhood of Moppo. As its superiority over the old native cotton was sufficiently demonstrated, soon its cultivation was vigorously encouraged in all parts of southern Chosen, so that the cotton acreage was increased from 1,200 cho in 1910 to 222,231 cho in 1939, and the crop expanded from 600,000 kin in 1910 to 191,463,222 kin in 1939. If the production of the native plant is added, the total cotton production in 1939 amounted to 210,336,849 kin from the total area of 253,185 cho, as against 21,000,000 kin from 60,000 cho. in 1910.

**Fruit Farming** Fruit farming has also become a thriving industry of the erstwhile hermit kingdom. Soil and climate alike are suitable, especially for the growing of apples, and the Government authorities are extending their assistance in this direction likewise, with the object of improving the quality of the fruit and gaining for it a world-wide market.

Many new varieties of apples, superior to the old native ones, are now cultivated, the quality being in some cases better than that of the fruit grown in

Japan. The value of fruits produced in 1939 reached ¥21,467,325, including apples, pears, grapes, peaches, persimmons, etc.

**Sericulture** By 1910 the Government-General had done everything in its power to improve the native methods of cultivating the mulberry trees and raising silk-worms after the Japanese fashion. In 1919 a new system was instituted for carrying on a compulsory examination of egg-cards and for giving adequate care to the growing of good mulberry trees. All this paternal care and effort on the part of the Government-General for the advancement of the economic welfare of the Chosenese farmer was by no means thrown away. In 1910 the cocoon production was 14,000 koku and the number of households engaged in the work was figured at 76,000. In 1939 the number of households was 823,412 and the output was 657,928 koku. The production of raw silk amounted to 595,668 kan valued at ¥43,227,644.

**Stock Farming** As Chosenese beef is very palatable, the demand for it is rapidly increasing in Japan and Manchoukuo as well as in Siberia. In 1910 the cattle in all Chosen numbered only 700,000 head, which in 1939 increased to 1,705,462. The export of cattle and hides totals ¥14,350,000 a year. The raising of both pigs and poultry has been greatly encouraged by importing from Japan animals and birds of superior quality, with the result that in 1939 the former totalled 1,400,038 and the latter 6,976,821, both more than doubling the numbers found in 1910. Sheep were unknown in the old days in Chosen. Efforts were made since 1919 to raise them but the results were not satisfactory. Since, however, it is of great importance to make Japan self-sufficient in respect to supply of wool, a new plan for encouragement of sheep was formed in 1934. Carriedale, which is suited to the climate and soil of Chosen, has been decided upon as the kind to be raised in Chosen. Subvention will be given to private undertakings, and the national sheep breeding grazing ground has been located at Ama, Meisen county of North Kankyo Province. In 1939 the number of sheep reached 37,957.

**Conditions of Farm Households.** In 1939, the total number of the farming

households in Chosen was 3,023,133, consisting of 539,629 landed ones, 719,232 semi-landed, 1,583,358 tenanted, 60,280 "fire field," and 111,634 hired; divided into nationalities as 3,013,593 Chosenese households, 6,895 Japanese, and 2,645 Manchoukuoan, Chinese and European. The type and size of farm households in Chosen vary to a large extent. The average size of farm land is about one cho six tan (about four acres), which is larger than the average in Japan proper where the size is just over one cho (2½ acres). However, in Chosen, due to poor methods of cultivation, the yield per tan is only slightly over one koku (5 bushels) while it is two koku in Japan. Supplementary products are as yet hardly worth mentioning. The large ownership of farm land by a few landlords is one of the roots of the difficulties. The majority of farming population have to hand over a greater portion of crops as interest at rates ranging from 3% to 4% per month on borrowed foodstuffs or money in addition to farm rent which is also high.

A farmer working one cho eight tan is regarded as a fairly good farmer in the central or southern Chosen. His annual cash income is, however, as small as ¥100. A farmer less favorably fared obtains ¥48 per year. Majority of farmers are in similar conditions and they form a poverty-stricken community.

Expenditure is always greater than income, as is shown in the table below. The farm household generally suffers from shortage of foodstuffs. It will be seen that deficit is ridiculously small but even a shortage of ¥10 or ¥20 is a great burden to a petty farmer who is altogether unable to make out any plan for covering it.

Eighty per cent of the farming community may be regarded as having debts, bearing interest at 3% or 4% per month.

A Chosenese farmer works from 70 to 100 days a year while a farmer in Japan works from 200 to 250 days. The margin of difference is too great and might be made good use of by Chosenese farmers.

#### CONDITIONS OF REPRESENTATIVE CHOSENSE FARMERS

Name of farmer	A.—	B.—	C.—
Number of family	6 persons	5 persons	5 persons
capable of work	2.9 "	2.1 "	2.4 "
Kind of farming	Partly landed	Tenant	Tenant
Area of cultivated land	1 cho 8 tan (4½ acres)	1 cho 2 tan (3 acres)	5 tan (2 acres)
Cash income per year	¥ 98.50	¥ 52.70	¥ 48.40
Expenditure " "	¥121.70	¥ 69.60	¥ 59.20
Deficit " "	¥ 23.20	¥ 16.90	¥ 10.80
Debts " "	¥130.00	¥ 49.00	¥ 52.00
Shortage of foodstuffs	8 "to" of unhulled rice 2 "to" of millet	1 koku of rice 3 to of millet	1 koku of unhulled rice 6 to of hulled rice 4 to of millet
Number of days open for further work	290	260	240

In 1939 the total cultivated area was 4,526,757 chobu (a chobu=2.45 acres) including watered field 1,762,774 chobu, upland 2,763,983 chobu and "fire field" (farm land in the mountains) 431,750 chobu. This total area represents about 20 per cent of the total area of Chosen. The average area of farm land for each household is 1.44 chobu. It is larger than in Japan proper, but the productive power of land is much less.

**Rural Revival** To alleviate the severe agricultural depression, the Government-

General devised a plan in 1932 for recovery of the farm through the effort of farmers themselves. The results have so far been good and farmers regained hope. With improved economic conditions the relation between the Chosenese and Japanese became more harmonious, the industry more active and living conditions of farmers as a whole improved. The concrete result of the plan has been that 4,695 villages comprising over 120,000 households have enlisted in the movement.

### Measures Taken for Improvement of Condition of Farmers

Since 1912 steps have been taken to prevent possession of large estates by individuals. Uncultivated state-owned lands were leased to farmers who were willing to personally cultivate it and if the land were properly reclaimed it was given to them gratis. These measures were taken with a view to increase the number of independent farmers.

Tenant farmers, of course, predominate and form the bulk of the farmers. Their lives are miserable, and they have been driven into poverty, by their landlords and their agents. In view of this fact ordinances were put in force in 1920 with a special reference to the method of payment of rent. The ordinances were revised in 1928. In the new ordinances provisions were made for lease contract, farm rent payment, transport of crop, payment of taxes, improvement of yield, supervision of landlords' agents, etc. In 1932 regulations on mediation on tenancy disputes which had as their aim quick settlement of such disputes and lowering of the cost of law suits through simplification of the procedure were issued. Finally in 1934 the Chosen Farmland Ordinance was promulgated by which the safety of tenure of a tenant farmer and the right of his family or heirs were ensured. In accordance with provisions in the Ordinance local tenancy committees settle all questions regarding matters on tenancy, and actions of agents of landlords are subjected to control. This ordinance provides for: (1) the appointment and dismissal of "Saom," or landlord's agent to obviate abuses these agents make of their power; (2) term of lease, which has been made three years at the minimum for ordinary crops and seven years for perennial crops like mulberry, fruit, China grass, paper mulberry, etc.; (3) inheritance of privileges and liabilities of the lease by heirs of a tenant; (4) protection of the landlord against sub-lease; (5) payment of farm rent, and reduction of its payment on its postponement in case of crop failure; (6) appointment of tenancy committee and its duties, etc. The Ordinance was put in force on October 20, 1934.

Agricultural experimental stations have been established with staffs of experts and their assistants. Many model villages have been selected and they are shown to farmers in other villages as

models. Many young men have been trained also to get the best out of their farms and to employ their own time most profitably.

Special agricultural courses are now given in common schools to infuse love of work in the mind of young people. Lastly the widespread self-help movement for the improvement of agriculture has been launched to make farmers endeavor to improve their conditions on their own account.

The native farmers are still obliged to sell their produce during harvest time on account of poverty and the lack of warehouses. Large quantities of Chosenese rice are exported to Japan proper in a rush for the period of four or five months after harvest. The Government-General established agricultural warehouses to aid the producers from selling their crops at harvest time, to encourage them to wait for more favorable prices, and to stabilize the exportation of rice. In 1930 the warehouse plan was enlarged, and in addition to the agricultural warehouses in places of production, export warehouses were established at the ports. At the end of August 1940, there were 67 agricultural warehouses and 13 export warehouses with a capacity of 1,255,804 koku and 2,447,911 koku respectively. It is hoped that these warehouses will be instrumental in safeguarding the interests of the rice producers, and in regulating the export.

### Forestry

At the end of 1939 the area of forests in Chosen covered 16,313,194 cho which corresponds with 73 per cent of the entire area of the land. But there existed before 1910 nothing like a forestry policy in Chosen, and except a few protected ones, all forests were allowed to be devastated by ignorant and superstitious people. Therefore, before 1910 nearly all the mountains in Chosen were treeless. As a matter of fact, only one-third of the so-called "forest" areas was covered with standing trees, the remaining two-thirds being only thinly wooded, although in the basins of the northern rivers, the spruce, birch, larch, etc., are to be found, and in those of the central and southern part the red and black pine, oak, alder, bamboo, etc.

In 1939, the total value of forestry production reached ¥192,604,000.

### Afforestation Work Undertaken in

1908, however, the Chosen government, by the advice of the Japanese, promulgated a forest law aiming at the protection of forests, and when the new régime was established the Government-General issued a new forest law providing, among other things, for the letting of forest lands to any interested party for the purpose of afforestation and, if the work were successfully carried out, the ultimate transference of them to the lessee. The total area thus leased by the end of March 1940 reached 1,073,518 cho of which 910,363 cho has been transferred to the successful planters. Of the entire forest lands 5,460,000 cho is owned by the state, and 120,000 cho is reserved for university research and as national parks, the rest being owned by private persons. The number of seedlings planted by 1939 reached 5,500 millions. Nor is this all. Schools are given suitable pieces of ground whereon to plant trees, and the Third of April, the anniversary of the death of Jimmu Tenno, the first ruler of Japan, is fixed as Arbor Day, a day on which universal plantation of trees is encouraged throughout Chosen.

### Fisheries

Since 1910 all sorts of encouragement have been given to the Chosenese fishermen for the development of the fishery industry in Chosen, with the result that improvements in one way or another have been introduced in the building of fishing-boats and in the method of catching. Thus, while before 1910 the total value of catches was only about ¥8,000,000 a year, by 1939 it increased to ¥151,095,000, and other aquatic products in the meantime advanced from ¥2,650,000 to ¥167,916,692. The first fishery law in Chosen was issued in 1909, and this was replaced three years later by a new law providing for the definite establishment of fishing rights over a certain area of waters, the prohibition of certain actions harmful to fishing in specified areas and the prevention of individual monopolization of any fishing area. Trawling within special zones was also prohibited, and certain restrictions were made to the number of whaling-boats and to the diving apparatus carried. Mention should be made in this connection of famous "hanyo" (woman divers) of Quelpart Island. There are 7,000 of these women and they are engaged in

catching sea-ears and many kinds of shellfish, and gathering laver and other sea-weeds by diving into the deep sea. The total earnings of these women amount to one million yen a year.

The following shows the marine products for two years, 1938 and 1939, the value of each of which exceeds ¥2,000,000:

Kind	1938	1939
	Value	Value
	(In yen)	
Mackerel	5,816,872	8,166,984
Sardine	22,862,512	54,780,078
Sciaena	5,289,537	8,192,117
Herring	2,664,616	4,582,341
Hair-tail	3,045,297	4,729,961
Shrimps	2,095,407	3,758,934
Mintal (Alaska pollack)	16,237,994	21,026,752

Besides these, there are sea-bream, plaice, cod, Isinglass, yellow-tail, glue, shark, grey, mullet, rays, oyster, sea-eel, conger-eel, etc., valued each at between ¥500,000 and ¥2,000,000. The important manufactures of sea products in 1939 were sardine-oil ¥34,181,266, sardine-cake ¥36,896,248, dried mintal ¥22,152,572, fish-meal ¥16,579,721, and dried laver ¥7,633,732.

### Mining

The present mining law, enacted in 1916, provides that mining rights can be granted only to Japanese citizens or to legal corporations under the Japanese law, and mining rights are treated as a form of real estate. As for mining rights secured by foreign citizens under the old régime, they are well respected. Of all minerals produced in Chosen gold occupies by far the most important position, the largest gold mine being the Unsan Mine operated by an American syndicate called the Oriental Consolidated Mining Company. Next in importance are the Shojo Mine worked by Frenchmen, the Sulan Mine by Englishmen, and Sansel and Koyo Mines by Japanese. Formerly the mining industry in Chosen was carried on in a very primitive way except in those mines operated by foreign concerns. Soon after Chosen had been brought under Japanese protectorate rule in 1906 the Government tried hard to induce Japanese capitalists to invest capital in the mining industry of Chosen, but it was only in 1910 that Japanese capitalists

began to display their energies in that lucrative undertaking. As, however, most of the more promising gold fields were already under operation by foreign capitalists, Japanese capitalists turned their attention to the exploitation of other minerals such as iron and coal. Iron ores in Chosen hitherto found were mostly of hematite and limonite, the former being found in South Kankyo and Kokai provinces and the mixture of the two in South Heian and Kokai provinces. The amount of these ores stored, the purity of which is about 50 per cent, is estimated at about 20,000,000 metric tons. In 1933 about 570,000 metric tons of these ores were mined, of which about 394,000 metric tons were sent to the Kenjiho Iron Works and the balance of 176,000

metric tons to Japan proper. Fortunately a much greater store of magnetite ores is found in North Kankyo province. The purity of these magnetite ores is about 40 per cent on average.

As regards coal, almost unlimited quantity of brown and anthracite coals are stored in Chosen, the quantity of the latter stored being especially large. Anthracite is mostly produced in the Heijo coal-field, and in South Kankyo, North Keisho and South Zenra provinces.

It must be mentioned that in Chosen nearly all kinds of minerals except sulphur, petroleum and asphalt are found in appreciable quantities, gold, coal, and iron preponderating. The following shows the value of the mineral products of Chosen:

#### MINERAL PRODUCTION

(In ¥1,000)

	1911	1921	1932	1933	1934	1935	1936
Gold	3,744	2,992	17,809	26,066	33,214	38,320	49,909
Pig iron	—	4,819	4,114	5,605	7,722	7,321	7,866
Coal	388	3,192	5,970	7,205	9,940	11,925	13,300
Iron ore	421	1,716	749	1,287	1,123	1,270	1,429
Copper	—	17	307	417	933	1,535	3,272
Gold and silver ore	262	584	944	1,906	2,511	6,502	9,373
Graphite	153	208	255	465	524	1,207	1,010
Placer gold	821	359	1,823	3,327	5,323	7,136	9,443
Silver	6	4	552	721	1,468	2,558	2,830
Lead	—	—	64	120	306	388	793
Tungsten ore	—	—	29	117	734	1,388	2,293
Zinc ore	21	4	—	97	85	80	240
Steel	—	—	—	—	4,178	6,764	6,533
Others	21	374	487	961	1,111	1,636	2,212
Total	6,069	15,767	33,746	48,301	69,172	88,039	110,503

Note:—The publication of figures has ceased since 1937. The total amount of mineral production in 1937 was valued at ¥150,000,000.

#### Manufacturing Industry

It is only since 1916 that there has been any manufacturing industry worthy of the name in Chosen, and in 1939 the total value of manufactures reached ¥1,169,716,551, being over 38 times as large as that in 1911, in which year the total output was valued at ¥30,000,000. As the land has abundance of materials and a good labor supply, Chosen may be looked upon as a promising land for the future expansion of various industries. In 1911 there were in all the land only 252 manufacturing plants employing about 14,575 workers, but in 1939 the number

of factories was 6,953 and the total number of employees 270,439.

Total of industrial production of Chosen for the year 1939 was as follows:

#### INDUSTRIAL PRODUCTION

FOR 1939

(In ¥1,000)

Textile industry	156,491
Metallic industry	131,715
Machinery and tools	48,612
Ceramics	36,257
Chemical industry	461,958
Wood works	10,770

Printing and book binding	19,373
Gas and electric	30,462
Foodstuffs	177,806
Others	96,269
Total	1,169,716

Of the total 1,140 million yen in 1938, ¥282,000,000 was the production by the so-called household industries, outside factories managed by industrial companies or where more than five operatives are employed.

#### Justice and Police

Chosen has now a judicial system similar to that of Japan. That is to say, in addition to the supreme court there are courts of appeal and local courts, the last-named having detached and sub-detached courts widely located. Both civil and criminal cases are first tried by local courts, while appeals against the decisions of local courts are made to the courts of appeal. The supreme court handles those appeals made against judgments rendered by the local courts or complaints against decisions or orders rendered in the second instance by the courts of appeal. Grave crimes of one sort or another have greatly diminished owing to the improvement in the work of maintenance of order and security. On the other hand, what might be called intellectual crimes such as fraud, forgery, and perjury have yearly increased. Prior to the establishment of the Japanese administration flogging was a common form of punishment. In 1912 its application to aged persons, women and children was prohibited, and in 1920 it was finally abolished as it was unsuited to modern ideas of penology. The number of persons kept in prisons was 17,546 at the end of July 1940.

**Police** The police service in Chosen had been under Japan's direction for some years even prior to the establishment of Japan's protectorate in 1906. But the system which had been in force at that period proved unsatisfactory. Accordingly, in June 1910, a new system was introduced by which the commander-in-chief of the military police was appointed chief of police, and gendarmes and civil policemen were separately stationed as local needs required. In 1919, however, that semi-militaristic police system was displaced by the one now in force. This new and present police system is modelled on that in Japan proper, with its headquarters en-

trusted with the entire administration of police and sanitary affairs. The police force in 1938 was 21,782.

#### Education

In the old days Chosenese children were taught in school nothing but Chinese writing and classics, but soon after the new régime was introduced they began to receive a more modern education, with such new subjects as arithmetic, geography and the Japanese language. The parents at first objected to the introduction of these revolutionary methods, and specially to the forcible teaching of the Japanese language, believing that this was a deliberate attempt on the part of the government to deprive the Chosenese children of their national and inherited traditions. It was due to this misconception held widely among the Chosenese people that the educational authorities found much difficulty in enrolling pupils despite the fact that no tuition-fee was charged and all textbooks were supplied to the pupils free of charge. In 1930 the Government-General, animated by a desire to respect the wishes of the native race and to foster Oriental morals developed by Confucius, reopened the old Meirinkakuin (Confucian Institute) at the Keigakuin (formerly known to Chosenese as the "Songkyun Kwan"), the oldest and highest seat of learning in the country for the study of the Confucian classics.

**Important Reforms** But many more reforms of far-reaching importance were made in 1920, when the present educational system was introduced. By it not only was the standard of educational attainment raised, but the principle of equality was laid down firmly though no compulsory features were adopted with regard to elementary education, as in Japan. The following differences, however, were made and are maintained out of respect for Chosenese sentiment.

(1) The Chosenese language is made an obligatory subject in schools for Chosenese children exclusively, while it is optional in schools for Japanese children in Chosen.

(2) The teaching of Chosenese history and geography is to be particularly emphasized in schools for Chosenese children.

(3) Different text-books, though of an equal standard, may be used in view of the difference of language and cus-

toms of the two races. That is to say, schools for Japanese children may use text-books compiled by the Education Ministry of Japan, but schools for Chosenese children those compiled at the Education Bureau of the Government-General. Chosenese are mostly educated in common schools, higher common schools and girls' common schools. The term of the common school is six years while that of the higher and girls' higher common schools is two years. Chosenese children who prefer to receive education at the Japanese school may enter the elementary or the middle school as they chose. The system proved very efficacious in develop-

ing the education in Chosen. With the gradual increase of elementary schools more teachers, especially women, are in demand; therefore in April 1935 the Keijo Women's Normal School was established, and the training course at the Keijo Normal School was closed.

In April 1936 a new Government Normal School was established in Zemyu, and in April 1937 the Kanko Normal School, in April 1938, Koshu Normal School and Koshu Women's Normal School, and in April 1939, Shunseon Normal School were opened.

The table below shows clearly the development of educational work in Chosen since 1937:

	1937		1938		1939	
	Schools	Students	Schools	Students	Schools	Students
Kindergartens	333	19,998	337	21,104	348	21,702
Elementary schools	3,106	990,993	3,220	1,143,362	3,372	1,311,470
Short course elementary schools	927	60,077	1,145	76,192	1,327	86,797
Middle schools	43	23,407	50	25,822	53	27,807
Girl's high schools	51	19,072	54	20,716	57	22,277
Business schools	62	20,323	77	22,331	83	25,969
Elementary industrial schools	125	6,325	135	7,413	143	8,091
Normal schools	6	3,758	8	4,959	10	5,565
Colleges	15	4,252	15	4,373	18	4,915
University preparatory school	1	461	1	514	1	542
University	1	516	1	501	1	538
Total	4,670	1,149,182	5,043	1,327,287	5,413	1,516,025

Christian mission and other private schools are included in this table.

There are still a large number of Sohtang, which are old fashioned Chinese style schools where Chinese classics and brush-writing are taught. At the end of March 1940, the number was 4,656 with 164,507 pupils. These schools are now utilized by the Government as agencies to foster public education and are controlled by regulations on Sohtang.

**Short Course Elementary School** Two million Chosenese children of school age are still unable to attend school, most of them living in remote agricultural and mountainous districts where it is not yet possible to provide educational facilities. To give some education to these children the Government introduced a plan to establish short course elementary schools with a two year course, which was put into force in April 1934. The plan has been very

popular in the country districts and the number of these schools established was very great. In May 1939, they numbered 1,327 with 86,979 pupils.

**Chosenese Students in Japan** The Chosenese students in Japan proper numbered 11,097 in October 1939, most of them being in Tokyo. Those sent by the Government-General are comparatively few. The students sent by the Government-General are not only supplied with necessary funds by the Government during the period they stay in the colleges to which they have been sent, but are after graduation given official or educational positions.

**Reform in 1938** In view of the advance of Chosenese education in recent years and the advisability of raising the position of the educated Chosenese to the same standard as the Japan-

ese, the Government-General of Chosen made a general revision of the Chosen Education Law in March 1938, according to which all the people in Chosen, Chosenese and Japanese alike, are educated in elementary and secondary schools just as in Japan proper, and the former differences in courses of study between Chosenese and Japanese were altogether wiped out.

#### Chosenese for Defense Service

Chosen has been defended by the Chosen Army which solely consisted of Japanese officials and soldiers. But the present China Affair gave Chosenese an opportunity to show their loyalty to the Government-General and the Emperor, and their earnestness in requesting their share in defense services and in other relative works has been much appreciated by the authorities and the people of Japan in general. And to comply with the request an Imperial Ordinance was promulgated in February, 1938, according to which Chosenese are allowed, for the first time, to enter military service as volunteers.

The Chosen Government-General announced, in April, to receive 400 Chosenese volunteers, for which as many as 3,000 Chosenese young men immediately responded. The required number was chosen from among the three thousand and 200 of whom were first enlisted as military students in the Chosen Government-General Institute for Training Military Volunteers, which was established near Keijo, the capital. They were graduated from the Institute at the end of November 1938, after 6 months of training to be the pioneer Chosenese constituent in the Imperial Army. In 1940-41, the Government-General announced to increase the number of Chosenese volunteers to 3,000, for which the responses reached 84,400 in number; two were killed in action in the Sino-Japanese hostilities in September 1939.

#### Religion

**Buddhism** Buddhism first entered Chosen about 370 A.D. It was introduced from China by a priest who brought with him a Buddhist image and the "sacred books," and it flourished greatly in the peninsula during the days of Silla and Koryu. Under the dynasty of Yi, however, it met with persecution. The number of priests was limit-

ed and members of good families were forbidden to enter the priesthood, with the consequences that it soon lost its hold among the masses to a large extent. Things remained so until Japan extended her rule throughout the country. Then in September 1911, an ordinance on religions was promulgated giving freedom of preaching and full protection to temples, and also raising the status of the priesthood. Since then Buddhism has been revived to a marked extent, so that there were, at the end of 1939, 1,666 temples and preaching places, 6,662 monks and nuns and 198,200 Chosenese adherents. There are several native religions not recognized by the Government-General, among which the most influential one is the Tendokyo, which is a mixture of Confucianism, Buddhism and Taoism. This religion has followers numbering 82,200. Apart from Chosenese Buddhism and allied sects, we find Japanese forms of Buddhism lately established in the peninsula, priests of the Shin sect being the pioneers. Later three others, Jodo, Soto and Nichiren sects, entered the new religious field in competition with other sects and religions. At present nine sects of Japanese Buddhism are working among the resident Japanese as well as among the Chosenese masses, and at the end of 1939 there were 131 temples, 636 preaching houses, 802 priests, and 334,000 believers including 37,500 Chosenese.

**Shintoism** At the end of 1939 there were in Chosen 53 Shinto shrines, while 11 Shinto sects had 303 preaching halls, 633 priests and 98,800 adherents including 20,400 Chosenese.

**Christianity** Christianity in Chosen was first brought by an official mission sent to Peking, China, by a Korean king in the latter half of the 18th century. This mission brought back with them a Bible and other Christian books. As its teaching, however, ran counter to the deep-rooted custom of ancient worship, King Selso in 1784 issued an order prohibiting its preaching which was followed by a severe persecution. Though later occasionally the persecution was more or less relaxed, nothing for a time indicated a revival of Christianity. In 1833 a French missionary named Pierre Maubant came to Chosen to preach the Gospel. He was the first foreign missionary to tread the soil of the hermit kingdom. His energetic and



devoted evangelistic work was not fruitless, but it alarmed the government officials, who in 1839 issued a prohibition edict. But it failed to suppress the spread of Christianity, and in 1863 there were as many as 18,000 converts. In 1866 the persecution against Chosenese converts was renewed with vigor, which cost the lives of 30,000 people. In 1882, however, freedom of worship was fully recognized in the country as a result of diplomatic pressure brought upon its Government, and in 1885 several American missionaries came to Chosen. This was the first time for Protestantism to be preached there, and it gained influence among the masses as time went on. When in 1906 Prince Ito, the foremost Japanese statesman at that time, was appointed first Resident-General, he pursued a policy of friendliness toward these foreign missionaries, this policy being pursued up to the present day under various Governors-General. There were, at the end of 1930, 5,289 preaching houses, 4,763 missionaries including 436 foreigners and 508,900 adherents including 6,400 Japanese, 502,200 Chosenese and 200 foreigners.

#### Communications and Transportation

**Highways** Highways existed in Chosen in olden times. The Peking highway, which was one of them, connected Peking with Gishu and Keijo, and through that way embassies were exchanged between the old Chosen and China. But in later years they were left in ruin. Under the Residency-General work for new ones was started with a sum of ¥1,500,000. As the

	Length k.m.	Passengers	Freight (tons)	Receipts (yen)
1933	2,935	22,238,338	7,254,859	43,611,142
1934	3,078	25,614,000	7,681,000	51,148,000
1935	3,389	29,344,188	8,667,642	56,477,897
1936	3,575	33,708,178	9,980,227	65,036,058
1937	3,737	35,906,000	11,369,000	76,909,000
1938	3,831	—	—	95,133,000

As for the private railway enterprises in Chosen, regulations were issued in 1912 so as to provide adequately for effective supervision and protection. In 1921 new regulations were issued by which increased state aid was extended to private railway undertakings. These have in consequence made

first stage plan construction of four new lines aggregating 254.80 km. in four provinces was commenced in 1907, and in 1908 on another 196 km. highway in various provinces. In 1909 construction of three more highways totalling 188.16 km. in length was started, together with widening and readjusting works of streets in Keijo, Tai-kyu and Jinsen. In 1910 construction of 12 roads extending 164.64 km. in length was also commenced.

Since 1910 the Governor-General devised a plan to improve highway facilities through a construction of 23 roads extending over 2,263.60 km. with a sum of ¥10,000,000. The work was to run for five years consecutively, beginning with the fiscal year 1911.

At the end of 1938, the total highways in Chosen extended 27,731 km., including 38 first class roads 3,236 km., 97 second class roads 9,976 km., and 316 third class roads 14,675 km.

**Railways** The construction of railways as a civilizing agency is being vigorously carried on in accordance with the 12 year program laid in 1927. The program covers the construction of a Tumen River line and four other lines totalling 1,354 kilometers and the purchase of five lines including the Zenshu-Riri Railway, totalling 339 kilometers. At the end of August 1940, the total government-owned railway kilometerage reached 4,293.3 kilometers in active operation, a portion of which run by the South Manchuria Railway Company. The following gives some idea of the development of railways run by the government up to 1938.

rapid progress, and in 1938 their total mileage reached 1,252 kilometers operated by 10 companies, carried 11,418,000 passengers and 2,920,000 tons with the receipts of ¥10,268,000.

**Tramways** The main tramway lines now in operation are 5 with aggregate mileage of 81.4 km.

**Bus** At the end of June 1940, there were 150 persons engaged in bus business with business lines extending 30,340.7 km.

**Navigation** There were at the end of 1939, 1,943 steamships and 14,857 sailing boats with the total tonnage of 311,352 tons, their routes being interport, Chosen-Japan and Chosen-China-Russia. The following table shows the progress in this method of transportation in recent years:

	Steamers		Sailing-boats	
	Number	Tonnage	Number	Tonnage
1931	202	52,302	745	24,778
1932	223	57,512	756	24,889
1933	235	57,020	796	26,573
1934	259	53,547	851	28,429
1935	270	64,641	10,502	134,386
1936	1,134	70,184	11,720	150,473
1937	1,398	100,014	13,154	169,355
1938	1,773	110,079	14,125	186,850
1939	1,943	118,391	14,857	192,901

**Navigable Rivers** The most important river in Chosen is perhaps the Yalu or Oryokko which, forming the boundary line between Chosen and Manchou-kuo, rises in the Paktusan or "Ever-white" Mountains (2,744 m.) and empties into the Yellow Sea. Its length is about 800 km. of which about 700 km. is navigable by air-propeller boats under governmental subsidy. Timber felled on the mountain slopes is made into rafts and floated down until it reaches the lumber-yards at Shingishu or Antung. Another river of importance is the River Daido which flows through Heijo and empties into the Yellow Sea in the neighborhood of Chinampo. The river is 400 km. long, navigable for a distance of 245 km. There are also four other rivers wide enough for navigation by sailing boats and motor boats. These are Rakuto (flowing into Chosen Channel) 344 km. (navigable course), Kanko (flowing into Yellow Sea) 300 km., Kinko 130 km., and Tumen 85 km.

**Airways** There are at present three airports established in Chosen. These ports are located at Urusan, Keijo and Heijo. Besides that in the following places ground marks are set up: Urusan, Kwokan, Talden, Tenan, Sharlin, Heijo, Teishu and Shingishu. Moreover, in Urusan and Keijo there are now built wireless stations for keeping in communication with the airways. At the airport of Urusan there is installed

a meteorological observatory for forecasting weather conditions in the interests of air navigators. Most of the air traffic between Chosen and Japan is being done by planes belonging to the Dai-Nippon Airways Company.

**Post, Telegraph and Telephone** Prior to 1905 there were 516 postal offices in the peninsula. At the end of August 1940, they numbered 1,290 including 203 offices engaged for telegraph and telephone service exclusively. Number of mails accepted and delivered in 1939 amounted to 373,034,491 and 408,168,577, that of parcels to 3,802,939 and 5,016,834 and that of telegrams to 13,713,835 and 14,029,227 respectively. In November 1926, a Radio Broadcasting Office was established in Keijo and opened to business in February 1927. Fusan Office was opened in 1935, Heijo Office in 1936 and Seishin Office in 1937. At the end of 1939 there were 167,049 subscribers.

#### Public Hygiene

Prior to 1906 Chosen was a land practically without access to any medical service worthy of the name and the sick were simply placed under the care of unqualified practitioners of the old Chinese school or of witches or magicians. The situation was made worse by an entire lack of sanitary equipments and pure water, the consequence being frequent outbreaks of various infectious diseases. As soon as the protectorate was brought into existence in 1906 the first step taken by the government with a view to giving the nation the benefit of sanitation was the establishment of a modern hospital in Keijo. Since 1910 further steps have been taken to extend modern medical and sanitary benefits among the masses, even among those in very remote regions. The construction and extension of waterworks is another work pushed on by the government with vigor so as to provide the people with good drinking water. The Government-General has also taken efficient and energetic measures for the prevention of epidemics; in consequence, small-pox which was formerly so virulent in Chosen, has almost died out. Moreover, sanitary regulations relating to food-stuffs, drinks, and drugs are rigidly enforced. Medical and hospital equipments have been greatly improved. At the end of 1939 hospitals numbered 148 including government institutions, and there were 3,392 licensed medical prac-

tioners which meant that there was only one physician for every 4,721 of population. Dentists numbered 908. The number of deaths caused by infectious diseases was 3,532 out of 19,849 patients.

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

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

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

istered.

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

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

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

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

## CHAPTER XLI

### TAIWAN (FORMOSA)

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ESTABLISHED 1936

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## CHAPTER XLI

### TAIWAN (FORMOSA)

#### General Description

**Area and Topography** Taiwan (Formosa) forms the westernmost part of the Japanese Empire. It is washed by the Pacific on the east, and is separated from China on the west by the Taiwan Straits and on the south from the Philippines by Bashi and Balintang Channels. It extends from 111° 30' to 122° 06' E. longitude, and from 7° to 25° 38' N. latitude. The Tropic of Cancer bisects the island, which is about 394.28 km. long, its greatest width being 122.31 km. The Pescadores (Bokoto) and other outlying islands form a political division of the Taiwan Government-General. They cover 126.86 sq. km. The area of Taiwan, including the Pescadores, is 35,961.20 sq. km., being about 5.3 per cent of the total area of Japan, little smaller than Kyushu, and about one-sixth the size of Chosen (Korea). As regards its topography, Taiwan is an island which rises from the sea to a height of 3,050 meters, reached at the summit of Mount Niantaka (Mount Morrison). It consists of a mountain range with narrow valleys on both coasts which are the population centers. The valley on the west coast

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

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

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

Including the savages, the total population at the end of 1939 in Taiwan was 5,895,864, showing an increase of 148,905 over that at the end of 1938 and 2,856,113 over the end of 1905, when the first census results were

announced.

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

	Area sq. ri	Population	No. of Counties or Sub-districts	No. of Towns and Villages
Taihoku province	297.8	1,159,648	9	38
Shinchiku ..	296.3	796,340	8	42
Taichu ..	478.6	1,313,419	11	57
Tainan ..	351.5	1,488,429	10	66

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

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

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

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

#### Administration System

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

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

persons in private circles in the island. The provincial administration extends over 5 provinces, 3 districts, 9 cities and 51 counties. There are the same number of provincial governors, district superintendents, city administrators and county chiefs, all under the Government-General.

#### Aboriginal Administration

The Taiwan aborigines are the oldest inhabitants of the island and are classified into semi-civilized aborigines and savage head-hunters. The former have now settled down as ordinary peaceful citizens and differ nothing in culture and general status from the natives who belong to the Han (Chinese) race. The head-hunters, on the other hand, live in mountainous districts and still adhere to their traditional habits and manners, their culture being very low. The Taiwan Government-General is concerned in its aboriginal administration mostly with these savage tribes. These savages lead a very primitive life, their dwelling-places being so difficult of access, and they still deter other tribes from settling near them by their traditional custom of head-hunting. Since Japan's occupation of Taiwan great efforts have been directed by the authorities to their subjugation and cultural improvement, and at the present time head-hunting is rapidly becoming extinct, and these savages are entering the first stage of civilized life. Some of them living along the mountain zone in west Taiwan, and those living on the sea coast in east Taiwan, pay taxes. These aborigines have a close resemblance to the Negrillos in the South Sea Islands and are supposed by anthropologists to be of a Malay-origin. They may be classified into seven tribes: Talyal, Saisset, Bunun, Tsuwo, Palwan, Ami and Yami, and are entirely different in countenance, physical build, language and habits from the Han race who came over from continental China. These savages are distinguished by their extreme hatred of other tribes, and have a habit of combining together in an offensive and defensive alliance against any enemy. The number of these savages at the end of 1939 was 157,439 of whom 79,000 were male and 78,370 female. They lived in 25,737 houses in 398 villages. Their population in 1938 and 1939 was:

Tribes	1938	1939	Increase or Decrease
Talyal	37,084	37,648	564
Saisset	1,619	1,689	70
Tsuwo	2,257	2,293	36
Bunun	17,625	17,490	-135
Palwan	44,581	44,326	-255
Ami	50,904	52,137	1,233
Yami	1,777	1,777	—
Others	74	79	5
Total	155,921	157,439	1,518

Note: (-) shows decrease.

**The Four Tribes** The savages of the Talyal and Bunun tribes are known as the most ferocious of all. Occasionally they quarrel with and even kill their own comrades. The Tsuwo tribe abolished the custom of head-hunting many years ago. The Saisset tribesmen are the gentlest of all, and are quickly losing their savage proclivities. The Japanese authorities have cudgelled their brains how to bring these wild people under control. When Hollanders occupied the south of Taiwan and the Spanish the north, they tried to pacify them principally through the medium of religion and medicine. During the time when the Cheng family from south China ruled the island, force and conciliation were adopted in turn, but the results were not satisfactory. Conciliation has dominated Japan's policy toward these savages in the island since her occupation of Taiwan. When the campaigns against rebels came to an end in 1902, attention was given to the aboriginal control policy. Owing to the stubborn resistance offered by the savages, the Governor-General, General Viscount Samata Sakuma, drafted a five-year plan for dealing with the aborigines and established the campaign headquarters in the Government-General in 1909 to start the enterprise on an elaborate scale. The fundamental policy was based on conciliation, and training the savages to become law-abiding people on the one hand, and chastisement of the insubordinate on the other. The confiscation of their arms was one of the important tasks. All arms were given up to the Japanese authorities by the northern aborigines in 1914. This completed the task of aboriginal pacification in January 1915. Occasional raids on police stations and head-hunting of innocent people were committed after that, owing to the instigation of malcontents. The worst outbreak that took place was the Musha Incident in October 1930, which cul-

minated in the sending of troops. Many of them are engaged in farm work and pay taxes. Some of them receive special education. Policemen are stationed at various points of vantage in the savage districts and peace maintenance, job-finding, education, medical care, traffic, public works and sundry other affairs are being looked after by them. Since the occupation of Taiwan upto the end of 1939, rifles confiscated numbered 36,110, of which 14,286 rifles were confiscated in 1914, when the five-year campaign plan came to an end, spades replacing rifles. During the 44 years which ended in 1939, 7,085 people lost their lives at the hands of savages as many as 761 persons becoming victims of these savages in 1912. In 1939, only one death was reported. This is due to the Musha Incident. Of the total of 7,085 victims during those 44 years, those among the police, Japanese and natives, numbered 2,206 and those among officials and ordinary people together numbered 4,877. During the same period 4,116 were wounded in connection with the campaign against savages. A change, however, is beginning to be made in the lives of these people in recent years. They are emerging from their primitive condition into an economic existence. They are glad to work on paddy fields and take up other sorts of labor. They are now pretty well initiated into money-saving habits.

**Occupations of Aborigines** The work in which the aborigines are mainly engaged is cultivation of paddy fields, stock-raising, sericulture and other kinds of farming. They raised 34,737 koku of unhulled rice in 1939 (one koku being 5.1116 bushels), showing a gain of 655 koku over 1938. The authorities also encourage stock-raising. At the end of 1939 the natives had 24,894 pigs, 7,804 buffaloes, 4,168 cattle, and 2,268 goats. The value of their cocoon crop for 1939 totalled ¥74,905. They also raised sundry other farm products valued at ¥162,536 for the same year. Education is gradually spreading among the aborigines. At the end of April 1940 there were 10,096 aboriginal children attending 180 schools maintained at the expense of the Government-General specially for these tribes. The Government-General authorities also are directing their energy to cultural enterprises for them. The aborigines have their own social organizations, such as

the chiefs' societies, women's societies, young men's associations, school children's patron societies, and others. Members of these societies numbered 50,177. Also there were about 30,541 (32.0%) of the whole population at the end of 1939, who were able to understand Japanese to the extent of performing some simple work. Superstition is being gradually eradicated from among the aborigines, as medical attention is being increasingly given them. Free dispensaries provided exclusively for them numbered 320 at the end of 1939. The Government-General established 111 "exchange" houses for them to sell their products. The sales at these houses in 1939 totalled ¥895,443.

#### Police and Judicature

**The Police** The Taiwan police consist of men appointed from among Japanese, natives and semi-civilized aborigines. Their services are divided into the ordinary service and aboriginal police service. The police in aboriginal districts are reinforced by police assistants appointed mostly from among natives. These are features of the police services of Taiwan. What is known as the tithing system of Taiwan provides a feature of peace preservation in the island. This system is of Chinese origin and was first adopted as an auxiliary to the police system in 1808. Owing to the satisfactory results attained, it also was extended to the lower grades of the administration in 1909. One tithing group consists of 100 houses and it looks after the peace of the group. In case these groups organize an association, the matter has to be sanctioned by provincial governors or district superintendents. Each group has its chief, who is elected and sanctioned by governor or superintendent. His duty is to maintain peace and order in his tithing district. Members of groups consist of men ranging from 17 to 50 years old and must be of good character. They offer their services free. The number of groups involved in the tithing system of Taiwan was 5,756 at the end of 1939. Many pirates infest the coast of Taiwan mostly coming from south China. They attack junks during the summer time. The police on duty against these sea raiders are attached to provincial or district governments.

**Judicature** The judicature of Taiwan consists of two grades of courts viz., the supreme court and four dis-

trict courts, the latter having four branches in all—all under control of the Governor-General. The functions of the various courts are practically the same as those of the courts in Japan proper.

#### Religion and Education

**Religion** There are 55 Shinto shrines in Taiwan. The Taiwan Shrine is a first-rank Government shrine and is the central shrine of worship for the Japanese people in the island. It is located in a suburb of Taihoku, the capital of the island, and is dedicated to Okuninushi, Oanamuchi and Sukunahikona, all legendary leaders of early Japanese race, and to His Imperial Highness General Prince Yoshihisa Kitashirakawa, who died in the island when commanding the Japanese expeditionary force in Taiwan during the Sino-Japanese War. Shintoism, Buddhism and Christianity have been propagated by the Japan-

ese since 1895. Confucianism is observed among the natives and Chinese people in the island.

**Education** The continuous efforts of the Government-General have been rewarded to such an extent that the natives have been receiving education since 1922 together with Japanese in the classes of middle-school grade and in higher institutions, although the elementary education is still given both in the vernacular and Japanese languages. Besides numerous elementary schools, Taiwan had at the end of April 1940, 88 kindergartens, 17 middle schools, 18 girls' schools, 18 business schools of middle school grade, 6 normal schools, 4 colleges and 1 Imperial University. The Taihoku Imperial University was founded in March 1928. It consists of three departments, one of literature and politics, the other of physics and agriculture and the another of medicine. The educational expenses for the last six years are:

	Total Amount	State Expenses	Provinces and	Cities, Towns and
			Districts	Villages
(In ¥1,000)				
1935	21,264	5,839	9,179	6,245
1936	23,549	6,315	10,043	7,191
1937	28,565	6,945	11,862	9,757
1938	32,910	8,923	13,662	10,325
1939	34,397	9,958	14,271	10,167
1940	44,183	13,359	16,920	13,903

#### Social Work

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

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

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

(March 1939)

Branches of Work	Facilities or Organizations	Branches of Works	Facilities or Organizations
General organs		Economic protection	
Unifying and investigation organs	10	Employment exchange	5
Bloc-Committees	183	Giving works	5
Organs for promotion	98	Lodging	16
Relief		Supply of dwelling houses	11
Poor relief	274	Public bath	88
For the sick and the dead on wayside	8	Public market	244
Relief in calamities	5	Public pawnshop	16
Private military relief	8	Accommodation of small funds	5

Branches of Works	Facilities or Organizations
Medical protection	
General medical service	64
Special medical service	14
Protection of children and women	
Protection and education of children	194
Reformatory instruction	1
Education of deformed children	2
Health consultation	8
Pleasure-ground for children	5
Midwifing	142
Special protection of women	1
Cultural work	
Temperance	3
Protection of discharged prisoners	170
Improvement of customs and manners	37
Settlement work	7
Personal consultation	25
Improvement of villages	1
Promotion of school attendance	19
Total	1,672

### Medicine

At the end of 1939 the number of public and private hospitals in Taiwan was 284; physicians in government employment 279; private medical practitioners 1,328; physicians in employment at public and private hospitals 411; dental surgeons 407; assistant practitioners and dental surgeons 141; and midwives 1,813.

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

### Agriculture

Agriculture is the most important industry of Taiwan. Since the island came under Japan's control, it has made a rapid development and the total farm production in 1939 was worth ¥536,890,000, composing about 50 per cent of all the industrial production of the island. The area under cultivation in 1899 was 363,290 ko (one ko being 2,377 acres or 2,934 tsubo). It increased to 886,225 ko at the end of 1939, more than double

that of 36 years ago. The cultivated land is more than 20 per cent of the island's total area. The area of cultivated land since 1930 has been as follows:

Year	Paddy Field (In 1,000 ko)	Dry Land	Total
1930	408	428	836
1931	411	424	835
1932	430	400	830
1933	482	362	845
1934	463	388	851
1935	493	363	856
1936	533	338	872
1937	544	338	883
1938	534	341	884
1939	546	339	886

People engaged in agriculture are about 51 per cent of the total population. At the end of 1939 their number was 2,924,781 of whom tenant-farmers were 1,054,610, landed farmers 926,510 and landed tenant-farmers 943,661.

**Rice Crops** The climate is very well suited to rice cultivation especially in the western district, where crops are harvested twice a year. The production in 1939 was about 9,150,000 koku with a value of over ¥240,000,000. Rice forms the chief of the three most important farm products of Taiwan, that is, rice, sugar cane and potatoes. Rice known as Hōrai rice is grown heavily in recent years. Its plantation area for 1939 totalled 645,549 ko and the crop amounted to 9,151,740 koku for two crops a year. The plantation area and rice crops since 1930 follow:

	Plantation Areas (In ko)	Crops (In koku)
1930	633,444	7,370,510
1931	653,380	7,479,840
1932	684,928	8,949,216
1933	696,423	8,361,839
1934	687,664	9,088,886
1935	699,675	9,122,152
1936	702,685	9,558,390
1937	678,082	9,234,244
1938	644,793	9,816,899
1939	645,549	9,151,740

More than one half of the annual crop of rice is exported to Japan proper. But, the acute situation in the distribution of staple provisions in Japan proper compelled the passage of a bill relating to the control of import of Taiwan rice into Japan proper at the 74th session of the Imperial Diet, and the law was put into force as from

October 1, 1939, the main purpose of which is to control the export of Taiwan rice to Japan proper by prohibiting free export, the Government-General taking whole responsibility into its own hand.

**Sweet Potatoes** Sweet potatoes also are extensively produced almost everywhere and all through the year in the island. The chief producing centers are Tainan, Taichu and Takao provinces. Potatoes serve as fodder for cattle besides being used as ordinary foodstuff. Dried potatoes are shipped to Japan as material for producing alcohol and starch. The export value of dried potatoes for 1935 totalled 44,332,580 kin (one kin being 1.3 pounds), worth ¥1,290,529. The crop of sweet potatoes for 1902 amounted to 501,160,292 kin and the amount has been increasing yearly since. The 1939 crop totalled 2,131,611,936 kin. The plantation area of 63,147 ko for 1902 increased to 130,321 for 1939.

**Tea** Tea is one of the principal exports of Taiwan. The export totalled once as much as ¥11,500,000, though it has somewhat declined in recent years. The tea production amounted to 20,808,765 kin (in plantation area of 28,308 ko) for 1902 and that for 1939 amounted to

22,929,887 kin (in the area of 46,187 ko). Tea plantation was introduced there by immigrants from China. In 1868 some amount of tea roughly made in Taiwan was exported to Amoy, where it was refined, but later the Taiwan producers, bringing tea operators from Amoy and Foochow, began to export refined tea, and in 1869 as much as 280,000 pounds of refined tea was exported to New York. This was the first export of Taiwan tea to America. Then tea production developed considerably year after year. Export tea is classified into varieties, viz., Oolong, Pouchong, green and black. Oolong and Pouchong teas are most abundantly produced; the former, appreciated by Americans, and the latter, preferred by the people of the South Sea Islands, is exported to Java and Thailand. Black tea is extending its markets, and, although not as good as Ceylon tea, it is better in quality than Japanese black tea.

**Other Products** Other agricultural products are peanuts, beans, wheat, sesame, lungyen, (otherwise known as "dragon's eye") and vegetables. The yielding areas and production of these farm products for 1939, as compared with those for 1900, follow:

	Yielding area (In ko)		Production (In koku)	
	1900	1939	1900	1939
Peanuts	11,958	30,244	120,838	547,177
Beans	11,365	15,330	50,281	58,778
Barley	1,479	1,110	11,460	4,233
Wheat	1,857	4,951	11,282	40,857
Sesame seeds	6,889	3,524	36,279	9,103
Jute	1,155	23,838	1,481,548 (kin)	39,554,952 (kin)
Hemp	1,654	1,880	1,022,063 (kin)	1,283,723 (kin)
Tobacco	240	2,235	363,900 (kg.)	4,012,009 (kg.)
Oranges	752	4,865	4,725,000 (kin)	58,416,128 (kin)
	(1909)		(1900)	
Pineapples	—	10,713	—	145,817,906 (pieces)
Lungyen	—	648,714 (trees)	—	9,684,677 (kin)
Vegetables	—	—	—	¥19,602,250

The export of raw pineapples for 1939 totalled ¥389,992 and that of canned pineapples ¥13,329,928.

Bananas are Taiwan's representative fruits. They are planted everywhere in the island, but are produced most heavily in Taichu province, where 52 per cent of the total production is obtained. They occupy the third position in the export list of the island, the first being rice and the second sugar. Bananas exported during 1939 totalled 2,774,000 baskets, one basket being 75 kin, worth ¥19,190,

000. In 1909 the plantation acreage was 560 ko with a crop of 10,536,062 kin, which increased in 1939 to 20,114 ko with a crop of 303,280,000 kin.

**Live-stock** The live-stock raising industry in Taiwan is flourishing. The number of cattle at the end of 1939 was 324,780 of which buffaloes numbered 266,136. Buffaloes play the most important rôle in agriculture. Hog-raising industry is widely maintained and hogs are kept by almost all native farmers. Their number at the end of 1939 was



1,653,210, having increased three-and-half times since the cession of the island to Japan. Poultry consists of chicken and geese, their total number at the end of 1939 being 9,043,336.

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

#### Sugar Industry

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

**Dr. Nitobé's Plan** Alive to this situation, the Taiwan Government-General concentrated its energy on the increased production of sugar by means of business improvement and expansion, and this has resulted in the present industrial prosperity. The late Dr. Inazo Nitobé was engaged by the Government-General to work out a sugar-industry development plan. He proposed several measures for industrial development, namely, the improvement of kinds of sugar cane and their cultivation, improvement of pressing and manufacturing methods, the application of artificial irrigation, increased land cultivation and expansion of sugar plantations, the establishment of sugar experimental stations, and the organization of sugar production guilds, as well as other measures. These formed the basic policy

of the Taiwan sugar industry. The sugar encouragement regulations were issued in June 1902. According to these regulations, the Government-General would give a subsidy to sugar-cane planters or sugar manufacturers for cane plantation, fertilizers, cultivation, irrigation, and manufacturing machines, or, if necessary, implements will be lent or given. The subsidies given in this connection up to the end of the fiscal year of 1931-32 totalled ¥12,908,698. The Government-General is adopting a policy of reducing the subsidy with the progress of the sugar industry.

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

Fiscal year	Plantation area (in ko)	Cane crop (in kin)	Crop per ko (in kin)
1930-31	99,094	10,944,060,505	110,447
1931-32	109,496	13,415,197,477	122,518
1932-33	83,690	8,782,001,849	104,835
1933-34	91,163	8,883,801,544	97,449
1934-35	121,628	13,477,260,178	110,807
1935-36	128,329	13,190,389,434	102,785
1936-37	124,555	14,271,874,413	114,583
1937-38	134,208	15,101,099,328	112,520
1938-39	149,834	19,602,120,052	130,825
1939-40	152,409	16,957,490	101,203

**Production of Sugar** The sugar industry at the time of Japan's occupation of Taiwan was very primitive. Out of about 1,100 sugar mills, not a single mill had adopted the modern mechanical method of manufacturing, and all of them used animal power. Owing to insufficient pressing power, a large percentage of sugar-substance was wasted during the manufacturing process and, moreover, the product was inferior. By 1938 there were only 62 mills of this kind, as the majority of them were gradually eliminated. The modernly-equipped mills have pressing capacity ranging from 300 to 3,000 tons a day and are able to produce in great quantity. The Taiwan Sugar Manufacturing Company founded in 1901 was the first of its kind. During the financial boom following the Russo-Japanese War many sugar-manufacturing concerns were established, and Japan finally leaped into a prominent position among the world's sugar-producing countries. In the sugar year 1939 (Nov. 1939—Oct. 1940) there

were 49 mills. Most of them produce crude sugar known as centrifugals. Some of them turn out white sugar by a

change of milling operation. Production of white sugar by biggest mills follow:

Companies	Production of White Sugar		
	1937	1938	1939
Taiwan Sugar's Taihoku mill	—	3,465,385	3,004,145
Taiwan Sugar's Sharokan mill	38,196,246	32,258,033	40,756,690
Taiwan Sugar's Kibi mill	25,625,026	27,734,778	36,471,369
Taiwan Sugar's Kohekirin mill	20,705,202	30,667,229	32,163,528
Meiji Sugar's Nansel mill	25,034,901	29,326,110	56,797,791
Meiji Sugar's Ujurin mill	30,998,066	33,201,948	37,217,273
Dai Nippon Sugar's Kobi mill	23,500,207	37,046,434	55,123,569
Ensuiko Sugar's Shinei mill	32,116,592	63,096,409	85,466,424
Ensuiko Sugar's Kishinai mill	67,646,228	43,478,028	62,795,006

The aggregate amount of the authorized capital of sugar companies in 1927 was ¥290,000,000. It increased to ¥290,170,000 at the end of April 1940, ¥220,787,500 paid up. The total production in 1902 was only 90,000,000 kin, but in 1927 it rose as high as

1,315,540,000 kin and further to 1,648,440,000 kin in 1932. It increased to 1,678,920,000 kin in 1937, and decreased to 1,650,260,000 kin in 1938, but showed the highest record of 2,364,550,976 kin in 1939.

#### JOINT-STOCK SUGAR COMPANIES

(At the end of April 1940)

Companies	Head offices	Subscribed (In ¥1,000)	Paid-up	No. of Mills
Taiwan Sugar	Heito, Takao province	63,000	43,080	13
Shinko Sugar	Taiyo, Takao province	1,200	1,200	1
Meiji Sugar	Mato, Tainan province	58,000	45,200	7
Dai Nippon	Sunamachi, Tokyo city	74,420	66,707	13
Ensuiko Sugar	Sunamachi, Tokyo city	60,000	36,937	7
Téikoku Sugar	Taichu city	27,000	22,050	6
Taito Sugar	Taito	3,000	2,062	1
Sango Sugar	Nirinsho, Taichu province	3,550	3,550	1
Total		290,170	220,787	49

#### PRODUCTION OF SUGAR

(Nov. 1938-Oct. 1939)

Companies	Material Used (In kin)	Sugar (In picul)	Molasses (In kin)
Taiwan Sugar	4,479,996,480	5,478,648,106	131,640,325
Shinko Sugar	247,942,160	301,373,190	9,253,407
Meiji Sugar	4,195,927,450	5,137,438,086	105,668,531
Dai Nippon Sugar	4,537,724,730	5,376,719,872	128,687,543
Ensuiko Sugar	2,892,702,600	3,295,378,320	85,403,060
Téikoku Sugar	1,568,312,570	1,983,656,074	44,931,504
Showa Sugar	856,807,820	997,450,790	27,640,105
Taito Sugar	178,904,190	222,190,050	4,749,402
Sango Sugar	90,018,150	107,863,456	2,382,850
Total	19,048,336,150	22,900,717,944	540,356,730
Improved mills	280,244,576	411,149,420	—
Primitive mills	285,382,846	333,642,396	—
Grand total	19,613,963,572	23,645,509,760	540,356,730

YEARLY COMPARISON OF SUGAR PRODUCTION  
(In kin)

Year (Nov.-Oct.)	Mechanically- operated Mills	Improved Mills	Primitive Mills	Total
1930	1,330,505,897	11,750,135	8,549,854	1,350,805,886
1931	1,311,805,427	9,584,858	7,458,389	1,328,798,674
1932	1,628,731,287	11,240,564	8,441,111	1,648,415,962
1933	1,028,066,503	16,784,410	11,350,418	1,056,207,331
1934	1,057,338,553	7,869,235	13,197,643	1,078,405,431
1935	1,571,186,721	16,650,732	21,577,230	1,609,420,683
1936	1,467,586,586	17,330,027	17,875,478	1,502,798,091
1937	1,645,751,379	17,371,082	15,797,097	1,678,920,158
1938	1,610,925,338	22,435,302	16,906,172	1,650,266,812
1939	2,290,071,794	41,114,942	33,364,240	2,364,650,976

### Forestry and Afforestation

The surface of Taiwan is covered by mountains to the extent of almost two-thirds of its entire area, and the island is rich in thick forests of immense depth. Forest protection and afforestation are done on an approved system by the Government-General. The great mountain ranges running north to south with numerous peaks provide vegetation peculiar to temperate as well as to tropical and sub-tropical regions. The most renowned of the natural forests of Taiwan are those on the mountains in the central ranges, from Taibysan in the south to the peninsula of Koshun; those on famous Mt. Arisan; those on Mt. Rokujodaisan in the north; and those on Mt. Seiran. Besides these, there are also extensive forests in the valleys of the River Dakusui and in some districts of Karenko. The total forest area in Taiwan in 1937 was 2,496,749 ko, of which 2,215,314 ko were government owned forests. Building-timber, sleepers and other forest products turned out in 1939 amounted to ¥6,474,157. When the Portuguese first discovered the island, they were impressed with the immense expanse of forests and cried "Formosa!" signifying "beautiful." Reckless cutting of trees was done by Chinese immigrants and this, combined with the lack of adequate forest administration by the Manchu Dynasty, resulted in the devastation of forest districts. The Forest Bureau was established in 1915 and since then forest protection has been carried on in an approved manner by the Government-General.

**Timber Industry** The timber industry of the Arisan group is controlled by the Government-General. This famous

mountain group is located east of Kagi in Tainan province and is on the Tropic of Cancer. It stands 9,240 feet high. It is covered with red cypress, Mongolian oak and hemlock. The former two kinds of wood are highly valued. There are many trees aged more than 3,000 years. Even the Imperial forest at Kiso in Nagano prefecture has few oaks of such great age. Timber used for the building of important shrines such as the Kashiwabara Shrine, dedicated to the memory of Jimmu Tenno, the first Emperor of Japan, the Imperial Mausolea at Momoyama for the Emperor Meiji and Empress Shoken, and the Meiji Shrine was grown on these mountains. The two great pillars constituting the torii of the Meiji Shrine are estimated to be 1,000 and 1,090 years old respectively. Both came from these mountains. The number of these valuable trees was originally estimated at 1,468,416 with 6,073,970 cu.m. But as the result of cutting down since the actual volume of trees at the end of 1934 was found at 1,481,000 cu.m. The Government-General spent ¥4,898,212 as initial outlay for the five years ending in 1912. This included ¥2,643,015 for railway construction, ¥1,200,000 as subsidy for Fujita Gumi, Osaka, which temporarily undertook the enterprise for the Government-General, ¥1,052,869 as general expenses, and ¥2,327 for other purposes. Lumbering work started in 1912. Sales of lumber amounted to ¥1,061,852 for 1932; ¥1,139,310 for 1933; ¥1,138,437 for 1934; ¥1,158,043 for 1935; ¥1,239,272 for 1936; ¥1,539,710 for 1937; ¥1,831,405 for 1938 and ¥2,185,462 for 1939.

The lumber industry on Mt. Taihei near Rato town in Taihoku province is considered one of the most promis-

ing of all in the island. Until 1913 the mountain was not exploited, because it was a stronghold of the most savage aboriginal tribe. The quantity of timber on the mountain is estimated at 14,159,000 cubic meters, nearly four times that of Mt. Arisan. Work started in 1915 and has so far realized satisfactory results. Sales of lumber totalled ¥1,024,507 for 1933; ¥1,079,096 for 1934; ¥1,138,998 for 1935; ¥1,313,071 for 1936; ¥1,821,926 for 1937; ¥1,965,340 for 1938; and ¥2,893,191 for 1939.

**How Disposed** Taiwan wood is not only used for shrine and temple construction, but for building of warships and merchant-ships. Demand from naval arsenals and dockyards is yearly increasing. Taiwan wood is exported to Japan proper, Chosen, China, British India, South Africa, Australia and other places. Sales to the market in the island, Japan proper and foreign countries from 1916, when the sales began, to 1939, follow:

	Amount (In cubic m.)	Value (In yen)
1916		
Sales in Island	42,296	835,098
Sales to Japan	17,728	385,000
Sales abroad	911	24,556
Total	60,935	1,245,554
1935		
Sales in Island	86,852	2,221,900
Sales to Japan	19,707	789,618
Sales abroad	—	—
Total	106,561	3,011,518
1936		
Sales in Island	83,574	2,430,005
Sales to Japan	19,815	827,747
Sales abroad	—	—
Total	103,389	3,257,852
1937		
Sales in Island	102,373	2,937,012
Sales to Japan	23,668	1,390,809
Sales abroad	—	—
Total	126,041	4,327,821

	Catches	Manufacturing (In yen)	Cultivated fish production	Total
1935	13,639,986	2,290,741	3,483,582	19,414,309
1936	14,934,405	2,500,298	4,207,178	21,641,881
1937	14,513,106	2,324,009	4,545,292	21,382,407
1938	15,670,812	2,358,530	5,525,265	23,554,607
1939	25,183,328	3,328,138	6,582,465	35,093,931

### Mineral Products

The principal mineral products of Taiwan are gold, silver, placer-gold,

	Amount (In cubic m.)	Value (In yen)
1938		
Sales in Island	93,406	3,561,838
Sales to Japan	22,743	1,587,539
Sales abroad	—	—
Total	116,149	5,149,377
1939		
Sales in Island	193,907	4,414,411
Sales to Japan	26,359	1,980,098
Sales abroad	784	79,648
Total	221,050	6,474,157

### Aquatic Products

The seas about Taiwan are rich in various kinds of fish and shell-fish, and catches are especially abundant in spring and autumn. Fishing is to a great extent still conducted in a primitive manner. There are, however, now 56 fishing companies of which 2 have their head offices in Japan proper and the rest in the island with capitalization of ¥101,500,000 for the former and ¥6,401,000 for the latter. There were 101 fish markets in the island at the end of 1939, and the total fish sales there during the year amounted to ¥23,938,669 and showed an increase of ¥7,840,598. The Takao Fish Market led the list. The Taiwanese are a fish-eating people, but the annual catch is so great that a large quantity is exported to Japan proper and other countries. Taiwan's marine product trade for 1939 amounted to ¥25,927,114. Trade figures including exports abroad totalling ¥2,949,199, imports from abroad totalling ¥308,532, exports to Japan proper totalling ¥3,949,308 and imports from these districts totalling ¥18,720,075. The making of dried bonito is the largest marine products industry. The annual output of dried and canned marine products is worth about ¥2,500,000 a greater part of which is accounted for by the dried bonito production. The marine production of Taiwan follows:

quicksilver, copper, iron, lead, zinc, coal, petroleum, sulphur and phosphorus. The mine-lots at the end of 1939, numbered 843 with a total area of 274,656,821

tsubo, one tsubo being six feet square. Mines in operation numbered 418 covering an area of 145,498,949 tsubo. Of these 390 mines 3 were gold mines, 2 gold and silver mines, 1 gold-copper mine, 33 placer-gold mines, 342 coal mines

and 9 sulphur mines. The mineral production for 1937 totalled ¥36,223,154 showing an increase of ¥7,496,176 over 1936. The mineral production during the past five years, 1933-1937 inclusive follows:

	1933	1934 (In yen)	1935	1936	1937
Gold	1,681,592	1,581,328	3,494,040	4,223,712	3,451,000
Gold-copper ores	3,709,157	3,773,194	3,995,854	5,881,080	7,214,000
Placer-gold	57,017	94,730	62,477	159,509	—
Silver	16,632	8,472	21,542	16,746	—
Copper	294,388	274,484	376,072	469,830	—
Gold ores	—	66,633	2,330,178	2,076,851	2,119,000
Quicksilver	—	—	—	—	—
Coal	6,571,195	7,681,689	9,868,193	11,364,943	15,014,000
Sulphur	37,148	62,075	65,553	87,034	—
Phosphorous ores	—	—	365	851	—
Petroleum	245,944	424,677	384,860	312,159	—
Gasolene	994,003	574,857	490,383	456,396	—
Carbon black	205,527	341,079	516,125	291,554	—
Others and total	13,950,888	14,196,250	22,838,751	28,726,978	36,223,000

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

The Government-General conducted a mineral and geological investigation for eight years over the island following the introduction of civil administration in 1896. As a result, oil distribution was found almost all over the island. Subsidies were granted to those who had proper equipment for boring for oil to a depth of more than 2,000 feet. The subsidy was given from 1901 to 1924. It was then suspended, owing to financial reasons, but was resumed in 1930. Metal ores are found exclusively in the extreme north and the eastern district, coal in the northern and central parts and oil all over the island, especially in the central and southern districts. The mineral production in 1897 was only ¥112,000, but in 1907 it increased to ¥2,255,000, and in 1936 to as much as ¥15,196,250. Of this more than 50 per cent was coal, gold-copper ores 25 per cent; gasolene 4 per cent; gold 10 per cent; other minerals in smaller amounts in the following order: petroleum, carbon black, copper, placer-gold, gold ore, and sulphur.

**Gold and Silver** Placer-gold was first discovered by Japanese invaders in Taiwan over 400 years ago, when Japanese pirates infested the neighboring coasts of China. It was then got at Takkiri Gorge in Karenko district. In

later years placer-gold was found in several localities, but at present the mining is conducted along the Keelung and other rivers. When the mining was most prosperous in 1903, the annual output reached 161 kan, one kan being 8,267 lb., valued at ¥610,000, but since then the industry has been sinking. The 1931 output was only 3,165 kan. A gold vein was first discovered at Mt. Kubu in 1893. In the following year gold deposits were found at Kinkwaseki and in 1891 another vein was discovered at Butanko. The gold mining interests at Hutanko and Kinkwaseki was merged in 1913. The mining operation is done at Zuiho and Kinkwaseki. The Kinkwaseki mine is located about 10 miles east of Keelung. It is managed and operated by the Tanaka Mining Company, Ltd. The mining area at the end of 1931 was 4,053,000 tsubo. It has its own refinery. In 1930 new placer-gold fields covering vast areas were discovered in the island, and the gold mining industry is prospering. The mine-lets on January 1, 1940, numbered 94 with a total area of 20,584,212 tsubo and the mines in operation numbered 46 covering an area of 11,439,711 tsubo.

Production at the mine for four years ending 1936 follows:

		1933	1934	1935	1936
Gold	Output in g.	32,301	—	—	—
	Value in yen	80,049	—	—	4,223,712
Silver	Output in g.	52,460	—	—	—
	Value in yen	1,886	—	—	16,746
Gold-silver ores	Output in m.t.	115,693	—	65,085	—
	Value in yen	3,773,194	—	2,330,178	2,076,851
Gold-Silver-Copper ores	Output in m.t.	—	130,297	104,384	—
	Value in yen	—	5,008,812	3,995,854	5,881,080
Gold ores	Output in m.t.	805	624	232	—
	Value in yen	66,633	56,286	20,127	—
Precipitated copper	Output in kg.	1,365,780	2,299,168	2,411,204	—
	Value in yen	274,484	327,970	376,072	469,830
Precipitated gold and silver	Output in kg.	7,802	12,710	11,121	—
	Value in yen	250,716	445,794	623,118	2,087,020
Total value in yen		4,446,962	5,838,862	7,345,349	14,755,239

**Oil** Oil in Taiwan was discovered by a Chinese about 80 years ago at Shukotan, near the Koryu valley, over an area covering 599,670 tsubo. Since 1905, 71 oil wells have been sunk. Well No. 18 is the best of all. From 1913 to 1925 the oil output from this well totalled 53,205 koku, by the Nippon Sekiyu Kaisha (Japan Oil Company, Ltd.). Owing, however, to the concentration of energy on the exploitation of the Kinsul Oil Field by the company, the output has gone off from the daily output of 300 koku. Lamp oil, gasolene, light oil and paraffin are manufactured from crude oil obtained here. The oil refinery is in Byoritsu.

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

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

#### Other Industrial Productions

Prior to the World War, industries other than sugar and tea developed very little in the island. Since the War, however, chemical, spinning, machinery and other miscellaneous industries have developed to a considerable extent. The more important of those which are not mentioned elsewhere for 1938 follow:

	(In yen)
Spinning Industry:	
Hemp tissues	3,297,240
Metal Industry:	
Tin plates	4,121,342
Machinery Industry:	
Machinery	10,726,401
Ceramics Industry:	
Bricks	3,397,997
Tiles	1,136,099
Cement	3,500,254
Chemical Industry:	
Oil cake	2,589,191
Vegetable oil	2,270,575
Papers	2,870,264
Mixed fertilizers	9,696,055
Food Stuff Industry:	
Soy sauce	2,472,613
Flour	2,415,717
Confectioneries	5,632,523
Macaroni	3,812,071
Ice	1,449,879
Miscellaneous Industries:	
Hats	2,370,578
Total industrial production	394,000,000

#### Number and Capital of Companies

At the end of 1938 the total number of commercial and industrial companies in Taiwan was 1,512, with an aggregate amount of authorized capital of ¥702,949,704, of which ¥428,619,200 paid up. The number of companies capitalized at less than ¥10,000 was 239 (15.81 per cent) that of companies capitalized at ¥10,000—¥50,000 was 495 (32.74 per cent), and that of companies capitalized at more than ¥10,000,000 was 11 (0.7 per cent).

NUMBER AND CAPITAL OF COMPANIES CLASSIFIED ACCORDING TO ENTERPRISE  
(At the end of 1938)

Branches of Industry	Number of Companies	Authorized Capital (In yen)	Percentage of Capital
Agriculture	98	56,879,055	8.09
Fisheries	18	14,437,500	2.05
Mining	35	22,955,150	3.27
Manufacturing	437	423,570,144	60.26
Commerce	778	162,521,445	23.12
Transportation	146	22,586,410	3.21
Total	1,512	702,949,704	100.00

Overseas Trade

The overseas trade of Taiwan, although it has experienced temporary set-backs from time to time, has made remarkable progress in recent years. The

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

TOTAL VALUE OF OVERSEAS TRADE

Year	Exports Abroad and exports to Japan proper and its Territories	Imports from Abroad and Japan proper and its Territories	Total	Index (Normal Year, 1897)
	(In yen)			
1935	305,744,673	263,119,746	613,864,419	1,965
1936	387,948,978	292,685,948	680,634,926	2,178
1937	440,174,995	322,123,742	762,298,737	2,440
1938	456,453,837	366,655,192	823,113,029	2,635
1939	592,938,199	408,650,840	1,001,588,039	3,206

TAIWAN'S FOREIGN TRADE WITH THIRD COUNTRIES

Year	Exports	Imports	Total	Excess of Imports
	(In yen)			
1935	36,544,190	44,978,909	81,523,099	8,434,719
1936	29,053,980	48,854,419	77,908,399	19,800,439
1937	29,916,109	44,228,818	74,144,927	14,312,709
1938	36,349,923	38,709,142	75,059,065	2,359,219
1939	83,194,628	51,042,833	134,236,461	32,152,795

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

LIST OF PRINCIPAL EXPORTS

(In ¥1,000)

Year	Oolong Tea	Pouchong Tea	Camphor	Coal	Sugar	Canned Food	Cotton Textiles	Dried and Salted Fish
1935	3,814	2,814	—	1,334	5,555	—	2,082	1,603
1936	2,954	2,279	2,514	1,216	2,621	1,507	901	570
1937	2,539	2,446	1,860	1,369	2,560	1,753	1,290	200
1938	2,891	3,435	914	2,229	11,661	2,232	16	53
1939	4,306	8,334	—	4,678	30,572	—	8	824

Of the above, tea deserves special mention. In 1939 production of unrefined tea amounted to 22,929,887 kin, worth ¥15,064,132, and that of refined tea 22,060,014 kin, worth ¥22,402,031. Refined tea included ¥4,501,546 of Oolong tea, ¥9,561,336 of Pouchong tea, ¥8,337,559 of black tea, and ¥1,560 of green tea. The tea is almost exclusively produced in Tainan and Shinchiku provinces. Oolong tea is appreciated by

Britishers and Americans. The largest amount goes to the United States and the second largest amount to Great Britain. Pouchong tea is shipped to the South Sea Islands. Tea exports for 1939 show that the exports of Oolong tea and Pouchong tea increased 100 per cent over the previous year, on account of the active market in the South Sea regions.

LIST OF PRINCIPAL IMPORTS

(In ¥1,000)

Year	Beans	Brans	Lamp Oil	Gunny Bags	Lumber	Matches	Bean Cake
1935	4,265	—	2,379	3,566	176	1,982	14,613
1936	4,432	3,833	—	3,360	643	—	14,793
1937	5,056	2,748	—	2,775	489	—	13,574
1938	5,066	1,084	—	2,613	58	—	14,684
1939	6,531	—	—	2,706	80	—	20,328

TAIWAN'S TRADE WITH JAPAN PROPER AND ITS TERRITORIES

(In yen)

Year	Exports	Imports	Total	Balance
	(In yen)			
1935	314,200,483	218,140,837	532,341,320	96,059,646
1936	358,894,998	243,831,529	602,726,527	115,063,469
1937	410,258,886	277,894,924	688,153,810	132,363,962
1938	420,103,914	327,950,050	748,053,964	92,153,864
1939	509,744,571	357,608,007	867,352,578	152,136,564

LEADING EXPORTS TO JAPAN PROPER AND ITS TERRITORIES

(In ¥1,000)

Year	Canned			Camphor			
	Rice	Sugar	Pineapples	Camphor	Oils	Alcohol	Bananas
1935	105,545	145,977	7,306	—	—	6,767	9,475
1936	124,309	163,495	5,856	2,514	380	5,637	10,586
1937	126,171	188,985	7,599	2,616	1,587	7,429	11,736
1938	126,707	177,596	8,457	3,152	1,781	9,742	12,855
1939	125,289	229,254	11,211	—	—	16,526	16,519

LEADING IMPORTS FROM JAPAN PROPER AND ITS TERRITORIES

(In ¥1,000)

Year	Wheat Flour	Dried and Salted Fish	Iron Manufactures	Cotton and Silk Tissues	Paper	Lumber	Fertilizers
	1935	4,530	4,734	—	20,265	5,061	10,211
1936	5,511	4,902	6,528	19,324	5,413	11,948	28,491
1937	5,084	5,039	7,028	21,635	6,339	13,055	37,749
1938	6,312	5,482	9,952	23,360	7,177	15,169	44,877
1939	7,625	9,345	—	19,751	7,450	18,990	47,265

## Finance and Economy

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

in the island at the end of June 1940 amounted to ¥109,700,000. The aggregate capitalization of banks having their head offices in the island at the end of June 1940 was ¥28,300,000, of which ¥22,554,850 was paid up. The balance of deposits at the end of June 1940 was ¥327,100,000 of which savings deposits totalled ¥28,850,000 and the outstanding balance of loans totalled ¥399,220,000. Exchange deals for the 1937-1939 fiscal year totalled ¥1,440,730,000 for income and ¥1,402,370,000 for payment. The average amount of note issue of the Bank of Taiwan at the end of June 1940 totalled ¥176,880,000.

Deposits in post offices amounted to ¥44,214,908 as outstanding at the end of March 1940.

## DEPOSITS IN POST OFFICES

End of March	Number of Depositors	Increase (In percentage)	Deposits (In yen)	Increase over the previous year (In percentage)
1936	574,423	0.51	23,682,297	1.08
1937	604,373	0.52	25,925,162	0.95
1938	633,053	0.47	27,106,748	0.45
1939	905,321	4.30	34,838,764	2.85
1940	1,066,520	1.78	44,214,908	2.69

**Government-General Finance** The finance of the Taiwan Government-General has become independent from subsidization by the general accounts of the Central Government since the 1905-06 fiscal year, owing to favorable income following the Russo-Japanese War. In 1897 the revenue was about 11 million yen. In 1907, 10 years after the establishment of special accounts in Taiwan, the revenue increased to three times that amount; in 1917, after 10 more years, to six times; in 1927, to 12 times; in 1929 to 13 times the first figure.

Revenue and Expenditure follow:

	Revenue (In yen)	Expenditure (In yen)
1932	120,303,279	97,240,295
1933	130,812,152	102,220,615
1934	141,617,595	112,176,683
1935	156,549,367	123,943,964
1936	175,771,836	133,938,988
1937	202,836,543	156,444,600
1938	233,817,392	183,406,722
1939	288,498,326	217,435,888
1940 (Budget)	260,530,226	260,530,226
1941 ( .. )	315,157,971	315,157,971

## BUDGET FOR 1941-42

## Revenue

(In yen)

Ordinary Revenue	
Taxes	46,941,484
Stamp receipts	7,766,206
Receipts from Government undertakings and properties	196,524,196
Miscellaneous	5,362,454
Total of ordinary revenue	256,594,340
Extraordinary Revenue	
Proceeds of sale of Government properties	1,037,525
Miscellaneous	135,626
Interest on advances and refunding	1,638,350

Payments by public bodies for public works	4,784,548
Shares assumed by public bodies for public works	1,658,259
Receipts anent the export compensation system	35,512
Temporary profits tax	8,922,834
Dividends tax	384,659
Interest tax on public loans and debentures	6,832
Transit-duty	644,852
Entrance tax and special entrance tax	166,991
Tax on commodities	529,749
Building tax	28,579
Amusement tax	402,490
Special Account, Reserve Fund, for the Export Control of Taiwan Rice	7,348,132
Receipt from the Special Account of Gold Fund	808,159
Replenishment from the National Treasury	787,200
Public loans	9,800,000
Brought forward from the balance of the previous year	19,443,334
Total of extraordinary revenue	58,563,631
Grand total of revenue	315,157,971

## Expenditure

## Ordinary Expenditure

Shrines	64,000
The Government-General Office	5,499,230
Provincial Offices	16,805,584
Custom houses	678,718
Judicial expenses	1,584,910
Prison expenses	1,620,383
Police and prison police training institute	303,299
Hospitals	1,145,633
Experimental and investigational stations	3,773,531
Live-stock Serum Manufacturing Office	284,672
General educational expenses	7,268,238
Taihoku Imperial University	4,483,679
Social work	907,073
Meteorological Station	484,073
Transportation Bureau	62,179,661
Monopoly Bureau	56,444,210
Forest expenses	6,347,988
Transfer to the Special Account of National Loan Adjustment Fund	6,905,720
Pension	5,715,524
Miscellaneous expenses	1,125,920
Reserve fund	4,100,000
Total of ordinary expenditure	187,722,046

## Extraordinary Expenditure

Undertakings	45,629,264
Buildings and repairs	9,079,109
Investigations and experimentations	1,077,792
Encouragement of commerce and industry	9,614,041
Subsidies	21,126,503
Special police measures	596,892
Reformation of opium-smokers	28,033
Temporary police expenses in Musha district and others	56,734
Levying of the Temporary Profits Tax	27,935
Calamity relief	10,302
Control and promotion of gold mining	1,328,911
Promotion of production of coal	1,203,729
Temporary economic control	3,946,639
Temporary military relief	319,258
Temporary air defense	2,401,313
Temporary prison expenses	109,350

Temporary allowances to families of officials	2,546,808
Transfer to the Special Account for Military Expenses	24,545,689
Transfer to the Government railway necessities fund	300,000
Reconstruction in areas affected by calamities	3,487,323
Total of extraordinary expenditure	127,435,925
Grand total of expenditure	315,157,971

**Bonds** Expenses required for enterprises such as the railway construction, land investigation, Keelung harbor construction, building of government offices, river work, Takao harbor construction, and purchase of private railways were raised by bonds. The outstanding balance of bonds in 1900 was ¥3,200,000, which increased to ¥34,465,399 in 1910, ¥94,213,038 in 1925, ¥106,946,733 in 1927 and ¥126,380,958 at the end of 1937, while the estimated amount reached ¥134,322,517 at the end of 1940.

#### Monopolies

The products of Taiwan, opium, salt, camphor, tobacco, and saké are placed under monopoly of the Taiwan Government-General.

**Opium** The Taiwan Chinese, mostly natives, were addicted to opium smoking when Japan assumed ownership of the island. It was found impossible to eradicate the habit at once, and in order to limit the use of the drug a government monopoly, controlling the manufacture, sale and retail distribution of opium, was established. Smokers are registered and have to obtain a licence to buy the drug. In this way and also through education of the rising generation the vice is being gradually eliminated. The total number of names registered in September 1900, reached 169,064, to whom licences were granted. The number of licenced smokers at the end of 1932 had decreased to 19,532, of whom 16,532 were males and 3,254 females. The Chinese people who smoke opium on licence at the end of 1932 numbered 191, of whom 174 were males. Japan, in conformity with the spirit of the League of Nations' International Opium Treaty, has been endeavouring to stamp out the bad habit of opium smoking and has realized satisfactory results so far.

There are two forms of opium, viz., "treacle-opium" for smoking, and powder; the latter is sold only for medicinal purposes. Raw material obtained from poppies is imported from British India, Persia and Turkey. The Persian

products are widely used now. Sales to licenced smokers are made by the Monopoly Bureau to specially designated wholesalers through provincial and district governments. The sales price to these wholesalers is ¥1.61 per 15 grams, that from wholesalers to retailers is ¥1.63 and that from retailers to consumers is ¥1.77. 15 grams is the maximum amount that one smoker is permitted to buy at one time; this must last him for three days.

Sales have been decreasing yearly as follows:

	Quantity (In grams)	Total Sales
1930	38,095,125	4,010,655
1931	31,535,625	3,320,071
1932	26,136,075	2,819,388
1933	21,553,200	2,350,363
1934	19,668,600	2,146,692
1935	18,975,600	2,071,934
1936	17,434,800	1,903,880
1937	16,387,200	1,789,482
1938	15,580,800	1,863,063
1939	14,166,000	1,830,247

**Salt** This was monopolized in 1899 by the Government-General. In former days the fields were only 197 ha. producing about 10,800,000 kg. a year, but in 1934 they were increased to 1,878 ha., producing 191,340,000 kg. Sales of salt in 1905 were only ¥557,876, which increased to ¥3,108,000 for 1935.

**Camphor** Taiwan maintains a monopoly on the cutting, distillation and selling of camphor. The island is rich in camphor trees, particularly in what are known as the "savage districts," and is the greatest camphor-producing place in the world. For many years after it came into Japan's possession, the production of camphor was a free industry, but the necessity of improving the quality compelled the Government-General to assume monopoly in 1899. The camphor production amounts to about 3,000,000 kilograms a year, which represents 70 per cent of the world's production. The manufacturing of camphor and camphor oil used to be entrusted to the Taiwan Seino Kaisha, but in July 1934, the Government-

General purchased it and now places the production and sales of their articles under its direct control. The improved B-quality camphor is sold by the monopoly bureau as material for refined camphor or celluloid. Refined oil is directly sold by the bureau in Taiwan, but in Japan it is sold to industrialists through the Japanese Government Monopoly Bureau. It is exported abroad on consignment mostly to the United States, Great Britain and other countries. The United States is the largest consumer. The sales price of improved B-quality for 1932 was ¥145.50 per kilogram f.o.b. Taihoku and ¥148 f.o.b. Kobe. By-products are widely used for making insecticides. As the demand for camphor increases yearly, the Taiwan Monopoly Bureau is carrying out a camphor-tree plantation plan covering an area of 135,246 acres, for the production from natural-grown trees is expected shortly to become too small to meet the future demand. The proceeds from the camphor monopoly for 1935 totalled ¥7,710,000. The United States used to buy about ¥2,400,000 of camphor a year, but the export amount has decreased somewhat in recent years, owing to the invention of synthetic camphor.

**Tobacco** The tobacco monopoly in Taiwan dates from 1905. At the beginning of the monopoly the quality of tobacco grown in Taiwan was so poor that the leaves had to be imported from China. Efforts were made by the authorities for the improvement of native-grown leaves. Now tobacco cultivated

in Taiwan is not inferior to Chinese tobacco. In addition to the Chinese variety, a successful experiment has been made in the cultivation of an American yellow variety for cigarettes, and another for cigars. The area of tobacco plantation in Taiwan was about 776 ha. in 1933 and the crop of leaves about 1,535,689 kg. The proceeds of tobacco monopoly for the fiscal year 1906-07 totalled ¥1,492,284, which increased to ¥11,531,850 for the year 1921-22, ¥16,275,916 for the year 1929-30, but declined to ¥14,405,962 for the year 1931-32, advancing to ¥20,375,058 for 1936-37 to ¥23,351,727 for 1937-38 to ¥26,642,219 for 1938-39 and further to ¥31,432,312 for 1939-40.

**Saké and other drinks** These have been placed under monopoly since 1922. The sales of saké and other alcoholic drinks under the monopoly are not restricted to those made in Taiwan only, but include all drinks imported from Japan proper and other countries. Drinks now brewed in Taiwan are of 30 kinds besides saké. The saké monopoly furnishes a large source of revenue for the Government-General and brought in ¥17,547,533 for 1939.

#### Railways

At the time of Japan's occupation of Taiwan there was a 62-mile railway between Keelung and Shinchiku. Railway construction was undertaken by the Government-General subsequently and now the total mileage is 885 km. The railway receipts are as follows:

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

#### PRIVATE RAILWAY STATISTICS IN TAIWAN

	Mileage (In km.)	Passenger Fares	Freight Receipts (In yen)	Others & Total	Indices for Income
1935-36	505	521,561	1,963,034	2,540,608	2,982
1936-37	506	546,965	1,845,578	2,455,949	2,883
1937-38	509	544,352	1,861,702	2,465,858	2,895
1938-39	521	587,664	2,375,565	3,010,471	3,534
1939-40	522	677,588	2,442,888	3,158,663	3,708

**Communications**  
Communications in Taiwan are supervised by the communications department of the Communications and Transportation Bureau. The number

of post offices increased from 27 in 1896 to 195 in March 1940. General conditions of communications in Taiwan in recent years are shown in the following tables:

#### NUMBER OF GOVERNMENT OFFICES OF COMMUNICATIONS

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

#### VOLUME OF MAIL MATTER HANDLED

Fiscal year	Ordinary Mail		Increase or Decrease (In percentage)	
	Received	Delivered	Received	Despatched
1937-38	82,271,393	99,670,143	-1.03	-0.98
1938-39	81,835,710	101,711,030	-0.05	0.20
1939-40	90,594,195	113,849,283	1.07	1.19
Parcel Post				
1937-38	783,049	1,309,129	0.78	0.33
1938-39	855,163	1,373,787	0.92	0.49
1939-40	971,110	1,386,280	1.56	0.09

#### NUMBER OF TELEGRAMS HANDLED

Fiscal year	Despatch	Arrival	Total	Increase (In percentage)
1937-38	2,067,283	2,115,754	4,183,037	0.88
1938-39	2,102,253	2,197,425	4,299,678	0.28
1939-40	2,702,529	2,751,531	5,454,060	2.68

#### NUMBER OF TELEPHONE SUBSCRIBERS

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

#### NUMBER OF RECEIVERS OF RADIO

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

## CHAPTER XLII

### KARAFUTO (SAGHALIEN)

# NIPPON SUISAN KAISHA, LTD.

ESTABLISHED: 1925



**CAPITAL: Yen 93,000,000**

President: K. TAMURA

Vice-President: K. UEKI



**PRINCIPAL LINES:**  
 Floating Canneries,  
 Trawlers, Whaling  
 Factory Ships, Ice-making, Cold Storage, etc.  
 Canned Crab, Fresh Fish, Quick Frozen Foods, Whale  
 Oil and by-products, Canned Fish of many varieties,  
 Fishing Nets, etc.

Head Office: NISSAN BUILDING, TOKYO

Cable Address: "FOODS TOKYO"

Branches: TOKYO, OSAKA, HAKODATE, TOBATA,  
 KEELUNG, KEIJO, HSINKING, PEKING,  
 SHANGHAI

## CHAPTER XLII

### KARAFUTO (SAGHALIEN)

#### General Survey

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

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

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

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

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

**Population** The great majority of the population of Karafuto is Japanese. The following table shows the racial distribution at the end of 1939:

POPULATION BY RACE OR NATIONALITY	
Japanese	345,605
Chosenese	8,996
Taiwanese	4
Natives	403
Foreigners	322
Total	355,330

#### POPULATION IN CHIEF TOWNS (Dec. 31, 1939)

Tomarioru	104,922
Ohtomari	51,079
Maoka	41,904
Toyohara	38,456
Shikuka	37,333
Toyosaka	34,150
Esutoru	30,543
Motodomari	24,574
Hontocho	22,912

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



## Finance

The revenue of the Karafuto government is derived from taxes and other sources of income as well as an annual replenishment from the ordinary account of the national treasury. The principal taxes are:—the town home-stead tax, income tax, business profit tax, liquor-brewing tax, liquor-export tax, consumption tax, mining business tax, and fishery tax, etc. The revenue from all these taxes is in the 1941-42

budget, estimated at ¥115,045,475. The revenue, other than from taxes, consists of receipts from the sales of stamps, railway traffic and freight charges, medical treatment charges at governmental hospitals, charges receivable at the Central Experiment Station, receipts from the sales of trees felled in the state forests, rents of homesteads and various Government buildings and loans. Below is given a brief fiscal history of the Karafuto government:

## REVENUE AND EXPENDITURE

(In yen)

Year	Revenue			Loans	Total	Expenditure
	Taxes and Non-tax Elements	Replenishment from National Treasury	Sum Brought Forward			
1932	19,001,609	1,600,000	826,744	1,000,000	22,428,353	20,863,778
1933	21,511,620	1,600,000	1,774,673	2,955,241	27,841,498	22,214,586
1934	33,408,070	1,000,000	5,526,912	4,615	40,039,597	24,700,146
1935	27,565,141	—	15,339,451	—	42,904,592	27,462,435
1936	32,842,000	185,000	15,442,000	—	48,469,000	33,228,032
1937	41,762,000	—	15,241,000	—	57,003,000	35,805,000
1938	41,772,844	1,992,729	21,198,117	—	64,963,750	39,453,407
1939	43,921,838	78,991	4,792,536	—	48,733,765	48,733,765
1940	62,017,269	4,814,200	139,988	—	66,971,457	66,971,457
1941	93,020,182	6,822,200	15,203,093	—	115,045,475	115,045,475

Note: Figures for 1939-1941 represent budgetary estimates.

## Monetary Organs

The principal monetary organs in the island are the Hokkaido Colonization Bank and the Karafuto Bank. The former is represented by its branches at Toyohara, Ohtomari, Maoka, Honto, Noda, Tomarioru, Ochlai, Shirutoru, Shikuka and Rutaka; its head office being located at Sapporo, Hokkaido. The business operation of the bank in the island at the end of 1939 showed deposits amounting to ¥42,683,318 and loans advanced to ¥17,726,884. The Karafuto Bank is the only one having its head office in the island, its deposits totalling ¥3,343,091 and loans advanced ¥2,532,693 on the same date. The bank came into existence in May 1914, with a capital stock of ¥500,000 which was increased to ¥2,000,000 in March 1919.

The Karafuto Bank has its head office at Ohtomari and a branch at Maoka. The two banks are doing good work for the development of the island. Besides these banks there is a special bank which has a branch at Toyohara, i.e., the Hokkai Savings Bank. This savings bank branch was opened on April 1, 1922. Its local business operation at the end of 1939, showed deposits at ¥4,168,657 and advances at ¥155,518.

## Overseas Trade

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

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

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

## SHIPMENTS TO AND FROM JAPAN PROPER

Year	Outward-bound	Inward-bound	Total	Excess of Outward-bound
1931	50,984,860	29,248,535	80,233,395	21,736,325
1932	63,510,070	29,116,267	92,626,343	34,393,809
1933	73,455,524	31,430,569	104,886,093	42,024,955
1934	96,648,171	37,120,083	133,777,256	59,519,086
1935	92,884,992	38,055,209	130,940,201	54,829,783
1936	119,435,796	53,771,610	173,207,406	65,664,186
1937	121,137,965	59,114,966	180,252,931	62,022,999
1938	149,548,505	88,248,013	237,796,518	61,300,492
1939	224,800,290	130,156,299	354,956,589	94,643,991

Principal shipments to Japan proper in 1939 consisted of pulp, lumber, paper, marine fertilizer, salt-salmon, salt-codfish, dried herring, dried codfish, fish oil, edible seaweed and canned crabs. Principal shipments from Japan proper during the same year consisted of rice, wheat, beer, saké, oats, peas and beans, salt, sugar, soy (Japanese sauce), miso (bean paste), wheat flour, cement, and mats.

## Agriculture

There was practically no agriculture in Karafuto prior to its cession to Japan in 1905. No sooner had it passed into Japan's possession than vigorous steps were taken for the reclamation work of all arable lands. In 1939 the farm production reached ¥8,167,697, farming households 8,708 and arable lands 331,317 hectares. Yet the lands under actual cultivation cover only 31,835 hectares, which shows that there is still room to accommodate more farming inhabitants. The chief agricultural products are grains, peas and beans, potatoes and green vegetables, and of the grains oats and rye are most abundantly produced. Keeping livestock goes hand in hand with agriculture in the island, for it is by pasturing that the livelihood of the agricultural settlers is made more stable. Every assistance is, therefore, being given by the Karafuto government to live-stock raising. Cattle, horses,

swine and foxes are the principal animals kept, with some sheep, rabbits, chickens, ducks, etc. In 1939 the total live-stock product amounted in money value to ¥4,739,057, about one-half of the entire value of farm products.

## Mineral Products

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

At the end of 1939 there were 113 coal fields under operation of an aggregate area of 117,504,907 tsubo. The following table shows the general trend of the increase:

Year	No. of Coalfields	Area (sq. m.)	Quantity (m. t.)	Value (in yen)
1930	14	97,915,360	644,963	5,822,177
1931	—	—	637,962	5,249,815
1932	—	—	677,354	5,200,889
1933	16	111,848,900	888,913	6,703,919
1934	21	121,186,700	1,196,047	9,119,161
1935	26	39,606,170 (tsubo)	1,515,647	11,475,813
1936	31	41,853,657 ( " )	2,075,157	15,375,128
1937	83	82,543,205 ( " )	2,535,574	—
1938	90	88,650,929 ( " )	—	—
1939	113	117,504,907 ( " )	—	—

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

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

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

#### Fishery Products

The chief fishery products of Karafuto are herrings, salmon, codfish, trout, crabs, whales and fur-seals, the average yearly fishery products reaching as much as ¥10,000,000 to ¥20,000,000 in value. Of these varieties the herring comes first in importance, the 1938 catch being figured at 130,609,689 kilograms. Most of these fishery products are canned in the distributing centers

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

#### VALUE OF FISHERY PRODUCTS

	(In yen)	
Kind	1938	1939
Herring and manufactures	10,553,421	19,574,523
Trout	1,016,705	2,942,324

Kind	1938	1939
Salmon	247,747	1,020,851
Codfish and manufactures	1,241,253	1,963,157
Flatfish and manufactures	574,081	416,195
Crabs	572,783	761,306
Taagle	2,035,658	6,133,240
Sardine and manufactures	23,957	207,594
Shell-fishes	210,219	278,388
Alar-agar	700,717	1,375,018
Others	930,442	4,149,950
Total	10,148,111	38,962,088

#### Timber Production

The island is so thickly and extensively covered with primeval forests that, according to an authoritative estimate, about 2,939,000 hectares, i.e., about 80 per cent of the entire area of the territory, is forest land. In this estimate is included 833,383 hectares reserved for future growth and 79,365 hectares in use for the field work of the Imperial Universities of Tokyo, Kyoto, Hokkaido and Kyushu. There are about 49 species of trees and 73 of shrubs growing on the island, but those that have any commercial value are the Ezo-matsu (*Picea ajanensis*, Fisch), todo-matsu (*Abies sachalinensis*, Mast), gul-matsu, Ichil (the yew, *Taxus baccata*), shirakaba (the silver birch, *Betula alba*), doroyanagi (a willow), hannoki (the black alder) tamo, and a few others. Their distribution is regular, according to districts. In the low coastwise districts we find the yanagi, hannoki, tamo, etc.; on the higher levels grow the todo-matsu and Ezo-matsu, and as we climb the slopes forests of the graceful silver birch mix with and replace the pines (matsu), growing thicker and thicker as the mountain peaks are approached. The gulmatsu (a pine species) grows principally in the lower, damper land. But the todo-matsu and Ezo-matsu are the species which predominate in nearly all parts of the island, occupying as much as 80 per cent of the total forest land. The revenue from the forestry amounted to ¥25,508,000 in 1937.

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

of standing trees. The land was almost as primeval as could be imagined when it was ceded by Russia to Japan in 1905. Moreover, during the earlier period of the new régime, devastation by fire was not infrequent. On the other hand, the increased number of population in the island had the effect of increasing the demand for timber in various ways. The first task which confronted the Karafuto government in their forest administration was therefore how to protect the forests from devastation, how best to fell and how to re-stock. As a tentative re-stocking measure large amounts of seeds of todo-matsu, Ezo-matsu, Kara-matsu and silver birch were sown on a wide burnt patch of mountain-side in the neighborhood of Ochlai in June 1920. As the experiment was satisfactory, seedlings were carried on a tract of 15.47 hectares and 50.01 hectares in 1921 and 1922 respectively. Then in 1923, the seeding work was carried on over a total tract of 4,285.09 hectares, then it was carried in the same way in 1926 and 1927 until in the latter year seedlings were carried on over a tract of 10,460.74 hectares and the supplementary sowings made on a tract of 2,569.68 hectares. The total area of seeding up to 1939 reached 50,379.13 hectares.

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

Location	Acreage (Hectares)	Date of Establishment
Toyohara	15.2110	5/1912
Shimizu	4.9500	5/1920
Tokobo	13.0485	5/1920
Tominalgishi	7.9467	"
Tomarioru	4.6761	"
Takarazawa	4.9839	"
Kawakami	6.7287	"
Otomari	4.9893	5/1926
Tomagawa	69.4040	5/1927
Yamashitagawa	6.1684	5/1927
Minaminazuki	5.3328	5/1929
Obara	6.8878	5/1929
Kitakotami	13.8217	5/1929
Towada	0.1530	5/1920
Contoro	1.2500	5/1930

Location	Acreage (Hectares)	Date of Establishment
Nayori	7.4250	4/1931
Kamishisuka	14.9100	4/1931
Total	137.8869	—

The total area of planting up to 1939 reached 33,290.77 hectares.

**Felling Work** The present Government's felling work was started in May 1927, on the estimated basis of annual production of 535,743 cubic meters of timber. But, in view of the difficulty felt in marketing, the annual aggregate felling was reduced to the basis of 196,370 cubic meters. The business plan for the year 1940 is as follows:

	(In yen)
Receipts	4,709,600
Expenses	1,914,000

#### TIMBER PRODUCTION DURING 1927-1938

Year	(In cubic meters)		
	Felling	Shipment	Delivery
1927	541,630	25,429	7,137
1928	459,340	494,156	509,218
1929	492,061	497,863	504,930
1930	198,742	455,250	455,250
1931	205,587	202,115	202,115
1932	201,020	196,532	196,532
1933	199,555	200,371	200,371
1935	202,413	169,751	173,367
1937	212,507	208,303	208,303
1938	218,016	209,698	209,698

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

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

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

opening or glades, so that in 1939 the total length of these openings for protection from fire reached 1,158,969.

#### FIRE-PREVENTION OPENINGS

Year	Extension (meters)
1930	22,062
1931	27,962
1932	82,840
1933	55,444
1934	28,568
1935	24,039
1936	5,380
1937	50,086
1938	70,644
1939	2,875
Total	1,158,969

**Re-forestation Work** The forest-restocking work is now attained by encouraging the natural recruiting process and in 1929 over an area of 173.36 hectares and then in 1930 over an area of 47.90 hectares have been recruited. In 1939 the same work was carried on over an area of 13,338.58 hectares, bringing the total area accorded this treatment to 39,139.38 hectares.

#### Development of Various Kinds of Industries

With the growth of railway facilities the population began to increase, and, with it, various trade and industrial opportunities became more promising. Ohtomari and Maoka are the two ports with the best future outlook, being connected by railways at Toyohara, the seat of government of the island. Paper-pulp manufacturing, canning, brewing, starch manufacturing and butter-making in 1939 products of various industries amounted to ¥293,247,079 of which products of manufacturing industries aggregated ¥154,619,300 which is compared with ¥37,569,366 of the products of all kinds and ¥17,987,842 of manufacturing industries in 1920, they show tremendous improvements. Various experiments for industrial purposes were conducted and are being continued at the Industrial Experimental Laboratory at Toyohara.

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

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

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

#### PULP FACTORIES IN KARAFUTO

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

**Brewing** Early attempts to brew saké on the island were unsuccessful. The local demand for saké was so pressing, that it led enterprisers to improve all defects in equipment and to procure water of better quality. The result proved promising, and today the island-brewed saké is as good as any produced in Japan proper. There are at present about 52 breweries. The productive value for 1939 amounted to ¥9,173,555.

#### PRODUCTION OF SAKE

Year	Production	
	Quantity (Thousand deci-liter)	Value (In yen)
1930	45,614	1,926,964
1931	41,316	1,830,171
1932	42,748	1,800,285
1933	58,876	2,662,936
1934	70,423	3,205,850
1935	72,382	3,257,035
1936	72,906	3,731,377
1937	81,988	4,536,485
1938	108,971	6,691,804
1939	88,144	9,173,555

**Canning Industry** The canning industry in this island goes back to 1900, and in 1917 the canneries numbered 111, with a total production of ¥3,370,558. Crab-canning heads the list; but the reckless catching following that year caused a falling-off in the production, which was reduced to ¥1,458,000 in 1920. The canneries were also reduced in number to 14 and amalgamated. As a result both the number of mills and products decreased. But the industry has been for a while consoli-

dated and is developing steadily. The number of canneries and their products during the years 1933-38 follow:

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

#### Legal System and Status

Karafuto is different from other dependencies of the country in that more laws of the home land are applied there than in any of the other dependencies. But in the sense that the legal administration is different from that of Japan proper it resembles Taiwan, Chosen, Kwantung Leased Territory and the South Sea Islands. The chief point of difference is that all the laws concerning the judicial system, such as the civil law, criminal law, the laws of civil and criminal procedures, and the law of the constitution of the courts of justice are equally enforced in Karafuto and Japan proper. At present there are 181 laws of the land applied or made applicable in Karafuto, of which 27 laws are operative only partially.

There are one district court, 3 local courts, and 11 detached offices of the 3 local courts in Karafuto.

#### Education

In 1905 Japan found the island a vast,

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

NUMBER OF SCHOOLS, TEACHERS  
AND PUPILS

(April 1940)

	No. of Teachers	Pupils
Elementary schools	276	60,141
Middle schools	4	2,424
Girls' High schools	6	2,213
Takushoku (colonization) schools	1	150

**Education of the Natives** There are some 2,000 natives in Karafuto includ-

ing Ainu, Gilyaks, Orochones and Tunguses. The Karafuto government is undertaking to educate the children of these backward natives. At the educational institution established at Shisukamachi, about 32 children of the natives are taught along the line of the primary school.

**Religion**

The three principal religions, i. e., Shinto, Buddhism and Christianity, are competing with one another in this promising field of labor. There are 42 propagating centers for Shintoism representing five sects, viz., Shinto proper, Kurosumi, Tenri, Konko and Taisha. There are three governmental shrines and these are (1) Karafuto Shrine, (2) Toyohara Shrine and (3) Ani Shrine, all of which are dedicated to Imperial ancestors. August 23 is the day set for annual festival of the Karafuto Shrine, which is also the Inauguration Day of Japanese administration in Karafuto. The shrine is located at Asahigoka in a quiet western hilly suburb of Toyohara, and strikes the chance visitor with a sense of admiration for its grave beauty. The anniversary of the Toyohara Shrine falls on June 16. Buddhism is represented by the Shin, Nichiren, Soto, Shingon, Jodo and other sects. There are 89 temples and 120 preaching houses. Christianity is being preached by missionaries of seven denominations, i. e., Episcopal, Methodist, Presbyterian, Roman Catholic, the Salvation Corps, the Holiness Church and Japan Union Church. The number of Christian churches in Karafuto is 13.

**CHAPTER XLIII**

**SOUTH SEA ISLANDS UNDER JAPAN'S MANDATE**

TOKYO OFFICE :  
Kogin Bldg.,  
Marunouchi, Tokyo



ANGAUR & HUAESU  
PHOSPHATE MINES :  
Angaur Is., Huhaesu Is.,  
South Sea Islands

# NANYO TAKUSHOKU KAISHA, LTD.

Established: 1937

HEAD OFFICE: Palau Is., South Sea Is.

CAPITAL SUBSCRIBED ..... ¥ 20,000,000  
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Taiyo Shinju Kabushiki Kaisha  
Nanpo Sangyo Kabushiki Kaisha  
Nanyo Denki Kabushiki Kaisha  
Nettai Nosan Kabushiki Kaisha  
Nippon Shinju Kabushiki Kaisha  
Honan Sangyo Kabushiki Kaisha

## CHAPTER XLIII

### SOUTH SEA ISLANDS

UNDER JAPAN'S MANDATE

#### Geographical Features

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

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

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

several places good roads are still lacking.

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

#### Groups of Islands

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

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

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

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

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

The Ponape group is located 627.51 km. due east of Truk and consists of 138 islets covering more than 492.10 square kilometers. The island of Ponape, with 350.73 square kilometers in area, ranks first among all the islands of the territory. It is full of hills and is lacking in level land. Textile manufacturing and sugar refining were once started here by the Japanese, but later discontinued. Hope is still retained for some industrial undertaking, and a branch laboratory of the Industrial Experiment Station of the Islands was established here in 1925 to make trial plantings of rice and medical herbs.

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

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

#### Atmospheric Conditions

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

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

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

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

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

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

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

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

#### History

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

Found by the Portuguese, the Marianas came into the possession of Spain. Toward the close of the 19th century, Germany took possession of the Marshalls and threatened to encroach on the Carolines, then under Spanish control. Spain protested, and arbitration by the Pope in 1886 terminated the dispute amicably, the whole of the Carolines remaining under Spanish rule. Assiduous efforts by the Spanish to exploit and govern the islands continued until 1899, when, financially straitened due to the war with the United States, they sold the Marianas and Carolines to Germany. The whole of the present South Sea Islands mandated by Japan was thus shifted to the possession of Germany. The German reign lasted until 1914, when a Japanese squadron occupied the islands, which were later tactically placed under Japanese mandate, following the conclusion of the Paris Peace Treaty and other relevant agreements.

**German Administration** It is gener-

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

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

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

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

**Relations with Japan** It is presumed that there must have been some early intercourse between Japan and the archipelagos because of their geographical position, but there is no reliable evidence for it. The Japanese training cruiser *Ryujo* in 1884 touched at Kusale, an islet belonging to the Ponape group, where the chief of the natives enthusiastically welcomed the crew, declaring that his people were descendants of the Japanese race. In the same year, the Japanese Government, informed of the massacre of a Japanese on Raye Island, of the Marshalls, dispatched Taketaro Goto, who succeeded in settling the matter with the local chieftain. Early commercial relations were initiated by the South Island Company (Nanto Shokai), established at Ponape with the capital of ¥44,000, but its business was soon transferred to the Ichiya Shokai, which failed in 1895. In the year following the appearance of the Nanto Shokai, two other trading firms, the Kaitso Sha and Koshin Sha, came into existence; the former lasted only two years, but the latter carried on business until the Japanese occupation of the islands. The Hioki South Sea Trading Company was founded in 1893, with branches at Ponape, Truk, Salpan and Guam. Since amalgamation with the Murayama Shokai in 1900, it has been operating as the South Sea Trading Company and doing an extensive business.

#### Population

At the end of December 1930, the total population of the mandated territory was 129,104 comprising 51,723 natives, 77,257 Japanese and 124 foreigners. Of the natives, there are 47,687 Kanaka and 4,036 Chamorro. The Chamorro enjoy high birth rate, but the Kanaka scarcely maintain the status quo. Those within the jurisdiction of the Yap branch office show yearly decrease.

When Japan took over the archipelagos, there were only a few scores of Japanese dwellers. Gradually increasing, there are now 46,484 males and 30,773 females, most of them dwelling within the jurisdiction of the Salpan branch office and being engaged in agricultural pursuits.

When placed under Japanese control, the territory had a hundred Germans, mostly engaged in missionary work and commerce. After they left, there remained fewer than 20 foreigners, chiefly Americans and British. There were, at the end of December 1930, 124 foreigners who are nearly all engaged in missionary service, coconut cultivation or the copra trade.

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

#### YEARLY INCREASE OF POPULATION

Period	Japanese	Native	Foreign	Total
1930	19,835	49,693	96	69,626
1932	25,766	50,045	98	75,909
1933	30,670	50,114	100	80,884
1934	35,328	50,174	103	85,605
1935	47,412	51,056	97	98,565
1936	56,496	50,524	117	107,137
1937	62,305	50,849	123	113,277
1938	70,141	50,868	119	121,128
1939	77,257	51,723	124	129,104

#### Tribes, Customs and Manners

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

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

to massacres, until today it numbers only 3,800. The characteristic features are yellowish brown skin and black hair. The Chamorro, unlike the Kanaka, are industrious and mild in nature. Their mode of living is advanced, and some even reside in foreign-style houses with modern improvements. Their present culture owes much to religious influences in the time of Spanish control.

Kanaka is the general term for the natives of the Pacific Islands. Most of those dwelling in the mandated islands belong to this group. They have dark brown or yellowish brown skin, black hair, heavy eyebrows and a big mouth. They are not hairy, and are simple and mild in nature. Though generally of medium stature, some are fairly tall. The Kanaka are cheerful in disposition, but extremely lazy. Their cultural standards are very low, and the mode of living lingers in the primitive stage. Of the total of 50,000 natives in the islands, those belonging to the Kanaka number 46,000.

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

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

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

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

#### Social Conditions

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

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

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

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

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

#### Administration

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

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

supervised by the Communications Minister, and currency, banking and customs matters by the Finance Minister. In emergencies, however, the Governor is authorized to act upon his own discretion and if necessary to request the commander of the naval station or the nearest responsible naval commander to take military action. The Government Office is composed of Governor's Secretariat and 2 Departments of Home Affairs and Development. The Governor's Secretariat is divided into 3 sections of Secretariat, Archives and Investigation, the Department of Home Affairs into 4 sections of Local Affairs, Finance, Tax and Police; and the Department for Development into 5 sections of Agriculture and Forestry, Commerce and Industry, Fisheries, Transportation and Communications. Under the government there are branch offices at Salpan, Yap, Palau, Truk, Ponape and Jaluit. All such general administrative business as census-taking, alms-giving, salvation, policing, hygiene, tax collection, education, religion, industry, engineering and harbor work are conducted by these local branches.

Besides the afore-mentioned, there are, under the control of the Governor, 29 elementary schools, 20 public schools, a woodwork training institute, a high court of justice with a public procurator's office, 3 local courts of justice, each with a public procurator's office, 1 industrial experimentation station with its two sub-stations, 7 hospitals, 1 mine, 2 post offices, 1 meteorological observatory and its 2 branches and 1 industrial school.

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

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

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

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

#### Finance

The expenditure for insular administ-

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

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

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

(In yen)

Fiscal Year	Revenue			Total	Expenditure Total
	From Taxes and Enterprises	Aid from Tokyo Gov.	Balance of the Previous Year		
1922	1,300,548	5,239,900	—	6,540,508	5,393,475
1934	5,132,021	—	2,966,274	8,098,295	5,393,761
1935	6,571,582	—	2,704,533	9,276,115	5,825,649
1936	6,707,277	—	3,450,465	10,157,742	6,606,539
1937	7,188,802	—	3,351,203	10,740,005	8,671,960
1938	11,349,535	—	2,068,038	13,417,574	8,921,817
1939	11,751,045	—	4,495,327	16,246,372	9,793,548

#### Land and Agriculture

All transactions in real estate owned by natives are subject to approval by the government, a practice initiated by the German administration to safeguard the interests of those whose concepts of property are rudimentary. Total acreage is put at 215,000 hectares, of which about 90,000 hectares are thought fit for coconut plantation and general farming.

The land already cultivated is calculated at 54,358 hectares for paddy fields, dry lands, and coconut plantations, leaving more than 25,600 hectares for future development. Engaged in agriculture are 40 per cent of the entire native population, viz., 60,296 natives and 25,288 Japanese at the end of 1939. There being little need of depending for their daily necessities upon farming,



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

Sugar-cane cultivation dates as far back as the beginning of the 16th century, but until the arrival of the Japanese there was no sugar refinery and the inhabitants are the cane raw. The island of Saipan being found fully qualified in both climate and soil, there was established there by the Japanese a sugar industry, which has made a healthy development. From 20 hectares in 1916, cultivation increased to 455 hectares in 1919 and to 6,140 hectares in 1933. In 1938, the crop of sugar-cane amounted to 687,894 metric tons valued at ¥2,392,000. There were two companies, with eight factories, in 1919, but in view of the inadvisability of continuing business on so small a scale, the South Sea Development Company, Ltd., capitalized at ¥20,000,000, was established, taking over the Nishimura Colonial Company, Ltd., and purchasing the South Sea Industrial Company, Ltd. Factories of this company are now located on the islands of Saipan and Tinian, the two principal sources of the raw materials. Each has a pressing efficiency of 1,200 English tons, but completion of new factories in Tinian and Rota increased the capacity by 2,950 English tons. The total value of agricultural products in 1938 amounted to ¥5,828,210.

#### Industry

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

The value of the annual production of the principal industries for 1939 amounted to ¥27,101,905, of which the following are principal products:

Sugar	¥23,597,065
Alcohol	1,007,003
Syrup	1,209,239

Canned foods	806,887
Starch	481,711

#### Forestry

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

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

#### Fisheries

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

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

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

Bonito fishing has, however, advanced to a considerable extent. At present 135 motor boats are all engaged in bonito fishery. Catches of fishes in 1938

amounted to ¥2,462,700 in value. In addition, some pearls and sponges are cultivated, chiefly at Palau. The total value of fishes and shell-fishes caught in 1938 amounted to ¥4,026,284, while that of canned and other manufactures amounted to ¥2,596,072. The grand total, therefore, amounted to ¥6,622,356 in 1938.

#### Mining

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

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

Year	Quantity in m. t.	Value in yen
1931	60,203	1,125,769
1932	65,610	1,205,172
1933	70,336	1,308,540
1934	72,148	1,778,750
1935	74,841	1,775,460
1936	85,823	2,121,113
1937	134,098	3,533,606

Note: Figures are not made public since 1937.

**Encouragement of Enterprises.** Encouragement and financial assistance are given to a number of undertakings, including truck farming; coffee-growing, which have been receiving subsidies since 1927; the breeding of cows, pigs and oxen; the growing of sugar-cane and the manufacture of sugar, which were subsidized to the extent of ¥11,530 in 1938; laundry, barber, shoe-repair and hotel businesses; the cultivation of pearls; and the preparation of dried bonito. As the raising of coconut trees is recognized as one of the most promising industries in the islands, regulations were issued in 1922 stipulating that to those who seriously undertake the planting of coconut palms a subsidy is to be given at a rate not

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

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

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

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

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

#### Trade

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

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

The total exports in 1938 were ¥46,923,180, of which exports to the Japanese mainland were ¥45,262,546. Among exports to Japan, sugar represented ¥24,852,111. The total imports in the same period were valued at ¥31,655,528, of which ¥29,213,319 were from Japan. With countries other than Japan, exports amounted to ¥1,660,634 and imports ¥1,445,509.

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

#### Companies

In 1939, there were 33 companies in the islands with an aggregate paid-up capital of ¥75,077,817. Details follow:

NUMBER AND CAPITAL OF COMPANIES (1939)		
Business	Number	Paid-up Capital (In yen)
Agriculture and Forestry	14	7,385,000

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

Branch office	Motor car	Motocycle	Bicycle	Cart	Wagons	Others	Total
Saipan	159	25	9,351	11	3,242	—	12,798
Yap	1	4	131	9	5	—	150
Palau	30	23	2,270	58	13	—	2,394
Truk	7	3	416	22	2	—	450
Ponape	7	7	514	5	2	—	535
Jaluit	1	—	346	115	—	—	462
Total	205	62	13,028	220	3,264	—	10,779

Note: Publication of figures was ceased since 1937.

Commerce	11	10,972,817
Transportation	5	1,380,000
Fisheries	9	7,435,000
Mining and Industry	12	32,376,000
Development	2	15,323,000
Total	53	75,077,817

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

#### Transportation and Communications

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

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

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

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

Improvement of transportation facilities is now being concentrated on harbors. Generally speaking, the ports are favorable for mooring of steamers with displacements of 3,000 tons, but the long distance between vessels lying at anchor and the landing places, as well as coral rocks extending far into the sea, handicaps their healthful growth as modern commercial ports. The construction of modern harbors depends upon magnanimous appropriations and years of labor. The first real harbor, started in 1926 and completed in 1932 at a cost of more than ¥1,073,000, was at Saipan. In 1933-1935 an enlargement of the wharf was completed with an expenditure of ¥579,000. The third improvement plan which is to be completed within 6 years beginning with 1938 is now carried on. The estimated expenses will reach ¥1,870,000. A second project was launched in 1927 at Corrol, where, between the vessels at anchor and the landing place, lies a coral-reef. The work came to the completion after the expenditure of ¥106,992 in 1930, as the result of which the route has been reduced to one-third of what it used to be. A new wharf was constructed then with an expenditure of ¥84,000, and in 1934-35 another improvement work was completed. For the construction of the port of Palau ¥2,710,000 was appropriated for a 6-year plan beginning with 1930.

**Shipping Routes** Upon the creation of the South Sea Government, all government-controlled shipping routes were placed under the Nippon Yusen Kaisha, Ltd. The schedule for these lines in 1940 follows:

(1) West Round Line: Plying between Japan and the Philippines, the ships touch at Yokohama, Osaka, Kobe, Moji, the insular ports, Manado and Davao, covers the round trip in 35 days, making 36 voyages are made in a year.

(2) East Round Line: Plying between Kobe and Jaluit, the ships of the line call at Saipan, Truk, Ponape, Kusale and Jaluit, covering the round trip in 54 days, making 10 voyages yearly.

(3) East and West Connecting Line: Between Kobe, Palau, Truk, Ponape, Kusale and Jaluit, this line includes calls at various insular ports. Both ways are covered in 56 days, and 6 voyages are made in a year.

(4) Saipan Line: The ports of call are Yokohama, Osaka, Kobe, Moji, Fu-

tami, Hachijo Islands, Saipan and Tinian. 18 round-trips, each made in 30 days, are scheduled for the year.

The number of vessels on these lines is 28, ranging from 3,141 to 6,181 tons.

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

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

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

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

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

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

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

(2) Between Yap and all except the Bonin Islands: dispatched on the submarine cable through Naha, Ryukyu (Loochoo).

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

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

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

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

#### Judicial System

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

The South Sea Government's High Court of Justice is located in Palau. The Palau Local Court of Justice has jurisdiction in the Palau and Yap groups; the Saipan Local Court of Justice, in the Saipan group; and the Ponape Local Court of Justice, in the Ponape, Truk and Jaluit groups. In 1935 there were three judges, two procurators and four secretaries in the judicial system.

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

#### Education

Besides 29 elementary schools for the Japanese, there are 26 for natives throughout the insular territory.

Though education is not compulsory, schools are provided, clothing and food being supplied in particular cases and pupils from remote places being received into dormitories. At the schools for native children, natives are employed as assistant instructors. The Japanese instructors must have the full qualifications of elementary school teachers in Japan proper.

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

Christian schools number 3 in Saipan, 2 in Palau, 6 in Truk, 2 in Ponape and 1 in Jaluit. All of them are attached to churches and naturally concentrate on diffusing knowledge of Christianity. They are not worthy of being called educational institutions in the strict sense.

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

The elementary schools for the Japanese, according to statistics taken at the end of April 1939, have 174 instructors and 8,582 pupils including the continuation course. The schools for natives have 66 Japanese teachers and 26 native assistant teachers, 1,524 boys and 1,157 girls attending elementary school

course, and 500 boys and 266 girls in the continuation course.

There are some private institutions, mostly kindergartens, for Japanese children. At the end of April 1939, kindergartens in Saipan, Yap, Palau, Truk and Ponape, had in all 17 teachers and 453 children.

As there were not very many Japanese children, no middle school was in existence in the archipelago prior to 1933. But owing to the industrial development and the increase of Japanese residents, it became necessary to establish one, and in accordance with the prefectural ordinance of March 1933, an industrial school was established in the island of Saipan.

#### Religion

Among the native inhabitants there is no religion worthy of the name, but they have a sort of religion. Christianity was first introduced and propagated by Spaniards in 1666. A Jesuit missionary worked enthusiastically in Guam until banished in 1766 by Charles III and he is said to have initiated the islanders into the methods of culti-

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

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

#### CHURCHES, MISSIONARIES AND BELIEVERS, April 1939

Religion	Catholic	Protestant	Buddhist	Tenrikyo	Total	
Churches	12	34	13	3	62	
Mission halls	40	123	25	—	188	
Preachers	16	17	14	4	51	
Inmates of Monasteries	14	11	—	—	25	
Native Preachers	23	102	—	—	125	
Believers	Japanese	5	39,722	153	39,990	
	Foreign	12	5	—	17	
	Native	18,693	16,395	15	—	35,103
	Total	18,824	16,405	39,737	153	75,119
Religion	Catholic	Protestant	Buddhist	Tenrikyo	Total	

The Charitable Society, founded on an Imperial donation of ¥1,000, was organized in May 1927, in commemoration of the demise of the late Emperor Taisho. It is financed by the interest accruing to the foundation and contributions, and its principal mission is salvation of the poor and afflicted. So far its main accomplishment has been caring for lepers, 68 of whom were accommodated in the fiscal year 1939 in a sanatoria.

#### Medical and Hygienic Services

In general, there are fewer malignant

diseases in the islands than in other tropical lands. But the fact that most of them are coral reefs and small in area makes it difficult to obtain water supply. Rain-water tanks are the usual source, and they often prove an agency for spreading sickness. When the trade wind begins and ends, bringing changes in the climate, influenza occasionally rages. The natives are unsanitary and hesitate to consult a doctor even when taken ill. Despite untiring efforts by the authorities to better hygienic conditions, long-established customs have impeded progress.

The principal endemic diseases peculiar to the islands are amoebic dysentery, frambœsia and dengue. Dysentery breaks out at places all the year round, but the symptoms are generally slight. Frambœsia, rampant among the natives, afflicts but few Japanese. In recent years, in consequence of injecting salvarsan as a remedy, the number of those contracting it has decreased.

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

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

task of health protection lies heavily upon the shoulders of the government, for the number of private medical practitioners within the territory is still far from sufficient. According to statistics taken at the end of June 1939, officials in the government medical service throughout the insular territory include 25 doctors, 7 pharmacists, 3 secretaries, 9 employees, 9 assistants, 8 midwives and 30 nurses.

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

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

## MANCHOUKUO



# THE CENTRAL BANK OF MANCHOU

ESTABLISHED 1932

The Sole Bank of Issue in Manchoukuo

Governor:

KAN CHAO HSI

Vice-Governor:

KIKUTARO OSAWA

Directors:

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

Auditors:

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



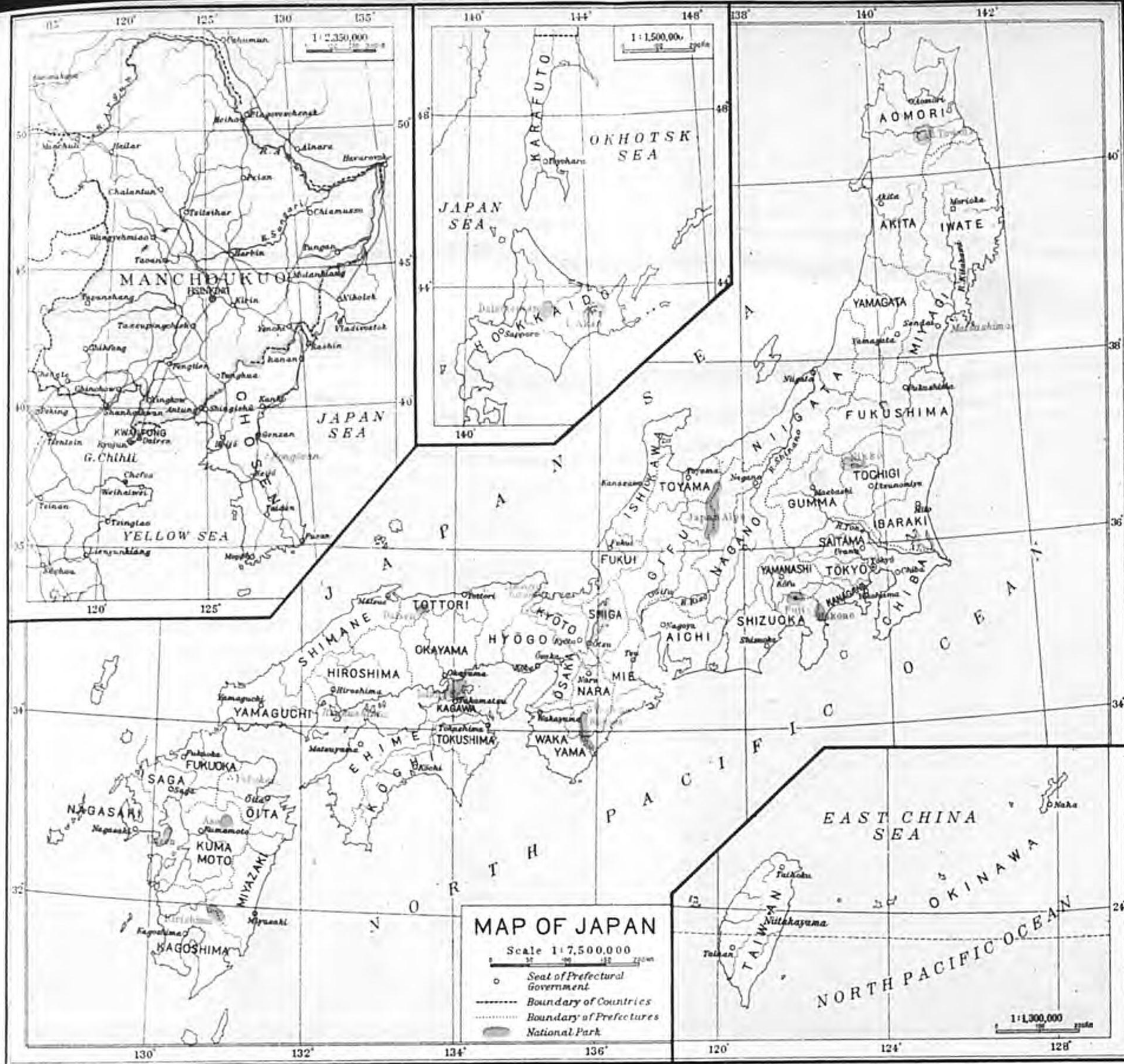
HEAD OFFICE: Hsinking, Manchoukuo

## BRANCHES:

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

## FOREIGN CORRESPONDENTS:

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



## MANCHOUKUO

### Geography

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

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

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

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

**Climate** The climate of Manchoukuo is typically continental, despite the fact

that this country lies within about the same latitudes as Japan, Chosen, France and England.

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

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

### Area and Population

**Area and Population** The area of Manchoukuo is put at 1,303,143 sq. km. and is about twice as large as the combined areas of Japan proper, Chosen, Taiwan, and Karafuto. Prior to 1932 little effort was made to obtain reliable census. In that year the population of Manchoukuo was estimated at 30,000,000 people. Rapid increase immediately followed with the great influx chiefly of Chinese, Chosenese and Japanese. According to the first census taken on October 1, 1940, the population of Manchoukuo reached 43,233,954, consisting of 23,919,963 men and 19,313,991 women. The density of population is 33 per square kilometer.

### POPULATION OF MANCHOUKUO BY PROVINCES

(October 1, 1940)

Provinces	Area (Sq. k.m.)	Population		
		Total	Male	Female
Hsinking Special Municipality	428	554,200	345,700	208,400
Kirin	88,925	5,865,200	3,204,900	2,660,000
Lungkiang	67,483	2,087,800	1,158,800	928,200
Pelan	76,183	2,318,000	1,316,400	1,001,500
Heiho	118,899	149,600	114,600	15,000
Sankiang	90,418	1,417,800	853,300	564,500
Tungan	41,397	522,800	346,500	176,200
Mutankiang	32,975	689,100	447,200	241,800
Pingkiang	63,860	4,236,400	2,369,400	1,866,900
Chientao	30,134	848,800	467,800	381,000
Tunghua	31,705	982,900	603,600	379,200
Antung	26,506	2,232,200	1,171,000	1,061,200
Fengtien	74,860	10,325,500	5,606,400	4,719,000
Chinchou	40,162	4,323,200	2,242,200	2,080,900
Jehol	103,062	4,557,600	2,450,800	2,106,800
West Hsingan	73,934	763,800	427,700	336,000
South Hsingan	76,866	1,026,200	580,500	445,600
East Hsingan	109,107	200,600	120,900	79,700
North Hsingan	156,230	132,400	91,300	41,100
Total	1,303,143	43,233,954	23,919,963	19,313,991

## POPULATION OF KWANTUNG LEASED TERRITORY

(As of December 31 each year)

Year	Manchurians	Japanese	Chosenese	Others	Total
1936	975,935	166,510	4,025	1,564	1,148,034
1937	1,009,870	174,587	3,917	1,629	1,190,003
1938	1,038,613	180,689	4,496	1,772	1,225,570
1939 (July)	1,058,900	184,500	4,800	1,900	1,250,200
1940 (Nov.)	1,171,154	202,324	5,668	1,675	1,380,821

## POPULATION OF PRINCIPAL CITIES

(October 1, 1940)

Mukden	1,135,801	Mutankiang	179,217
Harbin	661,984	Chiamussu	138,667
Hsinking	554,202	Fushun	269,919
Antung	315,242	Anshan	231,865
Yingkou	180,871	Hailar	39,877
Kirin	173,624	Liaoyang	100,165
Chinchou	142,606	Penhsihu	100,057
Tsitsihar	133,495	Dairen	648,476

## Government

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

The present Government organization of Manchoukuo is as follows:

## H. I. M. The Emperor

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

Office of Hsingan Affairs  
 Dept. of Public Peace  
 Secretariat  
 Bureau of General Staff  
 Bureau of Military Affairs  
 Bureau of Police Affairs  
 Dept. of People's Welfare  
 Institute of Cultural Research  
 Secretariat  
 Bureau of Education  
 Bureau of Social Affairs  
 Bureau of Public Health  
 Health Equipment Dept.  
 Dept. of Agriculture  
 Secretariat  
 Bureau of Agricultural Affairs  
 Bureau of Agricultural Production  
 Bureau of Live-Stock Farming  
 Bureau of Colonial Administration  
 Forestry Bureau  
 Special Products Bureau  
 Dept. of Finance and Commerce  
 Secretariat  
 Bureau of Revenue  
 Bureau of Finance  
 Bureau of Industry  
 Bureau of Mining  
 Bureau of Commercial Affairs  
 General Monopoly Office  
 Patent Bureau  
 Hydro-electric Power Construction Bureau  
 Dept. of Communications  
 General Postal Administration  
 Bureau  
 Secretariat  
 Bureau of Railways  
 Bureau of Roads

Bureau of Navigation  
 Dept. of Justice  
 Secretariat  
 Bureau of Civil Affairs  
 Bureau of Criminal Affairs  
 Bureau of Penal Administration  
 Courts  
 Procurator's Offices  
 Offices of Special Municipalities  
 Provincial Government Offices  
 Hsingan Provincial Government Offices  
 Metropolitan Police Board  
 Capital Construction Bureau

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

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

## National Defense

History The Manchurian army has its origin in the Lilan army which rendered great services in founding the Ching dynasty. The soldiers of this army were since then hereditary and were garrisoned in various important points. After the Chinese Revolution of 1911 the army was modernized, and in Manchuria, there were stationed two divisions of the 27th and 28th numbering from 30,000 to 40,000. When Chang Tso-lin came into power, he increased it to 200,000, which was again increased by his son to 260,000 regulars with an additional 100,000 held as provisional forces. There was kept also a small fleet of 7 gunboats to protect trade carried on the rivers. These were the military forces in service under Chang Hsueh-liang at the time of the outbreak of the Manchurian Incident.

Present Status The army and navy of the empire is under the supreme

command of the Emperor, and is garrisoned in defense of particular districts prescribed by the Emperor.

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

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

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

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

## Foreign Relations

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

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

## Finance

While the finance under Chang Tso-lin was comparatively sound in his early administration, the expenditure commenced to increase steadily due to his army being enlarged in the latter days. Thus in 1926, the total expenditure was ¥120,000,000 and showed a budgetary deficit of ¥12,000,000. When

he was succeeded by his son, Chang Hsueh-liang, the deficit was further increased. The recklessness of his finance was evidenced by the fact that, of the total expenditure of ¥142,500,000, the sum defrayed for the military purpose amounted to ¥114,720,000. The deficit thus created was met by increased taxes and inflation of currency, thereby causing the people great misery.

In view of the deplorable state of

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

Manchoukuo's national budgets since its foundation follow:

#### MANCHOUKUO'S NATIONAL BUDGET

(In MY1,000)

	Revenue		Total	Expenditure		Total
	Ordinary	Extra-ordinary		Ordinary	Extra-ordinary	
1932	108,441	44,492	152,923	89,937	39,698	129,635
1933	151,145	43,429	194,574	105,143	60,339	165,482
1934	180,439	34,460	214,899	113,831	73,411	187,242
1935	93,386	39,382	132,768	54,714	45,121	99,835
1936	223,719	39,891	263,610	130,741	90,049	220,790
1937	211,631	36,467	248,098	119,112	128,986	248,098
1938	240,335	64,219	304,555	143,659	160,875	304,555
1939	299,837	103,540	403,377	182,033	221,344	403,377
1940	417,770	155,785	573,555	240,319	333,236	573,555
1941	498,800	154,420	649,420	281,166	368,054	649,200

Note: Figures for 1932-1936 represent settled accounts.

#### MANCHOUKUO'S BUDGETS, 1939-1941

##### (A) General Account Budget

(Unit: Yuan)

##### REVENUE ESTIMATES

Classifications	1939	1940	1941
Ordinary:			
Taxes and duties	203,293,000	323,853,000	—
Customs revenue	107,551,000	171,907,000	—
Taxes	95,742,000	151,946,000	—
Stamp revenue	14,986,598	19,180,000	—
Monopoly profits	76,607,944	56,007,000	—
Revenues from State industries & other sources	4,949,953	18,730,000	—
Total	299,837,495	417,770,000	494,800,000
Extraordinary:			
General	74,641,330	7,770,000	—
From Special Accounts	78,898,830	118,015,000	—
Surplus from previous year	20,000,000	30,000,000	—
Total	103,540,160	155,785,000	154,420,000
Total of revenue	403,377,655	573,555,000	649,220,000

##### EXPENDITURE ESTIMATES

Jurisdictions	1939	1940	1941
Imperial Household	2,100,000	2,050,000	2,050,000
Ordinary	2,100,000	2,050,000	2,050,000
General Affairs Board	131,381,258	210,276,000	186,754,000
Ordinary	49,149,952	73,238,000	94,235,000
Extraordinary	82,231,306	137,038,000	92,519,000
Dept. of People's Welfare	19,225,832	31,925,000	37,247,000
Ordinary	10,352,420	18,595,000	20,811,000
Extraordinary	8,873,412	13,330,000	16,436,000

Jurisdictions	1939	1940	1941
Dept. of Public Peace	137,661,713	181,011,000	221,112,000
Ordinary	82,839,546	102,619,000	109,600,000
Extraordinary	54,822,167	78,392,000	111,512,000
Dept. of Finance and Commerce	35,672,585	62,391,000	84,155,000
Ordinary	16,002,614	17,553,000	19,532,000
Extraordinary	19,669,971	44,838,000	64,623,000
Dept. of Agriculture	20,879,259	43,799,000	69,943,000
Ordinary	5,700,502	7,402,000	13,271,000
Extraordinary	15,178,759	36,397,000	56,672,000
Dept. of Communications	44,006,769	28,741,000	34,279,000
Ordinary	3,789,898	5,554,000	8,044,000
Extraordinary	40,216,871	23,187,000	26,235,000
Dept. of Justice	12,450,239	13,363,000	13,680,000
Ordinary	12,098,905	13,309,000	13,623,000
Extraordinary	351,334	54,000	57,000
Total	403,377,655	573,550,000	649,220,000

##### (B) Special Accounts Budgets

(Unit: Yuan)

##### REVENUE ESTIMATES

Classifications	1939	1940	1941
General Affairs Board:			
Loan adjustment fund	116,423,565	—	—
State loans	396,428,000	—	—
Supplies	77,072,789	89,130,000	89,036,000
Capital Construction Bureau	3,199,687	6,959,000	5,684,000
Provincial finance fund	37,575,400	65,160,000	37,017,000
Officials' mutual relief	3,881,000	—	—
Pension fund	5,618,038	—	—
Pension fund & officials' mutual relief	—	13,630,000	19,130,000
Scientific research fund	4,848,806	6,608,000	6,433,000
Promotion in northern district	—	86,900,000	85,000,000
Dept. of Public Peace:			
Army Clothing Factory	8,566,621	—	—
Arsenal	15,723,140	—	—
Horse race	5,925,684	10,085,000	16,060,000
Ammunition arsenals	—	27,747,000	28,125,000
Dept. of People's Welfare:			
Prohibition of smoking	—	126,160,000	103,951,000
Dept. of Agriculture:			
State forestry project	74,467,899	112,392,000	120,138,000
Gold refining project	—	—	—
Hydro-electric power project	30,566,273	32,017,000	39,730,000
Colonization project	42,313,841	79,960,000	—
Subsidies to colonizing people	—	13,389,000	—
Dept. of Finance and Commerce:			
State properties adjustment fund	10,551,781	20,761,000	23,305,000
Investments	280,327,347	252,695,000	219,982,000
Monopoly projects	195,904,337	393,209,000	382,093,000
Railway loans	8,280,450	10,352,000	—
State loans & the adjustment fund	—	606,962,000	506,219,000
Dept. of Communications:			
Postal administration	14,824,980	—	—
Postal life insurance	3,066,071	—	—
River and irrigation project	4,967,949	5,534,000	4,000,000
Postal administration and Postal Life Insurance	—	32,414,000	46,708,000
Construction of Dalto harbor	—	14,342,000	9,498,000
Dept. of Justice:			
Prison administration	13,075,881	18,766,000	22,253,000
Total	1,351,822,275	2,025,231,000	1,849,078,000



## EXPENDITURE ESTIMATES

Classifications	1939	1940	1941
<b>General Affairs Board:</b>			
Loan adjustment fund	116,423,565	—	—
State loans	396,428,000	—	—
Supplies	76,577,789	89,130,000	89,030,000
Capital Construction Bureau	3,199,687	6,959,000	5,684,000
Provincial finance fund	37,575,400	65,160,000	37,017,000
Officials' mutual relief	2,093,735	—	—
Scientific research fund	4,848,806	6,668,000	6,433,000
Pension fund	3,769,468	—	—
Pension fund & officials' mutual relief	—	9,532,000	13,672,000
Development of northern districts	—	80,900,000	85,000,000
<b>Dept. of Public Peace:</b>			
Army Clothing Factory	8,668,177	—	—
Arsenal	15,723,140	—	—
Ammunition arsenals	—	27,846,000	28,080,000
Horse race	2,865,569	2,931,000	3,360,000
<b>Dept. of People's Welfare:</b>			
Prohibition of smoking	—	101,104,000	87,867,000
<b>Dept. of Finance and Commerce:</b>			
State loans adjustment fund	—	606,962,000	506,219,000
State properties adjustment fund	10,551,781	19,961,000	21,040,000
Investments	280,327,347	252,695,000	219,982,000
Monopoly projects	139,535,569	335,075,000	333,949,000
Railway loans	8,280,450	10,352,000	—
<b>Dept. of Agriculture:</b>			
State forestry project	74,251,165	112,037,000	119,846,000
Gold refining project	—	—	—
Hydro-electric power project	30,566,273	—	—
Colonization project	42,313,841	32,017,000	39,730,000
Subsidies to colonizing people	—	13,389,000	—
<b>Dept. of Communications:</b>			
Postal administration	14,824,980	—	—
Postal Life Insurance	13,393,102	—	—
Postal administration and Postal Life Insurance	—	30,109,000	38,794,000
River and Irrigation project	4,967,949	5,534,000	4,000,000
Construction of Dalto harbor	—	14,342,000	9,498,000
<b>Dept. of Justice:</b>			
Prison administration	13,075,881	18,763,000	22,253,000
<b>Total</b>	<b>1,288,261,674</b>	<b>1,927,475,000</b>	<b>1,758,176,000</b>

## Banking

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

## REPORT OF THE CENTRAL BANK OF MANCHOU

For the Second Half of 1940

ASSETS	(In yen)
Cash and deposits	75,952,325

Cash on hand	10,568,560
Deposits and bullion	65,108,581
Deposits in agencies	163,427
Foreign currency	111,740
Negotiable papers	850,687,018
Bills discounted	380,382,827
Commercial bills	385,560,634
Bills of exchange	822,193
Loans	486,078,340
Advances to the Government	98,335,400
Advances	59,359,670
Advances on current accounts	328,383,260
Exchange bills purchased	16,680
Loans to other banks	4,132,802
Fund for payments	359,027
Suspense payments	14,490,840
Fixed assets	19,514,550

Capital unpaid	15,000,000
Total	1,852,614,414

## LIABILITIES

Deposits	525,254,572
Current deposits	238,939,803
Special current deposits	74,547,475
Deposits at notice	32,092,394
Fixed deposits	17,506,668
Special deposits	17,068,266
Government deposits	145,099,904
Loans	156,752,490
Exchange bill accounts	14,427,386
Remittances paid	14,421,960
Exchange bills sold	5,425
Due to other banks	58,185,690
Payments due	359,027
Suspense receipts	81,931,341
Notes issued	947,050,782
Reserves for retiring allowances	2,105,312
Replenishments	3,800,351
Capital subscribed	30,000,000
Reserve fund	16,030,000
Profit brought forward from last half-year	4,081,379
Net profit for the current half-year	12,636,079
Total	1,852,614,414

## PROFIT AND LOSS ACCOUNT

Gross profits for the current half-year	40,258,552
Gross losses for the current half-year	27,622,472
Net profits for the current half-year	12,636,079
Balance brought forward from last half-year	4,081,379
Total	16,717,459
Reserves for deficits	1,210,000
Reserves for dividends	260,000
Special reserves	1,800,000
Other reserves	1,300,000
Payment to the Government	6,033,052
Bonus and allowances	53,000
Dividend at the rate of 6 per cent per annum	450,000
Balance carried forward	4,611,406

**Currency Problem** The currency in Manchoukuo has been in an extremely complicated condition, native and Japanese and other notes and coins being in circulation. But in the newly regulated system of Manchoukuo currency 21.91 grams of pure silver is taken as the unit called the yuan, there being 100 fen or 1,000 li in one yuan. The new paper notes are issued in five dif-

ferent denominations of 100 yuan, 10 yuan, 5 yuan, one yuan and chiao, or 50 fen, circulated together with 1-chiao and 5 fen nickles and 1-fen and 5-li coppers. The amount of coins issued by the end of 1940 reached MY44,098,000.

**Note Issue** Before opening for business on July 1, 1932, the Central Bank of Manchou took over old notes of 15 different kinds and 136 denominations amounting to MY142,234,881 calculated in the new currency at the exchange rate fixed officially. This figure was gradually reduced and by the end of June 1935 a total of MY138,200,000 or 97.2% had been redeemed by the Bank. The amount of the notes issued by the end of 1940 reached Y947,051,000 against specie reserves Y368,488,000.

**Industrial Bank of Manchou** This bank was founded in accordance with the Industrial Bank of Manchou Law issued by the Manchoukuo Government on December 3, 1936. Its capitalization is Y30,000,000, a half of which is invested by that Government. Its object is to supply capital necessary for industrial development of Manchoukuo, and the domain of its business is not only limited to supply of capital to commerce, but to large and small industries on a basis of long-term and low interest rate. The bank is vested with authority to issue industrial debentures 15 times its paid-up capitalization. The Manchoukuo Government will guarantee for payment of principal and interest of loans for the bank, when the latter intends to raise necessary loans by floatation of its debentures abroad.

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

Name	Authorized Capital
(1) Manchoukuo Banks	
Fengtien Commercial & Industrial Bank	MY2,200,000
Fengtien Commercial Bank	1,000,000
Yingkow Bank	1,000,000
Kung Cheng "Yu" Bank	500,000
Tungpian Industrial Bank	1,500,000

Name	Authorized Capital	Name	Authorized Capital
I Fa Bank	1,000,000	Banking Corporation	\$5,000,000
I Tung Commercial Bank	1,000,000	National City Bank of New York	\$150,000,000
Hul Hua Bank	250,000	The Chartered Bank of India, Australia and China	£3,000,000
(2) Japanese Banks			
Yokohama Specie Bank	¥100,000,000		
Bank of Chosen	400,000,000		
Shoryu Bank	12,000,000		
Manshu Bank	10,000,000		
(3) Chinese Banks			
Central Bank of China	25,000,000		
Bank of Communications	10,000,000		
Chin Cheng Bank	10,000,000		
Ta Chung Bank	4,000,000		
(4) Other Foreign Banks			
Russo-Asiatic Bank	R65,000,000		
The Far Eastern Bank	\$5,000,000		
Hongkong & Shanghai			

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

Encouraged by the favorable results of the two credit associations which were created in 1932 in Fengtien province the Finance authorities in 1933 inaugurated eight similar associations in Fengtien, two in Kirin and one in Heilungkiang province. The number has been increased year by year, and it reached 126 in 1938.

#### DEPOSITS AND LOANS OF BANKS IN MANCHOUKUO

(As outstanding at the end of each year)

(In ¥1,000)

	Deposits						Total
	Central Bank	Industrial Bank	Other Manchurian Banks	Chinese Banks	Western Banks	Japanese Banks	
1935	151,934	—	11,364	34,411	14,568	382,157	594,434
1936	225,582	—	13,042	25,918	12,447	444,249	721,238
1937	265,580	244,270	32,676	20,184	16,233	132,785	711,728
1938	386,849	388,150	47,912	15,338	16,528	132,584	987,361
1939	752,349	568,692	101,901	17,068	20,114	202,674	1,662,797
1940 (Sept.)	501,640	658,383	155,149	16,794	23,175	236,638	1,591,781

	Loans						Total
	Central Bank	Industrial Bank	Other Manchurian Banks	Chinese Banks	Western Banks	Japanese Banks	
1935	171,000	—	33,800	25,428	30,277	296,779	532,784
1936	197,360	—	36,586	23,540	24,457	363,012	649,954
1937	212,569	258,995	57,288	17,866	30,070	162,917	739,705
1938	419,997	412,419	71,800	14,901	22,247	290,223	1,231,588
1939	871,190	790,373	98,685	14,754	11,154	513,173	2,299,329
1940 (Sept.)	869,737	1,141,921	128,382	14,865	9,172	534,972	2,699,046

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

(In yen)

	Deposits	Loans
Cooperative credit associations	39,762,000	60,064,000
Credit societies	5,793,000	11,222,000
Mutual loan societies in city area	22,972,000	13,179,000
Mutual loan societies in rural districts	3,504,000	5,890,000

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

##### Manchurian Savings

(In yuan)

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

##### Japanese Savings

(In yuan)

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

#### BUSINESS CONDITIONS AND ECONOMIC CONTROL

The five-year plan of Manchoukuo's industrial development entered its fourth year in 1940. In view of the encouraging result in the preceding year, a certain large production increase was expected in 1940. However, because of the various changes in the situation due to the aggravation of the European War, the past economic plan was forced to be rationally revised. As a result, various State plans such as those concerned with industrial development, materials mobilization, industrial funds and exchanges were re-examined and the priority principle which brought about a renovation in administrative, economic and monetary operations was further strengthened.

The five-year plan was devised for the industrial development in Manchoukuo and was set into operation in 1937 to last till 1941. According to the original plan, the total amount of funds required for the purpose were fixed at ¥2,500,000,000 for the five years. Of the total, about 50 per cent or ¥1,220,000,000 was allotted to mining and manufacturing industry and 50 per cent of ¥720,000,000 to transportation. The remaining amount was allotted to agriculture, live-stock farming and general development operations.

With the China Affair expected to be procrastinated, however, this original

plan was subjected to a drastic revision from the second year. According to a revised plan announced in April 1938, the industrial funds involved in the plan were doubled in ¥5,000,000,000. A further advance to ¥6,000,000,000 was announced at the Japan-Manchoukuo-China Economic Roundtable Conference held in Osaka in that year. According to the plan made public by this conference, it was found that the amount allotted to mining and manufacturing industry was increased to ¥5,000,000,000, nearly four times as much as the amount in the original plan and accounting for 82 per cent of the total, while the portions allotted to transportation, communication, agriculture, live-stock farming and immigration were left almost intact. This plan of the roundtable parley, too, was subjected to revision because of the adoption of the higher-tensioned priority principle necessitated by changes in international situation. In June 1940, the Agriculture Promotion Division was newly created by the Government for the purpose of reorganizing and synthesizing the Industrial and Economic Divisions and thereby renewing economic and administrative operations and stabilizing a new policy of promoting agriculture and increasing agricultural production. At the same time, the State Govern-

ment embarked upon the adjustment and strengthening of the system of distribution of daily necessities, strengthened control over civil engineering and labor, introduction of control measures over prices and materials, adjustment of industrial funds and strengthened control over exchanges.

The demand for funds for the execution of the five-year plan kept on increasing year after year. As a result, imports from Japan of construction materials, daily necessities and other consumption goods continued incessantly upward. For payments for such imports, Manchoukuo also depended largely upon Japan.

Since the start of 1940, the money market in Japan became stringent. The supply of materials fell short of demand because of the procrastination of the China Affair and the increasing difficulty in the acquisition of foreign currencies. Japan also had to bend its efforts toward the consumption of the China Affair bonds. On the other hand, the supply of funds to the yen bloc countries rapidly advanced. As a result, the supply of industrial funds within Japan became steadily scarce and the consumption rate of the bond market grew gradually dull. In view of the situation, opinions became dominant favoring a restriction over Japanese investments in Manchoukuo. At the time of the formal decision on the Japan-Manchoukuo materials mobilization plan, therefore, experts of the Ministry of Commerce and Industry, Cabinet Planning Board and Manchurian Affairs Bureau pointed out the enlarged scale of the operations of the various industrial plans of Manchoukuo as compared with the proposed materials mobilization plan and indicated the difficulties likely to be encountered in carrying out a funds adjustment plan concerned under the existing conditions of the Japanese bond market. Thus, the reorganization of the priority principle as contained in the original plan was demanded. In order to meet the demand from the Japanese side, therefore, the Manchoukuo Government established measures for enforcing the priority principle as a temporary measure for coping with the five-year plan. For this purpose, the Government Authorities decided to adopt a drastic retrenchment policy in the operation of economic and financial plans. Under the circumstances, the

Manchoukuo Government, at a session of the State Council held on June 3, 1940 decided upon a policy of restricting industrial funds in 1941, and at the same time clarified a policy for compiling the executive budget. In this manner, the State Government set a rational limit to the total industrial funds plans for 1941 and restricted the actual amount of the State budget. On the other hand, the State authorities made the priority principle thoroughly permeate among special companies and private firms concerned with industrial operations and conducted in parallel the compression of industrial funds plans and curtailment of expenses. Further, the operation of restrictions over industrial funds in agricultural, mining, industrial and commercial divisions was strengthened and rationalized and the overseas payments of funds were adjusted and rationalized. In accordance with the aim of the industrial funds adjustment for 1941, the Government had caused 150 companies to submit revised funds plans with their industrial and business expenditures curtailed in general. The experts of the Economic Division of the State Government closely examined the contents of those funds plans and invited the representatives of those companies, classified by industries, on several occasions for technical arrangements. With the examination of the funds plans of various companies affiliated with the Manchuria Industrial Corporation the State Government completed its investigations and adopted the revised industrial plan in toto. In this plan, the Government made all the necessary allowances for the adoption of the priority principle with special consideration to industrial funds, production conditions, etc. of key companies closely related to the five-year plan, inclusive of 75 mining and manufacturing industrial firms, 7 transportation and communication firms, 5 general development and immigration firms and 18 other concerns. As a result, the State Government succeeded in curtailing the ¥2,640,000,000 plan into a ¥2,000,000,000 plan. For raising the ¥2,000,000,000 needed by the revised funds plan, the Government curtailed its dependence on Japan in view of the stringency of the balance of international accounts and the supply of domestic funds in Japan, and instead concentrated its attention on sources within the country. At the same time,

however, the raising of yen funds was expected to make a slight increase over the original schedule in order to accelerate the trend of investments in Manchoukuo. The Government decided to further curtail the revised fund plan and lowered the total to the ¥1,800,000,000 mark, the 1940 level, for the purpose of checking the advance of prices and expansion of currency as much as possible, depending on the future transition of circumstances both at home and abroad. Later, in September 1940, the combined industrial funds plan of the 105 key companies for 1941, compressed to ¥2,000,000,000 (further reduced to ¥1,800,000,000 for actual expenditures and ¥200,000,000 as reserves) was cut to ¥1,500,000,000 because of the strengthened priority principle necessi-

tated by the supply-demand relations of materials. Under the circumstances, the establishment of new firms and the payment of increased capital were licensed with special reference to the amount of industrial funds demanded for the year and bank loans to non-urgent enterprises were restricted. In addition, the Government Bonds Underwriters' League was organized for the purpose of raising funds within Manchoukuo as a measure for positively accelerating the civil consumption of Government bonds. The Government, on its part, also economized the State expenditures as much as possible, and adopted an extreme retrenchment policy in floating bonds and debentures for enterprises directly concerned with the Government operations.

TABLE 1. FLUCTUATIONS OF INDUSTRIAL SHARE PRICES  
IN MANCHOUKUO  
(Prices per share)

	January 1940		April 1940		September 1940		November 1940	
	High	Low	High	Low	High	Low	High	Low
Spinning	¥73.75	¥68.94	¥71.20	¥69.83	¥58.38	¥53.34	¥57.12	¥51.14
Chemical	56.81	51.05	62.55	58.59	55.64	52.77	51.44	46.82
Metal	66.00	58.00	64.70	61.33	59.00	48.00	46.84	43.50
Machinery	57.65	51.92	59.72	57.25	41.90	35.75	41.71	36.27
Sawing	103.00	92.25	114.50	114.00	106.50	100.50	106.50	91.50
Foodstuffs	50.70	48.80	51.08	49.32	47.39	43.50	41.10	38.32
Printing	37.50	34.25	35.50	33.00	37.50	37.50	37.50	36.50
Ceramics	50.52	45.34	52.36	50.58	50.90	48.53	71.57	67.12
Electricity	49.15	47.10	55.20	51.64	51.40	39.05	49.43	46.08
Gas	73.60	71.10	80.00	79.70	78.00	78.00	49.05	47.75
Other	80.57	73.37	92.37	80.15	86.50	73.72	70.00	64.00
Total average	63.56	58.43	67.19	64.12	61.20	56.87	56.56	51.72

TABLE 2. BUSINESS RESULTS OF INDUSTRIAL COMPANIES  
IN MANCHOUKUO

Terms	Number of Firms	Paid-up Capital (In ¥1,000)	Profits	Profit Rates	Dividend Rates
Spinning:					
1939 1st half	5	23,500	6,032	54.9%	12.8%
1939 2nd half	5	26,250	4,957	37.2%	12.2%
1940 1st half	5	32,125	5,824	34.7%	11.6%
Metal:					
1939 1st half	5	25,650	1,844	20.2%	7.8%
1939 2nd half	5	28,820	2,178	20.7%	8.2%
1940 1st half	5	28,820	2,338	18.8%	8.2%
Machinery:					
1939 1st half	2	21,600	2,798	29.9%	10.0%
1940 1st half	2	21,600	2,924	26.2%	10.0%
1940 2nd half	2	23,600	2,944	24.6%	10.0%
Chemical:					
1939 1st half	8	16,970	1,611	27.8%	11.0%
1939 2nd half	8	17,198	1,872	38.4%	10.3%
1940 1st half	8	21,198	1,953	40.1%	10.5%

Terms	Number of Firms	Paid-up Capital (In ¥1,000)	Profits	Profit Rates	Dividend Rates
<b>Foodstuffs:</b>					
1939 1st half	7	19,755	2,255	25.7%	8.9%
1939 2nd half	7	21,775	2,650	29.5%	8.9%
1940 1st half	7	28,525	2,982	27.8%	9.0%
<b>Ceramics:</b>					
1939 1st half	5	9,650	1,101	20.8%	9.0%
1939 2nd half	5	14,650	1,063	19.2%	9.0%
1940 1st half	5	15,650	1,000	14.6%	8.0%
<b>Electricity:</b>					
1939 1st half	1	107,500	5,555	10.2%	7.0%
1939 2nd half	1	125,000	5,875	9.4%	7.0%
1940 1st half	1	142,500	6,094	9.1%	7.0%
<b>Gas:</b>					
1939 1st half	2	20,000	1,455	15.9%	8.0%
1939 2nd half	2	20,000	1,559	15.5%	8.0%
1940 1st half	2	20,000	1,466	16.0%	8.0%
<b>Other:</b>					
1939 1st half	5	30,966	2,482	28.9%	8.4%
1939 2nd half	5	30,066	3,454	31.9%	8.6%
1940 1st half	5	34,927	4,142	34.2%	7.4%

TABLE 3. BUSINESS RESULTS OF SPINNING COMPANIES IN MANCHOUKUO

	Paid-up Capital	Various Reserves (In ¥1,000)	Profits	Profit Rates	Dividend Rates
<b>Manchurian Spinning:</b>					
1939 1st half	3,750	1,886	1,789	95.4%	15.0%
1939 2nd half	5,000	2,174	1,475	61.5%	15.0%
1940 1st half	5,000	2,463	1,052	42.0%	15.0%
<b>Yingkow Spinning:</b>					
1939 1st half	8,000	2,301	2,033	50.8%	18.0%
1939 2nd half	8,000	2,301	1,758	43.9%	15.0%
1940 1st half	8,000	3,901	1,642	40.1%	12.0%
<b>Manchurian Raw Silk:</b>					
1939 1st half	2,750	761	1,118	81.2%	12.0%
1939 2nd half	4,250	969	639	39.3%	12.0%
1940 1st half	4,250	1,181	816	38.4%	12.0%
<b>Total average:</b>					
1939 1st half	14,500	4,948	4,940	75.8%	15.0%
1939 2nd half	17,250	6,244	3,872	51.5%	14.0%
1940 1st half	17,250	7,545	3,510	40.1%	13.0%

TABLE 4. BUSINESS RESULTS OF MANCHURIAN WOOL TEXTILE COMPANY AND MANCHURIAN HEMP INDUSTRIAL COMPANY

	Paid-up Capital	Various Reserves (In ¥1,000)	Profits	Profit Rates	Dividend Rates
<b>Manchurian Wool Textile:</b>					
1939 1st half	6,625	510	827	24.9%	9.0%
1939 2nd half	6,625	725	928	28.0%	9.0%
1940 1st half	12,500	1,860	2,114	36.2%	9.0%
<b>Manchurian Hemp Industrial:</b>					
1939 1st half	2,375	1,089	265	22.2%	10.0%
1939 2nd half	2,375	1,119	157	13.2%	10.0%
1940 1st half	2,375	1,174	200	16.8%	10.0%

TABLE 5. BUSINESS RESULTS OF METAL INDUSTRIAL COMPANIES IN MANCHOUKUO 1939-1940

	Paid-up Capital	Various Reserves (In ¥1,000)	Profits	Profit Rates	Dividend Rates
<b>Sumitomo Metal Industrial:</b>					
1939 1st half	10,000	311	552	11.0%	8.0%
1939 2nd half	10,000	415	563	11.2%	8.0%
1940 1st half	10,000	518	543	10.8%	8.0%
<b>Manchurian Electric Wires:</b>					
1939 1st half	6,250	138	312	9.9%	6.0%
1939 2nd half	7,500	268	424	13.1%	8.0%
1940 1st half	7,500	458	533	14.2%	8.0%
<b>Anshan Steel Materials:</b>					
1939 1st half	3,000	358	373	24.8%	10.0%
1939 2nd half	3,000	459	397	26.4%	10.0%
1940 1st half	3,000	560	403	26.8%	10.0%
<b>Manchurian Steel Casting:</b>					
1939 1st half	5,000	427	307	12.3%	—
1939 2nd half	5,000	777	428	17.1%	—
1940 1st half	5,000	1,197	468	18.7%	—
<b>Manchurian Cast Products:</b>					
1939 1st half	1,400	169	300	42.9%	15.0%
1939 2nd half	3,320	244	366	35.9%	15.0%
1940 1st half	3,320	344	391	23.5%	15.0%

TABLE 6. BUSINESS RESULTS OF MECHANICAL INDUSTRIAL COMPANIES IN MANCHOUKUO 1939-1940

	Paid-up Capital	Various Reserves (In ¥1,000)	Profits	Profit Rates	Dividend Rates
<b>Dairen Machinery:</b>					
1939 1st half	13,000	5,145	1,947	40.2%	10.0%
1939 2nd half	13,000	6,594	1,981	30.5%	10.0%
1940 1st half	15,000	7,544	1,985	27.1%	10.0%
<b>Manchurian Arsenal:</b>					
1939 1st half	8,600	654	851	19.6%	10.0%
1939 2nd half	8,600	821	943	21.9%	10.0%
1940 1st half	8,600	959	959	22.2%	10.0%

TABLE 7. BUSINESS RESULTS OF CHEMICAL INDUSTRIAL COMPANIES IN MANCHOUKUO 1939-1940

	Paid-up Capital	Various Reserves (In ¥1,000)	Profits	Profit Rates	Dividend Rates
<b>Manchurian Paints:</b>					
1939 1st half	700	335	227	37.6%	12.0%
1939 2nd half	700	555	208	59.4%	9.0%
1940 1st half	1,000	595	226	57.1%	10.0%
<b>Yamato Dyes:</b>					
1939 1st half	1,300	169	151	26.6%	10.0%
1939 2nd half	1,300	268	192	29.5%	10.0%
1940 1st half	2,000	363	270	30.5%	10.0%

	Paid-up Capital	Various Reserves (In ¥1,000)	Profits	Profit Rates	Dividend Rates
<b>Oils and Fats</b>					
Industrial:					
1939 1st half	500	303	151	19.3%	10.0%
1939 2nd half	500	335	192	24.1%	8.0%
1940 1st half	500	346	270	13.4%	8.0%
<b>Manchurian Soda:</b>					
1939 1st half	8,000	563	454	11.3%	8.0%
1939 2nd half	8,000	726	510	12.7%	8.0%
1940 1st half	11,000	893	567	18.1%	8.0%
<b>Manchurian Hides and Leathers:</b>					
1939 1st half	850	95	83	20.7%	8.0%
1939 2nd half	1,000	134	98	19.6%	8.0%
1940 1st half	1,000	178	101	20.1%	8.0%
<b>Fushun Paper Mfg.:</b>					
1939 1st half	120	132	33	54.5%	20.0%
1939 2nd half	198	103	94	110.3%	20.0%
1940 1st half	198	193	136	137.2%	20.0%
<b>Yalu River Paper Mfg.:</b>					
1939 1st half	4,000	411	515	25.7%	10.0%
1939 2nd half	4,000	550	509	25.4%	10.0%
1940 1st half	4,000	650	456	22.8%	10.0%
<b>Luhø Paper</b>					
<b>Manufactory:</b>					
1939 1st half	1,500	286	200	26.7%	10.0%
1939 2nd half	1,500	366	200	26.6%	10.0%
1940 1st half	1,500	431	164	21.8%	10.0%

#### Industrial Development Plan

The five-year industrial development plan has been carried out last four years and it is to end in 1941. A new five-year expansion plan is under contemplation among competent authorities.

**Results of the Fourth Year** In the execution of the five-year plan in 1940 the responsible authorities met with various difficulties arising out of the complicated international situation of the country. The results reaped in the fourth year, however, were much better than in the preceding year. The reports of the Planning Bureau on the practical results compared with the preceding year or the fixed goal for the year follow:

(1) Iron and Mining Industries. Taking the production in 1939 as 100 the output of pig iron 104, steel ingot 102, steel 110, coal 108, liquid fuel 100.

(2) Other minerals. Lead 308, zinc 213, copper 190, light metals 200, asbestos 107.

(3) Electricity. Electric industries have attained the goal fixed for the year under the five-year program.

(4) Agriculture. Taking the fixed

amount for the year under the five-year program as 100, the crop of kaoliang 104, whitened rice 127, barley 122, wheat 75, rice 116, hemp 100, beat 90, cotton 70, oil materials and soya beans 80, groundnuts 50.

(5) Colonization. Compared with the goal fixed for the year (100), Japanese immigrants 85, Chosenese immigrants 65, volunteers 80. The number of farming households for cultivating new lands since the beginning of the colonization plan reached 30,000 of such households from Japan, 24,000 from Chosen, 20,000 of the country men, 40,000 of volunteers, and 20,000 of seasonal volunteers.

(6) Live-stock. Sheep 100, cattle 80, pigs 90.

(7) Accumulation of Capital. In spite of the unfavorable conditions in the money markets in and out of the country the necessary amount of capital for the expansion of industries has been successfully obtained, 55 per cent of which coming from Japan.

(8) Communications. Facilities for transportation and communications have been improved and enlarged as planned overcoming many difficulties.

#### Manchuria Industrial Development Corporation

The Manchuria Industrial Development Corporation was established in December 1937 with an authorized capital of 450 million yuan. Of the total, 390,750,000 yuan are paid up, one-half is furnished by the Manchoukuo Government and one-half by private interests which in fact are the shareholders of the Nippon Industrial Company which operates 18 huge subsidiary enterprises and 130 attendant projects with a combined authorized capital of ¥900,000,000 in Japan. Its object is defined in the Administration Act as expediting the coordinated establishment of heavy industries and controlling those industries. For this purpose the Corporation is au-

thorized "to invest in any or all of the following industries and to direct the management thereof in this country: (1) iron and steel industry; (2) light metal industry; (3) automobile manufacturing industry; (4) aeroplane manufacturing industry; and (5) coal industry." It is authorized also that the Corporation "may invest in the business of mining gold, zinc, lead, copper, and other metals or other enterprises" by obtaining governmental permission for businesses other than the mining.

#### Companies in Manchoukuo

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

#### NUMBER AND CAPITAL OF BANKS AND COMPANIES AT THE END OF MARCH 1940

Compiled by the Central Bank of Manchou  
(In ¥1,000)

Kinds	Joint-stock Companies			Limited Partnerships	
	Number	Authorized Capital	Paid-up Capital	Number	Capital
Banks	52	95,816	49,715	—	—
Bourses	11	26,185	9,310	—	—
Mutual loan societies	14	2,690	1,467	—	—
Other financing organs	109	85,157	42,478	59	1,201
Commercial firms	344	273,426	159,658	1,110	33,298
Markets	9	3,615	2,539	—	—
Spinning and dyeing factories	39	127,817	69,043	21	928
Chemical industries	107	510,256	247,222	43	3,960
Metallic and machine industries	113	665,924	533,396	76	3,016
Lumber and wood work	54	42,575	31,296	60	3,147
Foodstuff industries	91	84,985	56,978	99	3,094
Miscellaneous industries	54	140,413	108,837	87	1,931
Kiln and mining	121	1,311,571	1,114,470	94	13,226
Electric and gas	24	214,414	198,829	—	—
Transportation	74	937,425	825,982	86	3,580
Warehousing, insurance and communications	13	111,925	59,893	7	428
Real estate and building	76	103,853	62,107	69	4,559
Colonization	89	196,433	143,853	70	4,718
Contractors	61	54,150	36,989	198	19,125
Press	46	27,881	15,389	16	764
Hotels and amusement places	25	15,958	12,196	30	1,380
Others	26	7,805	4,405	81	1,546
<b>Total</b>	<b>1,552</b>	<b>5,040,275</b>	<b>3,786,052</b>	<b>2,206</b>	<b>99,901</b>

Kinds	Unlimited Partnerships		Total	
	Number	Capital	Number	Capital
Banks	—	—	52	95,816
Bourses	—	—	11	26,185
Mutual loan societies	—	—	14	2,690
Other financing organs	16	610	184	86,968
Commercial firms	811	48,688	2,265	355,412

Kinds	Unlimited Partnerships		Total	
	Number	Capital	Number	Capital
Markets	—	—	9	3,615
Spinning and dyeing factories	22	909	82	120,654
Chemical industries	34	1,319	184	515,535
Metallic and machine industries	33	2,531	222	671,471
Lumber and wood work	10	832	124	46,554
Foodstuff industries	79	5,543	269	93,622
Miscellaneous industries	20	1,004	161	143,348
Kiln and mining	25	1,181	240	1,325,978
Electric and gas	—	—	24	14,414
Transportation	34	2,106	194	943,111
Warehousing, insurance and communications	2	115	22	112,469
Real estate and building	36	7,560	181	115,972
Colonization	20	9,526	179	210,677
Contractors	48	5,998	307	79,273
Press	10	209	72	28,854
Hotels and amusement places	12	411	67	17,749
Others	38	416	145	9,769
Total	1,250	88,958	5,008	5,229,134

YEARLY COMPARISON OF JOINT-STOCK COMPANIES AND GOVERNMENTAL COMPANIES

(Amount in ¥1,000)

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

INDEX NUMBER OF HSINKING WHOLESALE PRICES

(1933=100)

	1937	1938	1939	1940
Staple products	202.4	202.9	271.4	187.7
Cereals	134.4	141.6	195.8	305.0
Foodstuff and delicacies	112.5	124.9	155.4	201.9
Textiles	106.5	151.6	191.9	219.1
Fuels	98.6	106.9	155.7	209.4
Hardware	161.7	211.6	166.6	182.7
Building materials	106.6	128.6	129.8	175.5
Miscellaneous	112.5	149.5	198.8	296.9
Average	125.1	149.6	181.3	229.4
Principal commodities:				
Beans	167.2	159.1	199.3	—
Kaoliang	268.5	302.5	387.1	—
Cotton yarn	124.1	169.0	181.2	—
Pig iron	169.2	196.3	196.8	—
Coal	101.3	107.6	119.1	—

Japan's Investment in Manchoukuo

Japan's investment in Manchoukuo was estimated to have amounted to about ¥1,700,000,000 before the Manchurian incident of 1931. According to the South Manchuria Railway Company, the pre-incident investments were distributed as follows: 30 per cent in transportation; 11.6 per cent in finance; 8.7 per cent in commerce; 16.2 per cent in agriculture, forestry and mining; 9.2 per cent in industry; and 26.3 per cent in other enterprises. It is further classified that out of the ¥1,700,000,000 investments, ¥837,000,000 took the form of investments in securities and the remaining ¥863,000,000 in limited and unlimited partnership companies and private companies.

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

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

To the above huge total were added new investments amounting to ¥900,521,000 during 1932-35 or first four years of the new State, making the total investments up to 1935 around ¥2,600,000,000. During the period under review, according to the reports of the Manchurian Affairs Bureau, ¥262,995,000 were added in 1936, ¥341,273,000 in 1937, ¥430,981,000 in 1938, and ¥1,103,713,000 in 1939. The grand total of Japanese investments in Manchuria at the end of 1939 is thus estimated to be around ¥4,739,483,000. The total amount of Japanese investments in the form of shares and bonds in 1940 reached ¥2,815,205,000.

JAPANESE INVESTMENTS IN MANCHOUKUO DURING 1940

(In ¥1,000)

	Amount Newly-issued	Conversion	Total	Redemption	Outstanding At the End of the Year
National bonds	200,000	—	200,000	2,000	620,900
Bank bonds	45,000	—	45,000	—	75,000
Company shares	234,000	—	234,000	3,650	734,700
Shares of Japanese companies in Manchoukuo	245,000	38,000	283,000	45,545	1,384,605
Total	724,000	38,000	762,000	51,195	2,815,205

Agriculture

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

Arable Land The area of arable land

in Manchoukuo in 1935 follows:

AREA OF ARABLE LAND IN MANCHURIA

(Unit: hectare)

Provinces	Total Area	Arable Land
Kirin	11,276,777	4,618,860
Lungkiang	16,042,130	8,223,280
Heiho	2,858,260	873,180
Sankiang	9,685,380	4,090,750
Pinkiang	16,882,840	6,347,340
Chientao	4,629,220	1,853,780
Antung	8,160,250	425,000
Fentien	7,068,350	3,252,560
Chinchow	2,290,330	795,090
Jehol	13,606,060	1,217,930
Total	92,499,590	31,697,870

Number of Farmers In 1934, there were 4,008,053 farming households in Manchoukuo. It represents 85.2 per cent of the total number of households in the country. The number of house

members of those homes was estimated at 25,667,000 or 84.7 per cent of the total population.

**Agricultural Products and the Area of Cultivated Land** As it is commonly known, the primary crops of Manchuria are soya beans, kaoliang, millet, corn, and wheat. The total land area used for the raising of these products is

80%. The remaining crops are paddy rice, upland rice, beans, green peas, buck wheat, cane, barnyard grass, rye, and barley, which are raised throughout Manchuria, while cotton, tobacco, hemp, flax, perilla, gingelly, etc., are widely raised. Together with cabbage, hop, fruits and lucerne, the entire agricultural products of Manchuria number some 40 or 50 species.

#### CULTIVATED AREAS AND PRODUCTION OF CEREALS

##### Cultivated Areas (In 1,000 hectares)

	Soya Beans	Other Legumes	Kaoliang	Millet	Maize	Wheat	Rice	Other Cereals
1936	3,468.4	378.1	2,994.7	2,554.9	1,312.7	1,094.4	289.4	983.0
1937	3,590.8	375.7	3,046.0	2,613.2	1,418.8	1,216.1	315.4	1,086.6
1938	4,034.9	452.2	3,805.3	3,530.9	1,827.7	1,162.5	354.5	1,598.2
1939	4,156.5	521.5	3,928.6	3,690.1	2,006.8	1,282.1	389.1	1,704.9
1940	3,821.5	523.1	4,106.8	3,902.1	2,301.9	1,021.9	429.0	1,756.0

##### Production (In 1,000 metric tons)

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

**Immigration of Japanese and Chosenese Farmers** As a result of the Manchurian Incident the various obstacles brought to bear upon the Japanese, were effectively eradicated in 1931. The Japanese settlers were now entitled to hold land and to carry on commerce, and contrary to the previous situation, received much encouragement from the Manchoukuo Government, under whose efficient administration, peace, order and safety replaced the chaotic conditions prevalent in the past years. Consequently, the Overseas Ministry of the Japanese Government drew up definite plans in 1932 to promote the immigration of Japanese farmers into Manchuria seeking to send as many individuals or families that desired or were capable of cultivating farm lands. Great care was taken by the above authorities to pursue a different immigration policy from that followed heretofore in sending contract laborers or employees destined for settlement in the Kwantung Leased Territory or the South Manchuria Railway Zone.

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

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

The experimental immigration projects were generally successful. On the one hand, the Government of Manchoukuo passed a law to protect and aid Japanese agricultural immigrants coming into the country. In 1935, the Manchuria Immigration Association was formed, and carried on advertisements, recruiting of prospective immigrants, and looked after preliminary training

of the recruits. Then in the earlier part of 1936, the Manchuria Colonization Joint-stock Company capitalized at ¥15,000,000, was formally inaugurated, and authorized to handle immigration affairs in behalf of settlers such as negotiation for land leases, jurisdiction and distribution of land, to create establishments and institutions for immigrants, and to handle financial matters. Finally, in July of the same year, the Overseas Ministry in Tokyo adopted concrete plans to send a total of 1,000,000 families (5,000,000 persons) to Manchuria over a period 20 years, as a result of careful deliberation in the Japanese Cabinet supported mainly by the success of the Fifth Experimental Immigration. Over 58,000 Japanese have already migrated to Manchoukuo. In 1939, the number of the households migrated reached 4,772 with 10,976 members. In 1940, 62 groups consisting of 2,470 households with 4,191 members came to Manchoukuo on the 9th mass immigration.

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

On May 2, 1940, the Colonization Law was promulgated in order to legalize the settlement of Japanese farmers in communities. The law prescribes that Japanese colonists shall be grouped in juridical persons in respective localities in Manchoukuo under the recognition of the Minister of Industry and that such juridical persons shall be dissolved within 5 years after their organization, provided that renewal may be recognized by the Minister of Industry.

**Student Volunteers.** In addition to permanent settlers, student volunteers were sent by the Education Ministry of Japan to Manchoukuo in 1939 for ten-

porary services and increase of the production of provisions to a number of 10,592. In 1940, 7,742 school boys and 11,398 young men were sent for the same purpose.

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

The road the Chosenese have traversed in the past, however, has not been rosy. The history of Chosenese immigration to Manchuria shows what pressure and persecution Chosenese immigrants to Manchuria have suffered in the past at the hands of Chinese officials.

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

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

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

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

	1927	1930
Population	558,280	607,119
	During the Inter-vening 3 Years	Annual Average
Increase	48,839	16,279
Population	673,794	888,181
	During the Inter-vening 3 Years	Annual Average
Increase	214,387	71,462

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

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

besides acting as a leading factor for the propulsion of Chosenese life.

#### CHOSENESE IMMIGRANTS IN 1938-1940

	Households	House Members
1938	7,309	29,487
1939	7,595	36,631
1940	5,824	18,501

#### Forestry

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

#### STANDING TIMBER IN MANCHOUKUO

Districts	Estimated Standing Timber in 1,000 koku	Principal Species of Timber
Right bank of the Yalu and the Hunho valley	276,635	Chosen pine, Chosen fir, Chosen larch, silver-fir, maple, birch, oak, ash, doronoki.
Sungari valley	874,036	
Tumen valley	420,401	Chosen pine, fir, spruce, larch, lime, oak, elm, ash, birch.
Hurka valley	420,951	
Lalin valley	300,490	
North Manchuria Railway eastern-line district	898,296	Chosen pine, fir, spruce, maple, birch, doronoki, Siberian cork-tree, Manchurian walnut.
Sansing district	2,615,302	Chosen pine, fir, spruce, Siberian cork-tree, ash, birch, oak, lime.
Great Khingan range	5,600,000	Larch, Japanese birch, Siberian red pine, willow, alder.
Little Khingan	3,500,000	
Total	14,906,111	

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

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

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

The proportion of evergreen to decl-

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

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

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

**Pulp Industry** With abundant timber resources, Eastern Manchuria is also expected to occupy an important position in the pulp industry. Four companies, the East Manchuria Rayon Co. (Kaishantun), Manchuria Pulp Co. (Hualin), Oriental Pulp Co. (Shih-hsien), Japan-Manchuria Pulp Co. (Tunhua), capitalized at MY7,500,000, started operation in 1938. The demand for timber by these companies will amount to no less than 880,000 koku. The production of pulp for paper in Manchoukuo in recent years was as follows:

	In metric tons
1934	13,737
1935	13,718
1936	13,171
1937	15,011
1938	23,484
1939	33,882

#### Fisheries and Mining Industry

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

#### Manufacturing Industries

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

**Bean Oil Industry** Making of soya bean oil and bean cake by pressing the soya beans early developed in Manchoukuo. With almost limitless supplies of soya beans, the industry advanced from mere handicraft work into the modern advanced industry as soon as the real worth of bean oil and bean cake was recognized. The bean oil and bean cake

produced in this way constitute the most important items of Manchoukuo for export. The annual output of soya bean oil amounts to 150,000 metric tons. In 1939, the exports reached 72,508 metric tons valued at ¥23,051,000.

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

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

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

**Flour Milling** Flour milling industry is one of the three main industries of Manchoukuo. It is carried on either by the old-fashioned native mills or the modern mills run by machinery. Harbin is the center of flour milling and there are over 90 mills in Manchoukuo with a daily producing capacity of 20,000 bags. The consumption



In 1930 was only about 24,000,000 bags a year, which included both domestic and imported products. This increased in 1934 to 23,000,000 bags, exclusive of domestic product. If, therefore, the domestic product amounted in the year to 15,000,000 bags, the amount of consumption totalled 38,000,000 bags. Even this per capita consumption in Manchoukuo was a little over one bag, so that there is still a vast room left for further consumption. Imports in 1939 amounted to 298,942 metric tons valued at ¥68,300,000.

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

follows:

#### SUPPLY AND DEMAND OF PAPER IN MANCHOUKUO

Year	Consumption Domestic Production		Imports
	(In 1,000 Kins)	(In 1,000 Kins)	
1936	180,503	39,600	140,837
1937	220,578	43,764	176,814
1938	257,280	57,093	199,593

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

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

Mills	Kinds of Paper Produced	Production Capacity (In 10,000 kins)	1938 Production	Percentage
Manchuria Paper Industrial	Paper board	1,200	625	52%
Sungpu Paper Mfg.	Joss paper			
Selhatsugo Paper	Joss paper	1,300	1,140	88%
Bokudo Paper	Joss paper			
Fushun Paper	Joss paper			
Kangte Paper	Joss paper			
Laho Paper Manufactory	Foreign-style paper & joss paper	1,700	1,355	82%
Antung Paper Manufactory	Cigarette paper	270	188	70%
Yalu River Paper	Ordinary paper & pulp	6,494	3,570	55%
Total		10,964	6,991	63%

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

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

#### ANNUAL PRODUCTION OF PAPER BY YALU RIVER PAPER MANUFACTURING COMPANY

(In 1,000 pounds)

Kinds of Paper Produced	1936	1937	1938
G roll	9,669	11,050	7,908
S roll	—	1,783	5,404
Japanese paper	7,583	6,975	6,981
Joss paper	4,911	3,496	2,975
Wrapping paper for self consumption	319	402	145
Total	22,481	23,706	23,412
Snow-brand pulp	5,201	7,074	9,241
Wet roll pulp	440	204	467
Wrapping paper	390	389	374
Total	5,951	7,667	10,082
Grand Total	28,432	31,373	33,494

#### BUSINESS RESULTS OF YALU RIVER PAPER MFG. COMPANY

Terms	Paid-up Capital (In ¥1,000)	Invested Funds	Profits (In yen)	Profit Rates	Dividend Rates
1935:					
1st half	4,000	7,131	16,460	8%	—
2nd half	4,000	7,233	16,717	8%	—
1936:					
1st half	4,000	7,126	16,627	8%	—
2nd half	4,000	7,398	35,484	17%	—
1937:					
1st half	4,000	6,935	262,272	131%	50%
2nd half	4,000	7,091	334,456	167%	50%
1938:					
1st half	4,000	7,350	498,825	249%	60%
2nd half	4,000	7,715	499,456	249%	80%
1939:					
1st half	4,000	7,496	514,980	257%	100%
2nd half	4,000	7,295	509,336	254%	100%

#### STATUS QUO OF PAPER MANUFACTURING COMPANIES IN MANCHOUKUO

Companies	Capital	Paid-up Capital	Established	Kinds of Paper Produced
Yalu River Paper Mfg.	5,000	4,000	May 24, 1919	Foreign-style paper, joss paper, wrapping paper
Laho Paper	1,500	1,000	July 10, 1935	Foreign-style paper, joss paper
Antung Paper	3,000	1,500	Sept. 2, 1936	Cigarette paper
Manchurian Paper Industrial	2,000	1,500	Oct. 21, 1936	Paper board
Manchurian Paper Manufacturing	400	300	Apr. 13, 1939	Joss paper
Fushun Paper Manufacturing	250	195	Nov. 23, 1930	Joss paper, toilet paper
Sungpu Paper Manufacturing	470	470	July 29, 1933	Joss paper, toilet paper
Manchurian Special Paper Mfg.	2,500	2,500	Mar. 21, 1939	Craft paper

Companies	Capital	Paid-up Capital	Established (In MY1,000)	Kinds of Paper Produced
Kangte Paper Manufacturing	300	250	June 10, 1937	Joss paper
Shaokuo Paper Manufacturing	300	300	Aug. 19, 1938	Joss paper
Kirin Paper Manufacturing	450	450	Dec. 25, 1939	Foreign-style paper

### Foreign Trade

In parallel with the expansion of productive power brought about by worldwide rearmament, the trade policy of the Powers is aimed at closer economic relationship within their economic spheres of influence on the one hand, and, on the other, efforts for the development of international trade are being made not in accordance with free trade policy but within the sphere of controlled economy. Manchoukuo's foreign trade of 1937, too, moved in the direction of a closer Japan-Manchoukuo economic bloc on the basis of the Five-Year Industrial Development Plan. This tendency became stronger with the outbreak of the China Incident, and, with the strengthening of Manchoukuo's international position, her trade policy for the regulation and extension of foreign trade developed along the line of controlled trade. This policy of controlled trade took concrete forms upon revision of the Manchoukuo-Germany Trade Agreement in May, upon the establishment of the Otto Wolf Credit in September, and upon the revision and enforcement of Exchange Control Law in October.

With the expansion of the Five-Year Industrial Development Plan the Manchoukuo-Germany Trade Agreement which was extended for another three years and the Two Million Pound Otto Wolf Credit, gained in importance with the expansion of the Five-Year Plan.

The revision of the Exchange Control Law and the Trade Control Law were aimed at the regulation of international balance of payment on the basis of Japan-Manchoukuo economic bloc in concert with the trade control policy of Japan, the former through the regulation of 'money' and the latter through the control of 'goods.' The outbreak of the European War in 1939, necessitated the strengthening of the Japan-Manchoukuo exchange pool system in 1940. This placed all foreign exchange bills, which are due to Manchoukuo, in Japanese hands, who in turn, supplied Manchoukuo with all materials for development and other commodities. The export business of Manchoukuo with third countries will be carried out by Japan. The economic relations between Japan and Manchoukuo made marked progress not only in the movement of capital but also in trade through these measures. The revised Customs Law at the end of December 1937, further strengthened the inseparable economic tie of the two countries. The number of trade goods controlled was increased by the revision of the law in July 1938, in May 1939, and in December 1939, to over 140 kinds. Under a series of these measures the foreign trade of Manchoukuo achieved remarkable progress in these years, as it will be seen in the following figures. The total amount of trade in 1939 increased by 32.5 per cent to MY2,650,840,000 the largest since the establishment of Manchoukuo.

(Amount in MY1,000)

	Exports		Imports		Total		Excess of Imports
	Amount	Index Number	Amount	Index Number	Amount	Index Number	
1933	448,478	100.0	515,832	100.0	964,310	100.0	67,354
1934	448,427	99.9	593,562	115.1	1,041,989	108.1	145,135
1935	421,078	93.9	604,149	117.1	1,025,227	106.3	183,071
1936	602,759	134.4	691,830	134.1	1,294,589	134.3	89,130
1937	645,298	143.9	887,412	172.0	1,532,709	158.9	242,115
1938	725,454	161.7	1,274,747	247.1	2,000,202	207.4	549,293
1939	834,717	186.1	1,816,123	353.4	2,650,840	274.8	981,406
1940 (Jan.-Sept.)	544,629	121.4	1,397,716	270.9	1,942,345	201.4	853,087

The causes of the remarkable increase in the value of trade were, the rise of commodity prices, especially those of imports; the increase of export value and the increase of volume of raw ma-

terials exported. The increase of import trade was due to the tremendous demand for construction materials as shown in the following table:

### IMPORTATION OF HEAVY CONSTRUCTION MATERIALS

(Unit: 1,000 Yuan)

Goods	1934	1935	1936	1937	1938	1939
Iron and steel products	58,227	51,540	39,506	70,429	122,074	104,525
Machinery and tools	28,056	33,510	38,918	65,901	121,501	—
Vehicles and vessels	30,946	38,471	38,670	44,724	81,734	124,294
Electrical appliances	14,484	18,778	21,683	34,014	39,767	—

**According to Countries.** Japan's share of the foreign trade of Manchuria has been larger than that of any other nation for many years. This tendency has been strengthened further after the emergence of Manchoukuo and the creation of the Japan-Manchoukuo economic bloc. This result is natural when one takes into consideration various factors, especially the geographic proximity and the phenomenal expansion in all phases of industrial activities in Japan.

During the period under review, the Manchoukuo trade with Japan kept on steadily increasing and far outdistanced other nations in its volume as indicated in the following table.

Next to Japan, China for years has occupied an important place in the Manchurian trade and the position second only to Japan has been consistently maintained. Since the Manchurian Incident, the Manchurian trade with China has declined for obvious reasons, from a total of 135,022,000 yuan in 1933 to 123,399,000 yuan in 1934 and to a low watermark of 97,346,000 yuan in 1935. It began to pick up again in 1936 when a total of 176,288,000 yuan was chalked up, followed by 153,077,000 yuan in 1937, 192,398,000 yuan in 1938 and 235,842,000 yuan in 1939.

If we turn to Western countries, the Manchurian trade with the United States has shown a most noticeable development in the recent years. The

American trade with Manchuria totalled only 22,758,000 yuan in 1932 but it has jumped to 40,088,000 yuan in 1936, 76,197,000 yuan in 1937, and 104,430,000 yuan in 1938; but in 1939 it decreased to 102,850,000 yuan.

The Manchurian trade with Germany gradually dropped from 79,716,000 yuan in 1932 to 47,541,000 yuan by 1935 and began to regain the lost ground again since 1936, reaching 63,303,000 yuan in 1936, 76,330,000 yuan in 1937, and 87,700,000 yuan in 1938. Unlike the American trade, however, the bulk of the Manchurian trade with Germany was made up of exports. Thus, the Manchurian exports to Germany, which amounted to 73,946,000 yuan in 1932, dropped to 32,799,000 yuan in 1935 and began to rise again in 1936 with the conclusion of the new trade Agreement, rising to 50,278,000 yuan in that year and to 59,052,000 yuan in 1937, and dropping slightly to 50,396,000 yuan in 1938, and to 50,358,000 yuan in 1939.

The Manchurian imports have been increasing during the same period, increasing from 5,770,000 yuan in 1932 to 13,025,000 yuan in 1936, 17,278,000 yuan in 1937 and jumping to 37,304,000 yuan in 1938, to 52,240,000 in 1939.

The Manchurian trade with other Western countries has been almost negligible as the following two tables clearly indicate:

### MANCHURIAN TRADE ACCORDING TO COUNTRIES

(Unit: 1,000 Yuan)

Countries	1938		1939		1940 (Jan.-Sept.)	
	Exports	Imports	Exports	Imports	Exports	Imports
Japan	416,825	993,413	521,324	1,540,755	378,446	1,241,484
China	121,683	70,716	169,193	66,649	139,283	60,223
U.S.A.	11,360	93,070	15,395	87,455	16,107	55,530
Germany	50,396	37,304	50,358	52,240	—	—

Countries	1938		1939		1940 (Jan.-Sept.)	
	Exports	Imports	Exports	Imports	Exports	Imports
England	5,447	7,376	3,270	4,686	27	13,263
Br. India	46	30,603	44	24,339	115	16
Netherlands	8,001	799	5,041	—	5,194	3,082
Italy	3,457	2,393	12,658	4,359	4,134	22,202
Others	—	108,239	39,074	35,640	1,423	1,301
Total	725,454	1,274,748	834,717	1,816,123	544,629	1,307,710

## PERCENTAGE OF MANCHURIAN TRADE ACCORDING TO COUNTRIES

Countries	1937		1938		1939	
	Exports	Imports	Exports	Imports	Exports	Imports
Japan	49.8	75.1	57.5	77.9	62.4	84.8
China	17.6	4.4	16.8	5.5	20.2	3.6
U.S.A.	2.9	6.5	1.6	7.3	1.8	4.8
Germany	9.1	2.0	6.9	2.9	6.0	2.8
England	1.4	1.3	0.7	0.6	0.3	0.2
Br. India	0.0	5.1	0.0	2.4	0.0	1.3
Netherlands	2.6	0.1	1.1	0.1	0.6	0.0
Italy	0.4	0.0	0.5	0.2	1.5	0.2
Others	16.2	5.5	14.9	3.1	6.8	1.9
Total	100.0	100.0	100.0	100.0	100.0	100.0

## PRINCIPAL COMMODITIES OF EXPORT

(In Yuan)

Commodities	1937	1938	1939	1940 (Jan.-Sept.)
Soya beans	222,932,539	234,263,340	206,584,000	11,984,000
Other beans	15,685,474	15,286,626	23,722,000	67,104,000
Bean cakes	62,335,743	70,575,007	125,253,000	58,163,000
Bean oil	25,342,855	14,099,414	23,051,000	8,915,000
Kaoliang	9,843,121	18,845,746	27,063,000	6,235,000
Millet	14,196,991	20,260,226	33,694,000	15,742,000
Maize	8,525,859	18,328,435	29,072,000	11,491,000
Groundnuts	16,369,566	12,115,315	6,271,000	8,920,000
Seeds	18,821,683	17,867,980	—	—
Coal	35,610,491	28,198,127	25,867,000	—
Ammonium sulphate	9,675,958	16,571,204	11,777,000	—

## PRINCIPAL COMMODITIES OF IMPORT

(In yuan)

Commodities	1937	1938	1939	1940 (Jan.-Sept.)
Cotton goods	104,644,996	88,224,678	10,377,000	9,383,000
Raw cotton	32,202,253	42,663,883	9,043,000	—
Silk and rayon goods	36,460,702	61,344,988	107,612,000	333,000
Woollen goods	35,900,864	23,345,191	36,232,000	—
Iron & steel	71,428,998	122,074,161	104,525,000	—
Vehicles, vessels	44,724,290	81,733,603	124,294,000	400,000
Machinery, tools	65,900,611	121,500,810	—	300,379,000
Electrical equipments	34,014,327	39,767,207	—	—
Gunny bags	19,273,736	20,909,887	33,313,000	—
Sugar	22,426,980	35,778,943	42,396,000	19,551,000
Paper	25,055,858	37,230,076	49,589,000	—
Wheat flour	13,827,593	47,088,571	68,300,000	—
Timber	13,127,193	26,347,896	76,151,000	—

## Transportation

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

## South Manchuria Railway Company

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

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

(1) Business Conditions in 1940. Total railway revenue for 1940 amounted to ¥799,228,000 and expenditure to ¥722,510,000 which left a favorable balance of ¥76,710,000. It was decided that a 4.4 per cent dividend would be paid on Government shares and 8 per cent on shares held by the general public, out of the profits realized. The dividend rates were identical to those of the previous year.

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

During 1940-41

(In ¥1,000)

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

## DISPOSITION OF PROFIT

Profit

	(In yen)
Net profit for the year ending on March 31, 1941	76,711,000
Balance from previous year	33,552,000
Total	110,263,000

Disposition

Legal reserve	9,540,000
Dividend on Japanese Government shares	16,889,000
Dividend on Manchoukuo Government shares	220,000
Dividend on shares other than those held by the Governments	25,495,000
Second dividend on the same	8,498,000
Special reserve	15,000,000
Bonuses to officials and social expenses	500,000
Balance carried forward	34,119,000

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

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

## Communications

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

## Justice and Police

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

## Education

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

## Religion

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

## Medicine and Sanitation

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

## Kwantung Leased Territory

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

Occupying a small southern portion of Liaotung Peninsula, the Leased Territory covers an area of 3,462.45 square kilometers with a population of 1,380,821 in November 1940. (See the second page of this chapter.)

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

In the beginning the territory was under military rule with an army officer as governor-general. This system was changed in 1919, and since then a civilian officer was appointed governor of the territory by the Emperor of Japan. A drastic change was made in this system on December 26, 1934, in which the Kanto Bureau was established at Hsinking under the control of the Ambassador at Hsinking, and most of the administrative powers formerly vested in the governor of the Leased Territory

were transferred to the president of the newly created Bureau. The president takes charge of the civil administration within the territory and supervises the business of the South Manchuria Railway Co. The Bureau is sub-divided into the president's secretariat, home affairs, police, and controller's divisions. At the same time a separate office was created for administration of the Peninsula. Under this office, which is at Dalren, falls the administration of civil affairs in the Peninsula, the prisons, the Ryojun Engineering College, the middle schools, the girls' high schools, the normal school for natives, the commercial school for natives, the agricultural schools for natives, the Police Training School, the Meteorological Observatory, the government hospitals, the Agricultural Experimental Station, the Sericultural Experimental Station and several other institutions in the territory.

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

BUDGET OF KWANTUNG LEASED TERRITORY FOR THE FISCAL YEAR  
1940 AND 1941  
(In yen)

Revenue			
	Ordinary	1940	1941
Taxes		15,471,898	28,342,201
Receipts from Government undertakings and properties		9,280,022	11,726,129
Stamp receipts		1,655,041	1,812,870
Miscellaneous receipts		1,429,753	2,435,328
Total including others		27,836,714	44,508,130
Extraordinary			
Proceeds of sale of State property		1,091,958	1,083,217
Special profits tax		2,155,309	9,512,345
Surplus of the preceding year transferred		12,378,044	10,593,427
Miscellaneous receipts		13,257,516	—
Total including others		28,882,827	39,544,900
Grand total		56,719,541	84,053,030
Expenditure			
	Ordinary	1940	1941
Expenditure of the Kwantung Government		2,501,984	2,793,733
Expenses of law-courts and prisons		688,385	810,603
Police expenses		2,542,282	2,633,097

	1940	1941
Education expenses	3,637,912	4,404,781
Expenses for encouragement of industries	701,780	715,837
Expenses for Monopoly Bureau	1,473,121	4,116,033
Communications expenses	2,829,775	3,216,102
Expenses for Marine Bureau	274,830	275,820
Expenses for hospital & sanatorium for opium addicts	222,839	239,226
Ground and house rent	66,944	—
Expenses for the prevention of infectious disease	85,156	129,672
Transferred to National Debt Consolidation Fund		
Special Account	770,173	3,319,016
Contribution under the Pension Law	1,906,370	2,630,009
Miscellaneous expenses	2,833,731	280,013
Reserve funds	300,000	600,000
Total including others	25,835,232	37,906,012
Extraordinary		
Expenses for undertakings	11,690,047	13,019,094
Subsidies	633,228	717,683
Expenses for encouraging Chinese language	8,728	8,728
Expenses for special guard	221,406	219,418
Miscellaneous expenses	18,324,900	—
Total including others	30,884,309	46,147,018
Grand total	56,719,541	84,053,030

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

On June 30 1939, the banks having head offices in Kwantung Province numbered only 1, while there were many

branches and agencies totalling 25, consisting of 8 of Japanese nationality, 11 of Manchoukuo, 4 of Chinese, 1 of the United States, and 1 of British nationality. Apart from these banking institutions, 11 associations called credit associations have been established in Kwantung Leased Territory under the assistance of the Kwantung Government for the purpose of facilitating the supply of agricultural credit and the funds for the lower class merchants and manufacturers. A federation of these associations was further established in 1929. In the Territory, furthermore, there are 3 mutual loan companies, called mujin kaisha.

**Agriculture** The total area of land under cultivation in Kwantung Leased Territory at the end of 1937 was 201,388 hectares; and the largest in yield of the cereals and pulse are the maize, kaoliang (Indian millet), Italian millet, soya beans, peanut, green peas, millet, green gram, wheat, black beans and buckwheat, and among vegetables, the largest in yield are the oriental radish, Pei-tsai, Welsh onion, fragrant-flowered garlic, cucumber, musk melon, and sweet potato.

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

**Industry** The most promising of the manufacturing industries is the manu-

facture of bean-oil, bean-cake, paint, glass, portland cement, brick, lime, dye-stuff, cotton thread, hemp-sack, instruments, implements, locomotives, railway-carriages, machinery, etc. The total of all value came up to about 484 million yen in 1937.

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

tively.

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

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

	Exports Yen	Imports Yen	Total Yen
Japan proper	243,699,637	691,395,574	935,095,211
Chosen	10,503,209	16,888,729	27,391,938
Taiwan	22,316,730	17,796,641	40,113,371
Manchoukue	13,433,322	3,871,201	17,304,523
China	74,659,027	37,889,198	112,548,225
Hongkong	3,445,185	6,610,666	10,055,851
British India & Straits Settlements	253,582	28,044,420	28,298,002
Netherlands India	988,453	8,235,105	9,223,558
Great Britain	5,143,084	6,235,350	11,378,434
France	1,579,592	1,248,687	2,828,279
Germany	45,048,787	31,700,685	76,749,472
Belgium	994,863	11,450,180	12,445,043
Italy	2,363,319	3,785,503	6,148,822
Netherlands	10,287,038	4,311,484	14,598,522
United States of America	11,921,919	66,603,709	78,525,628
Other countries	37,968,626	4,443,682	42,412,308
Total	484,606,373	940,510,814	1,425,117,187

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

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

the persons involved.

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

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

## CHINA

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# CHINA

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

## Area and Population

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

### Area

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

#### North China

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

#### Central China

Name of Province	Area in Square Kilometers
Kiangsu	105,605 ( 108,339)
Chekiang	101,061 ( 103,058)
Anhwei	143,447 ( 134,426)
Kiangsi	168,326 ( 200,209)
Hupeh	183,724 ( 207,692)
Hunan	215,457 ( 273,231)

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

#### South China

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

#### Border Regions

Name of Province	Area in Square Kilometers
Chahar	258,815 ( 278,057)
Suiyuan	304,058 ( 291,432)
Ninghsia	302,451 ( 274,910)
Chinghai	
(Kokonor)	728,198 ( 697,194)
Sikang	472,704 ( 371,599)
Tibet	904,999 (1,215,788)
Sinkiang	1,641,554 (1,828,418)
Total	4,612,779 (4,958,298)
Grand total	8,275,577 (8,736,850)

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

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

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

	Location	Date of Creation	Area
British Concession	Tientsin	1860	About 6,300 sq
French	"	1860	" 2,360 "

Location	Date of Creation	Area
Italian Concession	Tientsin 1902	About 771 se
Japanese	" 1898	2,150 "
"	Hankow 1898	186 "
French	" 1896	360 "
Japanese	Shasi 1897	—
"	Chungking 1899	—
"	Soochow 1897	484 "
"	Hangchow 1897	1,689 "
"	Amoy 1896	40 "
"	Foochow 1842 (opened)	"
British	Shameen 1861	254 "
French	" 1861 (opened)	54 "
"	Shanghai 1844 ( " )	14,900 "
International Settlement	Wuhu 1905	689 "
"	Kulangsu 1902	"
"	Yantai 1866	309 "
"	Shanghai (dating from 1863 when the British concession created in 1845 and the American concession created in 1847 were merged)	32,504 "
Territory leased to France	Kwangchow Bay 1899	
Territory leased to Portugal	Macao 1887	
Territory leased to Great Britain	Kowloon 1898	

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

Those foreign concessions and leased territories which have been recovered by China are given below

Location	Date of Creation	Date of Recovery
German Concession	Tientsin 1895	1919
Russian	" 1898	1924
Belgian	" 1902	1920
Austrian	" 1903	1919
British	Amoy	1920
"	Hankow	1927
German	" 1895	1919
Russian	" 1896	1924
British	Kiukiang 1861	1927
"	Chinkiang 1861	1920
Territory leased to Germany	Kiaochow Bay 1898	1922
Leased territory to Great Britain	Welhaiwei 1898	1922

### Population

The inhabitants of China are generally divided into six tribes, the Hans, Tibetans, Miaos, Manchus, Mongols and Turks. The Hans, found all over China, account for more than 90 per cent of the total population. They are prolific, highly civilized and have great economic power. The total number of Tibetans is estimated at approximately 2,000,000, all living in Tibet. Their standard of civilization is low. The Miaos are aborigines of China and at present inhabit the two provinces of Kwelchow

and Yunnan, having been gradually driven to these southwestern provinces by the Hans. The Manchus, who were the founders of the now defunct Ching (or Manchu) Dynasty, migrated, during the time they were in power to various parts of China proper, where they were assimilated with the Hans. At present they are estimated to number some 5,000,000 persons. The Mongols, of whom there are probably about 800,000, inhabit chiefly Inner and Outer Mongolia, though some of them are found in Sinkiang and Chinghai (Kokonor). The Turks live in Kansu, Shensi and Sin-

kiang their number being estimated at about 10,000,000.

Figures for the total population of China vary according to estimates from different sources. The Ministry of the Interior of the National Government reported in 1928 that the country had a total population of 474,787,386 persons. The Year Book published by the Shen

Pao gives the total population as 433,077,785 persons. The average density of population in the 18 purely Chinese provinces is given as 110 persons to each one square kilometer. Details of the figures compiled by the Shen Pao, excluding those for Manchuria and Outer Mongolia, are tabulated as follows:

	Number of Households	Population	Density of Population (per square kilometer)
Kiangsu Province	6,998,389	35,102,524	336.77
Chekiang	4,737,223	20,663,754	204.89
Hangchow City	117,674	574,439	259.54
Anhui Province	3,832,813	22,020,591	153.51
Kiangsi	2,988,709	15,746,765	93.59
Hupai	4,759,559	25,137,732	139.67
Hunan	4,059,938	22,329,658	103.63
Honan	6,099,427	33,658,673	198.24
Hopei	5,018,500	28,466,530	203.74
Shantung	6,782,114	37,214,088	244.03
Shansi	2,155,856	11,610,778	71.74
Kwangtung	5,894,177	32,023,496	143.06
Kwangsi	2,556,051	12,882,532	58.58
Kukien	1,814,133	11,987,986	99.03
Szechwan	7,671,412	37,427,593	92.73
Yunnan	2,338,272	11,795,486	29.59
Kweichow	1,600,817	6,906,361	39.13
Shensi	1,975,379	9,752,015	49.99
Kansu	1,061,784	6,360,075	16.69
Ninghsia	74,100	417,751	1.38
Sulyuan	402,216	2,321,879	7.64
Chahar	393,651	1,876,461	7.25
Nanking City	190,953	989,045	2,073.47
Shanghai City	407,721	3,703,430	4,147.55
Peking City	305,636	1,575,606	2,983.33
Tientsin City	240,808	1,209,998	13,296.68
Tsingtao City	94,337	465,912	412.36
Welhaiwei	36,487	199,983	270.91
Sinkiang Province	544,721	2,506,719	1.53
Chinghai	206,779	1,190,509	1.63
Tibet	141,666	769,249	0.85
Sikang Province	92,527	416,113	0.88
Total	75,594,802	399,303,731	

### The New Central Government of the Chinese Republic

Wang Ching-wei, the former President of the Executive Yuan and Foreign Minister of the Chungking Government, who had expressed his ideals for peace, left Chungking on his own accord on December 18, 1938, accompanied by colleagues, and took refuge at Hanoi. On July 10, 1939, Wang publicly renounced all relations with Chiang Kai-shek, and on August 9, broadcasted from Canton on "How to Bring About Peace in China." Later on numerous occasions,

he issued statements in regard to his designs to institute peace in China in a firm conviction and belief on Japan's policies enunciated in the Konoé statements in November and December, 1938.

Wang Ching-wei's peace movement steadily progressed during the latter half of 1939 with the full support of Japanese authorities in China and Tokyo. A seven-day conference (January 23-29, 1940) was held at Tsingtao between Wang and delegates from the



provisional governments in Nanking and Peking. The conferees agreed to unite the three elements and organize a new central government at Nanking to save China from destruction and adjust relations with Japan for permanent peace.

**Decisions of Central Political Conference** The Central Political Conference, charged with the colossal mission of giving birth to a new Central Government of China, was opened in Nanking, the new Capital City of China, for three days from March 20, 1940, the culmination of peace restoration movement sponsored by Wang Ching-wei and his followers. As a result of the opening of this historic central political gathering, the long-waited new Central Government of China was formally brought into existence in Nanking on March 30, 1940. The opening of the Central Political Conference had been decided on at the sixth general meeting of the Kuomintang held in Shanghai, August 1939, as an extraordinary and supreme political organ for forming a new Central Government. Details of the organization and governing regulations together with the list of members of the conference were announced by Lin Pai-sheng, Director of Publicity, on March 10, 1940, and the whole phase of the system, organization and mission of the conference was clarified.

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

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

#### Executive Yuan

**President:** Wang Ching-wei  
**Interior (Minister):** Chen Chun  
**Foreign Affairs:** Chu Min-yi (concurrently)  
**Finance:** Chou Fu-hai  
**War:** Pao Wen-yueh (acting)  
**Navy:** Wang Ching-wei (concurrently)  
**Education:** Chao Cheng-ping  
**Justice:** Li Sheng-wu  
**Industry & Commerce:** Mei Sze-ping

**Agricultural & Mining:** Chao Yu-sung  
**Railways:** Foo Shih-shuh  
**Communications:** Chu Ching-lai  
**Social Affairs:** Ting Mo-chun  
**Publicity:** Lin Pai-sheng  
**Police:** Chou Fu-hai (concurrently)

#### Legislative Yuan

**President:** Chen Kung-po

#### Judicial Yuan

**President:** Wen Chung-yao

#### Control Yuan

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

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

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

**Eight Key Financial and Economic Measures** On March 31, 1940, immediately following the ceremony of removing the seat of government to Nanking on the preceding day, Chou Fu-hai, Minister of Finance, clarified the eight items which might serve as the basis of the financial and economic policy of the Central Government of China. Eight key financial and economic measures as set forth by Minister Chou Fu-hai are as follows:

1. **Stabilization of monetary situation:** The drastic decline of the currency value and the elevation of commodity prices are distressing to the State as well as to its people. The Government in prudence is drafting a counter-measure to remedy the situation. The Government will so manage its policy to allow the present various currencies in China to continue circulation so that the people in general may

not be subjected to heavy losses. After such a preliminary measure the Government will gradually revise and standardize the currency system for the purpose of realizing sound currencies and stable monetary operations.

2. **Payment of foreign and domestic debts:** Since the days of the old government, many domestic and foreign loans have been floated. The Finance Ministry of the new Central Government of China will hold itself responsible for executing those obligations. The Government also recognizes foreign loans incurred before the transfer of the site of Government to Nanking.

By clarifying the nature of those loans on the basis of different relations concerned, the proper and adequate standard of redemption will be fixed. As domestic loans have an important bearing on State finance and public life, the Government will take a proper measure after the return of general peace and order and will decide on the redemption so that the credit of the State may remain unimpaired and the public sentiment may be stabilized.

3. **Adjustment of National Taxes and Customs Duties:** Customs duties and national taxes including the salt tax and the consumption tax are some of the most important sources of State revenue. In view of the deranged state of the adjustment of customs duties since the outbreak of the China Affair, the Finance Ministry will resort to various legal measures in order to readjust customs duties with the object of replenishing revenue resources. In order to cope with the disorder of the salt tax, the Government will promote facilities for transportation and sales of salt and adjust the salt production for the relief of the public needs. The consumption tax is one of the principal sources of tax revenue of the Government. The Government, therefore, will strictly fix different items of the consumption tax and will control all evil practices concerned therewith for the purpose of replenishing the state revenue from that source.

4. **Alleviation of Tax Burden:** Since the outbreak of the China Affair, all provincial governments concerned have levied small and extensive taxes in order to raise war expenses and others, thereby disturbing commercial transactions and distressing the populace. The Government will make a close survey of the

situation and will either abolish or lighten those taxes so that the tax burden on the people may be alleviated. For example, the paddy-field tax in certain provinces, when extremely heavy, will be either abolished or lightened if so applied by provincial governments concerned.

5. Guidance of Idle Industrial Funds.
6. Adjustment of Foreign Trade.
7. Harmonization of Public Welfare.
8. Assistance and Encouragement of Production.

All those eight key financial and economic measures are important problems at issue and are organically interrelated. Naturally, it is difficult to estimate the relative importance. However, the stabilization of monetary situation, or a question of how to deal with the currency policy may be considered the problem of utmost and immediate importance at present.

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

**Movement for Restoring Sovereignty** A marked progress has been made of the movement for restoration of the sovereign rights, which the new National Government initiated. The first step was the repudiation of the lease of Liukungtao. Great Britain coaxed the Chungking régime to renew for 10 more years the expired lease of the island, which right that country had reserved at the time of the retrocession of Weihaiwei. The National Government refused to sanction such an agreement between them and, on September 30 1940, effected the rendition of the island. Then, the Second District Court in the French Concession in Shanghai was taken over by

the Nanking Government early in November. As is well known, some remnants of the Chiang régime, such as a court of justice, survived in the International Settlement of Shanghai. The fact of the matter is that Chinese malefactors in the Settlement might be arrested by agents of the Municipal Council, which is under the British domination, and be brought into its court for trial. The presence in the Settlement of judiciary officials appointed by the Chiang régime would only serve to pervert the Chinese attitude toward the Wang Ching-wei régime. The National Government, therefore, had made the necessary preparations to appoint its own judiciary officials; but the negotiations with the authorities of the French Concession had fallen through. Recently, however, a satisfactory arrangement has been made between the parties concerned, which may be considered a diplomatic success for the new Government. Further, upon the entry of Italy into the European War, the Government issued in the name of the Foreign Minister, a statement demanding the withdrawal of the belligerent troops and warships in China. The consequence was the wholesale evacuation of the British troops on August 10, 1940. Moreover, a pledge has been made by Japan through the instrument of the Basic Treaty for the abolition of the extraterritoriality and rendition of the concessions, which formed the central issues of the drive for the abolition of unequal treaties, and which China had demanded from time to time, viz. at the Versailles Conference as well as the Washington Conference of 1921. Article 7 of the Treaty referred to stipulates as follows: "According to the development of the new relations between Japan and China under the present Treaty, the Government of Japan shall abolish extraterritorial rights possessed by Japan in China and render to the latter its concessions; and the Government of China shall open its territory for domicile and business of Japanese subjects." In accordance with this provision, extraterritorial rights will be abolished and concessions returned to China; and the domicile of Japanese in the interior will be recognized. No Japanese subject has enjoyed, in the past, the rights of residence and of business, except in the settlements and treaty ports; and he has had to carry his own "huchao" pass-

port when travelling in the interior. Hereafter, the Government at Nanking, will carry out gradually negotiations with other countries for the full restoration of the sovereignty of China.

**Wang Ching-wei President** Another important move forward in the political life of new China was the election of Wang Ching-wei to the Presidency of the Republic of China, a post which remained long vacant. At the sessions of the Executive Yuan and the Central Political Council held on November 25, 1940, a paragraph in Article 11 of the old Organic Law of the National Government, which read "The President shall be held in no way accountable in political affairs," and also the whole of Article 12, which read "The President is not permitted to assume any other office concurrently," were rescinded. And at the same sessions they unanimously adopted the proposal for electing Wang Ching-wei, the Deputy Chairman, the new President of the Republic of China, thereby establishing the center of political organization of the country.

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

At the 6th plenary session held in August 1939, a proclamation was issued by the Nanking Government "to convene the National Convention, draw up the constitution and to carry out constitutional government within the shortest time." Again on March 30, 1940, it was announced that the major policy of the New Government was to bring about peace and effect constitutional

government. In the basic policies formulated by that Government, also, the same measures were prominently included. On July 29, 1940, the Commission for the Execution of Constitutional Government was set up under the leadership of Wang Ching-wei and composed of 27 members elected from among Government and private leaders. The Commission is divided into 4 sections, the first dealing with the outline of the draft constitution and the National Convention, etc.; the second with the local government system; the third with national economy; and the fourth with education. It is expected that the draft constitution passed in 1934 by the Legislative Yuan of the former National Government will be adopted as a basis for discussion.

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

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

The Nanking Government, therefore, in its forward move along various lines, was forced to expedite its financial reorganization. On the one hand, it had to do away with the extortions and miscellaneous taxes of the past in order to stabilize the life of the people and, on the other, to carry out retrenchment in Government expenditures. It was found in this connection, that independence in respect of the right of taxation must be realized in order to effect readjustment of national taxes. With this in view, Article 1 of the Agreed Terms

of Understanding concerning the Annexed Protocol of the Basic Treaty has stipulated that "with regard to those various organs for collecting taxes in China, which are at present in a special condition owing to military necessity, an adjustment shall be made promptly in accordance with the spirit of respecting the financial independence in China." As the new Government is located in the rich section of China, there is every reason to believe that the financial adjustment of the country will bring about a steady and sound development of its finances.

An adjustment of the financial machinery is of vital importance to the economic reconstruction of China. Yet, it is indeed a very difficult task. It had to proceed with the utmost caution. As a rule, the urban concentration of financing operation or the preference of investment in Government bonds, practised in the past, has been replaced by the policy of localized financing. With a view to rehabilitating rural life and to developing commerce and industry, an attempt has been made to reorganize provincial and city banks as well as cooperatives. At the end of August 1940, the Regulations governing the Provincial and City Banks were issued, thereby establishing banking institutions in every province and city, through which institutions local reconstruction will be facilitated and the aid to agricultural and industrial enterprises carried out.

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

**New Central Bank of China** Significant was the establishment, on January 6, 1941, of the Central Reserve Bank of China capitalized at 100,000,000 yuan to be disbursed from the State Treasury, and also the creation of a new currency. Chou Fu-hai, Finance Minister, was ap-

pointed governor of the new bank and Tien Tai-kuei vice-president. In his statement of December 19 announcing the National Government's decisions on the new bank and currency, Chou Fu-hai said that the economic reconstruction and financial growth of the Republic would be possible only through the creation of a State bank. With the Chungking fapi slowly slipping down and commodity prices climbing steeply, the need for a currency bolstered by solid governmental backing had become more and more acute. Hence, after careful planning, these steps were decided on.

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

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

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

100 yuan and subsidiary coins follow the usual decimal system.

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

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

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

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

The tax revenue for five months up to November 1940 announced by the Finance Ministry of the National Government totalled 136,894,000 yuan, indicating the huge increase of 66,323,000 yuan over the corresponding months in 1939. While the bulk of Chungking finances is covered by the control and material taxes, which constitute the direct consumption incidence on the people, and Chungking is suffering from sky-rocketing prices, in occupied China, on the other hand, the Central Reserve Bank of China, which was established on January 6 with a capital of 100,000,000 yuan, has rapidly advanced into the territory of the fapi which it is steadily superseding. Despite the brief period of its operation since its founding, so far the bank has issued 17,233,000 yuan in notes and 1,977,000 in subsidiary coins. This serves another striking contrast, the report said, to the fact that Chiang Kai-shek issued only 20,000,000 yuan in the initial two years of the operation of the Central Bank under the currency reform measures.

**Japan Gives Loan of ¥300,000,000** Plans of concrete collaboration between Tokyo and Nanking reached a complete

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

The sum of ¥300,000,000 is not necessarily large, but since the National Government has already consolidated its financial basis by the customs tariff, salt tax, and other well-secured state revenues, it is reasonably expected that the loan will be spent on a constructive economic program and industrial development. Said Chou Fu-hai, Finance Minister of Nanking and concurrently Vice-President of the Executive Yuan: "It would not be difficult in the least for the National Government to carry on with its present financial strength. Unfortunately the resources at its command are not large enough to permit it to launch a great program of reconstruction. The Japanese Government has been good enough to consent to advance a large loan to the National Government. As the loan can be used in financing the program of reconstruction, phenomenal development of the National Government in the future can now be safely anticipated. The officials of the National Government, I think, should redouble their efforts to consolidate the foundation of the Government and extend its power."

**Supply of Food** The supply of food is another grave problem confronting the new Government. The price of rice has greatly arisen, owing partly to the curtailment of production caused by the hostilities and partly to the dislocation of transportation and distribution. The rice formerly valued at about 10 Yuan per picul has now risen to 70 Yuan. The new Government has disbursed 1,000,000 yen from the special fund of the Treasury for the relief of the suffering people and organized in November 1940 the Foodstuffs Control Commission. The three Provinces of Kiangsu, Chekiang and Anhwei and the two Municipalities of Nanking and Shanghai were divided into 7 districts and 21 sub-districts for the purpose of regulating the demand and supply of rice, of main-

taining an equilibrium in its price, and of purchasing rice for Government custody, and of controlling rice dealers.

The restoration of educational work is also under way. On October 1, the National Central University was reopened. The institution is divided into nine Departments of Science, Engineering, Law, Literature, Commerce, Education, Agriculture, Medicine and Pharmacology and four Special Departments, with the accommodation capacity for 9,000 male and female students.

In regard to the diplomatic affairs around the China Affair during 1937-1940 mentions were made on pp. 1008-1015, the Japan Year Book, 1940-41. The most important diplomatic issues and achievements concerning China during 1940-1941 are here recorded.

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

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

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

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

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

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

The documents relating to the above are as follows:

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

The Imperial Government of Japan and

The National Government of the Republic of China:

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

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

#### Article 1

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

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

#### Article 2

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

#### Article 3

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

The Governments of the two countries shall, in order to accomplish the purpose mentioned in the preceding paragraph, eliminate communistic elements and organizations in their respective territories, and at the same time co-

operate closely concerning information and propaganda with reference to the defense against communistic activities.

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

#### Article 4

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

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

#### Article 5

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

#### Article 6

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

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

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

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

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

#### Article 7

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

#### Article 8

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

#### Article 9

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

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

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

### 2. Annexed Protocol

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

#### Article 1

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

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

#### Article 2

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

#### Article 3

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

## Article 4

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

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

## Article 5

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

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

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

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

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

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

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

3. In case any Sino-Japanese joint enterprise requires modification in the evaluation of original assets, the pro-

portion of capital investments and other matters, measures for their rectification shall be taken in accordance with the terms to be agreed upon separately through consultation between the two countries.

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

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

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

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

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

The National Government of the Republic of China:

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

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

2. Japan, Manchoukuo and China will bring about general cooperation on a reciprocal basis among the three countries, especially a good neighborly friendship, common defense against communistic activities and economic cooperation, and for that purpose will

take all the necessary measures in every direction.

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

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

### Statement of the Foreign Office Spokesman

In Nanking, at 10 o'clock this morning, a Sino-Japanese Basic Treaty was signed between Ambassador Nobuyuki Abe and Mr. Wang Ching-wei, President of the Executive Yuan (Though Mr. Wang became the head of the National Government, he signed the Treaty in the capacity of President of the Executive Yuan), which means that Japan formally recognized the new National Government at Nanking as the legitimate government of China. And at noon General Abe and Mr. Tsang Shih-i, Plenipotentiaries of Japan and Manchoukuo, and Mr. Wang signed the Japan-Manchoukuo-China Joint Declaration, by virtue of which Manchoukuo and the National Government headed by Mr. Wang Ching-wei recognized each other. It is most gratifying that the foundation has thus been firmly laid for the construction of a new order in East Asia through the cooperation between the three Powers.

Following the outbreak of the Sino-Japanese hostilities, and with the advance of Japanese forces, there sprang up societies for the maintenance of peace and order in various parts of China. These were gradually absorbed by and amalgamated with two régimes—namely, the Provisional Government at Peking and the Reformed Government at Nanking, paving the way for the construction of a new China, until finally there appeared the Peace and National Salvation Movement under the leadership of Mr. Wang Ching-wei.

This was a movement aiming at the construction of a new order in East Asia and at establishing for that purpose a government by rehabilitating the Kuomintang, by rejecting both communism and anti-Japanism and by join-

ing hands with Japan. On December 18, 1938, Mr. Wang Ching-wei startled the world by his flight from Chungking.

Prime Minister Prince Konoe's statement (December 22) concerning the construction of a new order in East Asia was followed by Mr. Wang's declaration for peace and against communism (December 30). A few months later Mr. Wang arrived in Shanghai from Hanoi (May 8, 1939), where he established his headquarters for his peace movement. Shortly afterwards he visited Tokyo (May 31) and conferred with the Prime Minister, Baron Hiranuma, and also Prince Konoe, from whom he learned the true attitude of Japan toward his peace movement and decided to proceed in earnest. On August 28 the Sixth Plenary Conference of the Kuomintang was convened in Shanghai, which adopted the resolutions for the restoration of Sino-Japanese relations by fundamental adjustment and for the reorganization of the Kuomintang and the appointment of Mr. Wang as chairman of the Central Executive Committee. At the same meeting the much-abused Three People's Principles were given a proper and authentic interpretation. The Peace and National Salvation Movement now became a "Peace and National Construction" movement, and the orthodox Kuomintang, casting aside its claim of "Rule the country by the Party," embarked upon the establishment of a new Central Government of China through the cooperation of parties and factions and those belonging to no party or faction. The first important step toward the establishment of a new Central Government was the three-day conference at Nanking, attended by Mr. Wang Ching-wei, Mr. Wang Ke-min representing the Provisional Government and Mr. Liang Hung-chi of the Reformed Government. Then, on January 23 this year these three leaders met again at Tsingtao. On February 12, Mr. Wang called a meeting at Shanghai, to which were invited men of social prominence as well as representatives of various parties and factions, and at which an agreement of views was reached concerning the general principles for the establishment of a Central Government and its political platform. This led to the opening on March 20 of the Central Political Conference to decide upon the fundamentals for the establishment of the new Government.

The conference was attended by thirty delegates in all, comprising ten from the Kuomintang, five each from the Provisional and the Reformed Governments, two each from the Federated Autonomous Government of Mongolia, the National Socialist Party and the Young China Party, and four men of recognized influence in society. Twelve important matters, such for instance as the proposal for the adjustment of Sino-Japanese relations, the draft principles for the establishment of a Central Government, the platform of the National Government and the regulations for the organization of a Central Executive Committee, were approved, and the conference closed on March 25. On March 30 the rites and ceremonies marking the return of the National Government to its capital were held in Nanking, at which Mr. Wang Ching-wei issued a proclamation. Then and there the National Government made the first forward step of historic importance as a partner in the construction of a new order in East Asia.

In parallel and inseparable with the activities for the establishment of a Central Government, there progressed negotiations for the adjustment of Sino-Japanese relations. These negotiations made especially notable progress on the basis of the three principles of amity and neighborliness, common defense against the Comintern and economic cooperation, after the Six Plenary Session of the Kuomintang which was held at the end of August of 1939; and on December 30 an informal agreement on basic ideas regarding the adjustment of Sino-Japanese relations was reached at Shanghai between the negotiators of the two countries.

Upon the establishment of the new Central Government on March 30 of this year, the Japanese Government appointed on April 1 General Nobuyuki Abe, Ambassador Extraordinary and Plenipotentiary, who arrived at Nanking on the 23rd of that month. After this, all preparations were completed with despatch for the restoration of Sino-Japanese relations. On July 5 the first meeting of the formal conference took place, attended by Ambassador Abe and Mr. Wang as Acting President of the Republic of China. Mr. Wang on this occasion spoke of what China expected of the conference, while Ambassador Abe set forth the views of the Japanese Government relative to the negotiations

that were to begin. Since then the negotiations were continued for almost two months. It was rather the zeal on both sides for the construction of the new order in East Asia than what may merely be termed mutual concession that enabled the delegates of the two countries to solve the many complex and vexing problems. At the 15th session held on August 28 they agreed upon a draft treaty, which was initialed on August 31. Upon examination by the two Governments from the domestic standpoint of their respective countries, this draft treaty was found to require partial alterations. Accordingly in the latter part of September the negotiations were resumed for the necessary revision, on which an agreement of views was reached, and the treaty in its final form was initialed on October 10.

On the other hand, with Manchoukuo that had always supported without reserve the cause of Sino-Japanese cooperation, negotiations were conducted concerning a Japan-Manchoukuo-China Joint Declaration. Early in November Mr. Wei Huan-chang, director of the Foreign Affairs Bureau of Manchoukuo arrived in Nanking, and the Declaration as published today was initialed on November 8 by the plenipotentiaries of the three countries. Meanwhile, Ambassador Abe, returning to Japan on October 27, met Prime Minister Prince Konoe on October 29 to report on his mission. Following the Imperial Conference of November 13, the Treaty was submitted to the Privy Council, and approved at its full session of November 27. This in brief is the history of the Sino-Japanese Basic Treaty that was signed today at Nanking.

**New Japanese Ambassador** After the return of General Abe to Japan, Kumataro Honda was installed as Ambassador from Tokyo on December 7, 1940. K. Honda had been active as a lecturer and writer on international subjects since his retirement from the diplomatic service in 1926 after a meritorious career. His appointment to the post indicated the effort of the Japanese Government for furthering the intimate relation between China and Japan. Few diplomatic appointments in recent years have met with wider approval.

**Japan-China Collaboration Strengthened** Wang Ching-wei, President of the National Government of China and concurrently President of the Execu-

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

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

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

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

"With a view to speedily settling the present Affair and, with this as a turning point, to establishing a permanent relationship between Japan and China and marching forward toward the common goal of co-existence and co-prosperity as well as the reconstruction of East Asia, we respectively made declarations some time ago concerning the establishment of the new order in East Asia consisting of good neighborly and amicable relations, a common defense against Communism and economic cooperation. The purposes of the Basic Treaty concluded between Japan and China on November 30, last year, and the Declaration of Japan, Manchoukuo and China issued on the same day are no other than this.

"The significance of the establishment of the new order in East Asia lies in the eradication of the evils of aggression and of Communism existing in East Asia and the establishment of States characterized by mutual cooperation, co-existence and co-prosperity on the basis of morality inherent in East Asia. There seem

to be not a few among the people of China who, though being desirous of the reconstruction of East Asia through the collaboration of Japan and China, lack confidence in the actual realization of such an undertaking and persist in an attitude of hesitation and irresolution. But, the great task of reconstructing East Asia can only be accomplished by revealing as much as possible, even at the present stage, the first light of the dawn of this new era, thereby winning the confidence of the majority of the people, and also by resolutely striving for the realization of general peace.

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

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

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

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

Denmark formally recognized the Nanking Government on August 18.

**Special Council for Shanghai** The British-controlled Municipal Council of Shanghai has been demonstrating how a back-number city administrative structure sadly jolts in moving along with the fast changing times, ever since the presence of the Japanese army in the city. Problems of serious nature, popping up one after the other, have tried the council and found it must wanting. Cries have become louder to adjust where adjustment is necessary, but the international character of the council has shown the wisdom of going slow at it. The Japanese, British and American consuls-general in Shanghai, after a series of conferences, announced on April 5, 1941, that a satisfactory means of solution was reached.

The provisional agreement that was drafted by these consular officials is based, as a fundamental principle, on the Land Law, but it has changed the number of councillors to China 4 (formerly 5), Japan 3 (2), America 3 (2), Britain 3 (5), Germany 1, neutrals 2, or a total of 16, an increase by two. These councillors are not elected, but are to be recommended by the Ratepayers' organizations among the different nationals, and are to form a special council

to administer the International Settlement.

The Land Law has exposed its similarity to Swiss cheese, but its permanent revision is fraught with many issues highly delicate and complicated. The provisional agreement is a step toward a radical revision of the law, affording the Japanese an opportunity for more or less positive activities in promoting the general welfare of the settlement.

The special and Annual Meetings of Foreign Ratepayers were held at the Shanghai Race Club on the afternoon of April 17, and 715 Ratepayers representing a total of 5,305 votes attended. Judge Milton J. Helmick presided over both meetings, which lasted just under an hour. The speed with which the momentous business of these Meetings was got through was due mainly to the fact that all Resolutions, Bye-laws, etc. and the Chairman of the Council's speeches on the Budget and the Report and Accounts for 1940 had been published in the Agenda Gazette, and the formality of reading them was therefore dispensed with. The two main resolutions submitted to and adopted by the Special Meeting dealt with additions and amendments to existing Bye-laws, and the establishment of a "Provisional Council" for the administration of the International Settlement.

### Industries

#### Agriculture

Only 17 per cent of the entire area of China is now under cultivation. Those engaged in farming, however, account for more than three-fourths of the entire population of the country and four-fifths of the national incomes are composed of receipts from agricultural enterprises. The agricultural community is composed of big landlords, medium landlords, independent farmers, tenant farmers and farming laborers.

The tenant farmers accounted for 32 per cent of the entire agricultural community during 1933, increasing from 28 per cent in 1912, while the percentage of independent farmers during the same period decreased from 49 per cent to 45 per cent.

The principal agricultural products with the amounts of production are shown in the following table (the figures being given in units of 1,000 piculs):

	1931	1933	1935	1936
Rice	817,481	879,017	878,627	871,002
Wheat	432,360	450,562	426,052	461,555
Barley	158,552	148,295	158,112	162,748
Kaoliang	131,535	138,324	132,051	153,532
Millet	128,678	132,829	131,098	135,487
Maize	127,744	114,988	129,974	122,602
Rye	30,691	30,360	32,786	32,467
Sweet potatoes	316,537	358,041	369,459	341,797
Oats	—	15,888	17,444	18,036
Peas	—	58,118	66,901	69,096

	1931	1933	1935	1936
Beans	—	55,410	63,442	62,253
Glutinous rice	44,140	86,736	88,161	87,296
Soya beans	114,327	145,428	112,311	118,220
Rape-seeds	43,462	42,132	49,749	49,572
Ground-nuts	—	59,613	50,355	52,622
Sesame	—	19,266	15,640	17,300
Leaf tobacco	—	12,598	11,294	12,673
Raw cotton	14,570	16,595	14,586	20,639

According to a Chinese report the total area of arable land in China is 966 million acres. Of the total, 406 million acres lie in the part occupied by the Japanese forces, the remaining 560 million acres in the free portion of the country. The former embraces 136,069,000 farmers who have 78,623,000 head of animals, the latter 213,787,000 farmers with 14,679,000 head of animals. As compared with the crops in 1930, the latest figures for the crop of rice represent 81 per cent of the 1936 crop, wheat 45 per cent, barley 58 per cent, maize 20 per cent, soya beans 34 per cent, kaoliang 23 per cent, sweet potatoes 76 per cent, raw cotton 29 per cent, groundnuts 43 per cent, and leaf tobacco 69 per cent.

The total amount of crops in North China in 1940 is estimated at 2,668,000 metric tons, an increase of 450,000 metric tons or 25 per cent over the previous year, including wheat 563,000 metric tons (5 per cent increase), kaoliang 267,000 metric tons (18 per cent increase), maize 348,000 metric tons (53 per cent increase), Indian corn 190,000 metric tons (38 per cent increase), rice 42,000 metric tons (7 per cent increase) and raw cotton 39,000 metric tons (21 per cent increase). The figures, however, do not as yet recover those for a normal year.

The crops in Mongolian districts in the same year are estimated to have attained amounts more than normal, the estimated crop of wheat being 151 metric tons (53 per cent increase over the previous year), barley 347 metric tons (131 per cent increase), kaoliang 274 metric tons (116 per cent increase), maize 284 metric tons (71 per cent increase) millet 129 metric tons (121 per cent increase) and buckwheat 74 metric tons (101 per cent increase).

#### Mining

More than 1,000,000 tons of iron ore has been produced annually with Chinese capital, including about 380,000

tons at Tayeh, about 70,000 tons at Hsiangpishan, about 280,000 tons at Fangchang and about 200,000 tons at Tangtu. The annual output of coal has amounted to some 20,000,000 tons, 39 per cent of which has been produced with the aid of foreign capital, the rest being accounted for by Chinese capital. The production of antimony in China is about 70 per cent of the world's total. China is also a leading producer of tungsten, accounting for 42 per cent of the world's total production.

On account of insufficient facilities the production of steel is small, and considerable supplies, therefore, have to be obtained from abroad.

**More Supplies to Japan** Many vital mineral deposits exist in the areas occupied by the Japanese troops and are being developed with the superior engineering technique furnished by Japan. The development of iron and coal resources is progressing smoothly despite the difficulties facing all such efforts. At the end of last year there were eight iron mines in the Yangtze valley, one along the Lunghai Railway, four along the Shihkiachwang-Taiyuanfu line and in Shanai Province, one in another part of North China and one on the island of Hainan, totalling 15 mining areas.

There are a dozen prospective mines in other parts of China which are expected shortly to be worked. The production of coal is concentrated in North China on the whole, and with peace and order established and machinery and equipment made more complete, the output is steadily increasing. At present there are being operated 14 anthracite mines, 20 caking coal mines, nine non-caking coal mines and other mines not yet worked. Tsingtao is the shipping center of North China and Shanghai of Central China. Both were hit severest by the China Affair, but thanks to the appropriate measures for restoration, their recovery has been rapid and Japanese mills are now operating, in some respects, at greater

capacities than before the outbreak of hostilities.

There are about 20 vital materials which are produced in the territory under the rule of the National Government and are supplied to Japan, including coal, salt, iron ore, tungsten and the like, the output of which has of late markedly increased in South China. Also conspicuous for their increase in supply to Japan are asbestos, black lead and mica. Also increasing are the supplies of sheepskin, cowhide, hemp, tung oil and lacquer.

### Manufacturing Industry

Modern industry was introduced into China after the Opium War of 1840. As a means for self-advancement, the Ching dynasty tried to promote industrial enterprise of a military nature and established the Anking and Shanghai arsenals in 1862. These were followed by the Kiangnan dockyard and a few other similar institutions. After the Sino-Japanese War of 1894, Japan acquired the right to conduct industrial enterprises in the treaty ports of China and the various Powers began working for the acquisition of similar rights. In 1897, Germany having obtained mining concessions along the Kiaochow-Tsinan Railway, intensified competition among the Powers in making investments in China resulted. Under the

circumstances, the Chinese bureaucrats and landlords became interested in industrial investments and modern industry entered upon an important stage.

The outbreak of the World War in 1914 brought about a situation favorable for a rapid development of industry in China. As the war progressed, foreign capital, with the exception of Japanese, became less active and gave the Chinese financiers a good opportunity to further the industrial development of their country. This situation, however, did not last very long as boom conditions disappeared with the termination of the war, and the various Powers renewed their efforts for supremacy. Such was the position until 1932 when the Chinese found themselves confronted with both a national and an industrial crisis.

In the light industries, Japanese and British capitals were definitely dominant. During the period from 1919 to 1935, the number of the spindles in the Japanese spinning mills in China increased seven times while those in the Chinese mills increased only three times. The number of weaving machines in the Chinese mills, too, increased by only slightly over three times against an increase by fifteen times in the Japanese mills. Detailed figures for the spinning and weaving industry, as given in the 1936 edition of the Year Book compiled by the Shen Pao, are tabulated below:

	1933	1934	1935	1936
Number of mills	133	136	143	143
Number of spindles	5,019,917	5,171,600	5,381,688	5,526,847
Number of weaving machines	39,564	42,834	47,064	52,009
Amount of cotton yarn produced	2,332,684	2,272,834	2,288,357	2,025,489
	(bales)	(bales)	(bales)	(bales)
Amount of cotton cloth produced	20,121,900	23,465,437	999,323,134	1,036,575
	(rolls)	(rolls)	(thousand sq. yards)	(thousand sq. yards)
Amount of raw cotton used	8,706,019	8,955,767	8,892,633	8,768,161
	(piculs)	(piculs)	(piculs)	(piculs)
Number of workers	—	—	—	207,899

As a result of the hostilities of 1937, eight spinning mills under Chinese management were totally destroyed in Shanghai and five others partially destroyed.

The woollen textile industry in China has a history of 50 years but its development has been very slow. According to a survey made at the beginning of 1937, there were 39 mills, with a total capital of 5,069,770 yuan and 2,655 hp.,

engaged in the woollen textile industry in the country.

With reference to the manufacture of matches, the Chinese displayed considerable activity for a time but at present Japanese capital dominates the industry. No more than 40 per cent of the production of tobacco in China is accounted for by the Chinese; while the salt refining industry has been unable to achieve any remarkable development

on account of the restrictions of the Finance Ministry of the National Government.

Prior to the outbreak of the China Affair, the conditions of the flour manufacturing enterprises in China were quite satisfactory. The total capital of the Chinese flour mills in 1935 amounted to 26,900,000 yuan, while the amount of flour produced during the one year ending in July 1936, reached 61,941,612 bales. The control of the flour manufacturing enterprises in Hopei and Shan-tung Provinces has, however, since the outbreak of the Affair, fallen into the hands of Japanese capitalists.

The conditions of the machinery industry in China are not satisfactory when viewed from the standpoint of Chinese management. There have been more than 560 factories throughout the country but their total capital has never exceeded 6,000,000 yuan, and the work they have done has been limited to repairs or manufacture of parts. Almost all necessary machines have been imported from foreign countries, imports of this kind during 1937 amounting to approximately 6,500,000 yuan, the principal items of which were connected chiefly with the expansion of spinning mills under the management of foreign capital and construction work undertaken on the strength of the refunding of the Boxer Indemnity.

The chemical industry in China is still in its infancy. The number of establishments engaged in the industry which have each a capital of more than 100,000 yuan is only 17, made up of five salt factories and twelve acid factories. Only two establishments are capitalized at more than 1,000,000 yuan each. The alcohol manufacturing enterprises in the country have a history of only five or six years but their conditions are comparatively satisfactory.

### Shanghai's Cotton Industry in 1940

T. T. Schmidt gave the following report in the Far Eastern Review, Janu-

ary 1941 number. During the first six months of 1940, Shanghai cotton mills were very busy and enjoyed very good business because of large demand of cotton yarn and cotton cloth both in the local market, the interior provinces of China as well as the South Sea Islands. Prices of cotton yarn and cotton cloth increased steadily and large quantities of cotton goods were exported from the city. However, following the heavy slump of the Chinese dollar in the local exchange market in the early part of May and the general depression of the commodity market following the occupation of the Low Countries in Europe by the German troops, the cotton mills were forced to curtail their operations. The business condition of the cotton mills suffered more, when the Yunnan-Burma Highway was closed in July, cutting off the only route for the export of cotton yarn and cotton cloth to Free China. Since then, the Japanese cotton mills curtailed their operations by 50 to 60 per cent, the British mills by 30 to 40 per cent and the Chinese by 10 to 20 per cent. As a whole, it must be said that the business condition in 1940 was far better than 1938 but not as good as 1939.

By the end of 1940, 64 cotton mills were operating in Shanghai as against 60 in December 1939. These 64 mills operated a total of 2,170,000 spindles as against 2,123,862 for the corresponding period of 1939. As to weaving machines, the 64 mills operated 26,000, showing very little change when compared with the previous year. Of the 2,170,000 spindles, 600,000 spindles were operated by the Chinese mills, 1,330,000 spindles by the Japanese mills and 240,000 by the British mills. As to the total of 26,000 weaving machines, 4,000 were operated by the Chinese mills, 18,000 by the Japanese mills and 3,600 by the British mills. The following table gives the comparative conditions of the number of spindles and weaving mills in 1939 and 1940.

	Number of Mills		Number of Spindles		Number of Weaving Machines	
	1939	1940	1939	1940	1939	1940
Chinese	19	21	562,254	600,000	3,735	4,000
Japanese	37	38	1,327,632	1,330,000	18,814	18,400
British	4	5	233,976	240,000	3,616	3,600
Total	60	64	2,123,862	2,170,000	26,165	26,000



Prior to the outbreak of hostilities in 1936 the cotton mills of Shanghai produced a total of 910,415 bales of cotton yarn. In 1937, total production of cotton yarn was 961,984 bales. However, because of the war, the total production in 1938 dropped to 753,441 bales. In 1939, total production increased to 1,120,356 bales, because of the exceeding good business enjoyed by the

local mills, following the outbreak of hostilities in Europe when new markets were found in the South Sea Islands. Production in 1940 was estimated to be 986,000 bales. The following table gives the production of cotton yarn by the Chinese, Japanese and British cotton mills in the past four years:

	Chinese Mills	Japanese Mills	British Mills	Total
1936	541,999	330,179	38,237	910,415
1937	686,423	246,884	28,677	961,984
1938	191,044	525,465	36,932	753,441
1939	369,444	694,632	56,280	1,120,356

The following table giving the total consumption of cotton, total production of cotton yarn and cotton cloth will

give a general idea about the business conditions of the cotton mills in the different months of 1940:

	Consumption of Cotton (piculs)	Production of Yarn (bales)	Production of Cloth (pieces)
Monthly Average, 1939	318,734	92,242	1,718,227
Monthly Average, 1940	309,100	80,500	1,600,927
1940:			
January	349,889	101,000	1,784,900
February	318,734	90,000	1,718,000
March	359,000	105,000	1,972,000
April	378,000	110,000	2,050,000
May	390,000	114,000	2,130,000
June	360,000	103,000	1,888,000
July	283,000	81,000	1,410,000
August	243,000	69,000	910,000
September	247,000	70,000	940,000
October	258,000	74,000	1,110,000
November	265,000	75,000	1,200,000
December	258,000	74,000	1,100,000
Total	3,709,623	960,000	19,931,127

From the above table it is apparent that the business condition in the month of August reached the minimum for the year from the maximum height of May. However, with the re-opening of the Yunnan-Burma Highway in October and the general improvement of business conditions, the cotton mills increased their activities in November and December.

In 1939, total turnover of the local cotton market was 2,803,332 piculs, of which 1,336,070 piculs were Chinese native cotton and 1,467,262 piculs were foreign cotton. Total amount of Chinese cotton traded in the market was a little less than that of foreign cotton. The situation in 1940, however, was

greatly changed, because of the large import of foreign cotton and the lack of any supply of native cotton, following the tightening of the control of cotton export by the Japanese authorities in the occupied areas of Central China. Total turnover of cotton in the first ten months of 1940 was 1,186,067 piculs or an average of 118,606 piculs per month as against an average of 280,333 piculs per month in 1939. Of the average of 118,606 piculs of cotton transacted each month, only an average of 44,774 piculs were Chinese cotton. The following table gives the amount of Chinese and foreign cotton transacted during the different months of 1939 and 1940:

	Chinese Cotton		Foreign Cotton		Total	
	1939	1940	1939	1940	1939	1940
January	264,585	93,426	374,249	23,426	638,834	116,870
February	93,918	117,356	53,757	37,233	147,675	154,589
March	161,031	89,027	211,990	50,685	373,021	139,712
April	64,083	74,499	94,985	73,799	159,068	148,298
May	75,896	32,000	188,026	54,000	263,922	86,000
June	60,851	8,300	153,486	35,210	214,337	43,510
July	45,954	34,055	63,511	49,883	109,465	83,938
August	43,136	59,800	125,658	24,648	168,794	114,448
September	112,015	39,284	116,471	77,340	228,486	116,624
October	82,693	45,916	36,995	137,062	119,688	182,978
November	134,855	—	26,409	—	161,264	—
December	197,053	—	27,725	—	218,778	—
Total	1,336,070	—	1,467,262	—	2,803,332	—

#### Program for Economic Construction Embracing Japan, Manchoukuo and China

On November 5, 1940, the Cabinet Information Bureau of Japan announced that the fundamental national policy of establishing the Greater East Asiatic sphere of common prosperity, which aims at the construction of a new order in this part of the world, has entered upon a new phase with the conclusion of the Three-Power Pact between Japan, Germany and Italy, and the Government, at a recent session of the Cabinet Council, have decided on the Summary of the Program for Economic Construction Embracing Japan, Manchoukuo and China, with a view to coping with new developments in the situation, and intend hereafter to carry out national policies consistently in conformity with that fundamental national purpose.

**Basic Lines of Policy** 1. The objective of the program for economic construction embracing Japan, Manchoukuo and China is to establish a self-supporting, self-sufficient economic structure within about ten years, in order to strengthen the position of East Asia in the world economy by accelerating the construction of the East Asiatic sphere of common prosperity.

2. Guiding principles on which Japan is to undertake the economic construction program lie in the promotion of the general welfare in an ideal state of co-existence and common prosperity through the unitary cooperation of the three countries, in accordance with the high and broad spirit of "Hakko Ichiu," or the world as one family.

3. In order to expedite the economic construction Japan will endeavor to uplift the morale of the nation, renovate

the internal structure, augment national strength while rendering assistance to the economic reconstruction of Manchoukuo and China. For this purpose she will strive for the promotion of science and technique and undertake the development of pioneer industries.

4. Manchoukuo, being in an inseparable relationship with Japan, is expected to swiftly perfect and develop important basic industries.

5. China is expected to develop her resources and reconstruct her economic system in collaboration with Japan and Manchoukuo; in particular, progress in communications and transport services, smooth exchange of goods, and development of essential industries and resources are called for.

6. With a view to adjusting and accelerating the organized planning of economic construction embracing Japan, Manchoukuo and China the administrative machinery relating thereto shall be speedily perfected.

**Practical Policies** In view of the fact that Japan, Manchoukuo and China constitute the backbone of the East Asiatic sphere of common prosperity, having thereby the duty to regulate economic relations on the basis of their closest union, the Japanese Government have decided on essential policies in respect to spheres of industrial activity, labor, finance and banking, exchange, and communications and transport covering the three countries.

In determining spheres of industrial activity, the conditions peculiar to the three countries and their respective phases of economic development should be considered, thereby effecting decisions from the comprehensive point of view and treating them as an organic whole.

Viewed in that light, Japan should hereafter strive for the promotion of the highest type of precision industry as well as mechanical industry while endeavoring to develop basic industries, such as the heavy, chemical and mining industries.

Manchoukuo is expected to make an epoch-making advance in the mining industry and in electrical undertakings. For the development of her heavy and chemical industries Japan is prepared to offer necessary assistance.

China is expected to develop her mining and salt industries and to undertake large-scale production of raw materials. Since her natural conditions afford much room for the development of heavy and chemical industries, progress along that line is also expected hereafter.

The development of light industries on the Continent must be greatly promoted. In this connection, it is necessary that Japan should readjust her light industries, particularly the fiber and miscellaneous industries. Their removal to the Continent must be seriously considered.

With regard to agriculture in Japan, measures will be taken for the improvement of various systems relating to land, renovation of farm management, betterment and security of the living of farmers and ensuring of the staple food of the people as well as the maintenance of definite numbers in the farm population. Measures will also be taken, in this connection, for the steady development of fishery enterprises and for the rationalization, utilization and conservation of forest resources.

With regard to agriculture in Manchuria, in view of the position of that area as a base for the supply of food-stuffs and fodder for Japan, Manchoukuo and China, and as the source of supply to the world of special agricultural products, the increase to the fullest extent of agricultural production is expected. For the purpose of this development, the migration of Japanese agricultural settlers will be facilitated. In respect to agriculture in China, efforts for the assurance of the staple food of the nation must be made. The increase of the production of cotton and other staples is also urgent.

Labor power available in each of the East Asiatic countries and regions must be enabled to make its contribution to

the improvement of the whole labor force, thereby maintaining the superiority of the East Asiatic sphere in world economy. With this in view Japan intends to perfect a new structure in labor and technique, endeavoring to train and build up the bodies and minds of workers, to provide a thoroughgoing scientific education, to heighten the productivity of labor, and to train technicians and skilled workers. Thus the economic construction of Manchoukuo and China will be accelerated and assisted as required by the two countries; Manchoukuo and China will be supplied with technicians and skilled workers capable, and necessary for their industrial development and economic construction. At the same time, the two countries themselves have to train those types of men in view of the importance of technique. It is further required of Manchoukuo that she should plan not merely for the migration to and settlement in the country of laborers from North China but for the establishment of measures for the self-sufficiency of labor as well as the improvement of its management, in particular, in the mining industry.

With a view to expediting the construction of national-defense economy, the function of finance and banking also should be made to conform to the national purpose. In order to make possible the execution of an industrial program embracing Japan, Manchoukuo and China, the distribution of capital must be determined according to an organized plan and a system equal to that task be set up. In that connection, there must be perfected a financial mechanism facilitating the storing of staple goods, in keeping with the progress of technique, along with the creation of spheres of industrial activity, and with changes in industrial equipment. Capital required for the three countries must be supplied by their own accumulation. To this end measures must be taken by the three countries for the increase and efficient utilization of such accumulation. With regard to capital necessary for the development of essential industries, Japan is prepared to give assistance in its supply. And the relationship of mutual assistance in international settlements should be established between the three countries as their economic relations become increasingly closer.

In respect to exchange in the coming

new world order, the principle of commercial trade of the past must be revised to a considerable extent: there must emerge the principle of productive trade, which enables each country, region and economic sphere to supply to others goods required by them in exchange for the goods necessary for its own planned production; and which specially regulates trade between Japan, Manchoukuo and China, in such a manner as will create a mutual, unitary relationship. In so doing, a special agreement for payments between these countries will be required, with a view to facilitating the closer flow of goods between them.

With the closer flow of goods between Japan, Manchoukuo and China as well as between the regions in the sphere of common prosperity, systems of communications and transport between the three countries must be perfected and operated by a comprehensive and organized plan, thereby ensuring the security of the whole of the sphere. Accordingly, the connection between land and sea transport services of the three countries must be expedited; a large-scale increase in shipping, control of and connection between air lines, as well as the perfection and extension of electric communication facilities, must be planned.

#### Industrial Reconstruction

Although no detailed statistical data are available on China's industrial conditions immediately before the outbreak of the China Affair, a survey made in 1934 showed that the total number of Chinese industrial establishments with more than 30 operatives (qualified as factories by the Chinese Industrial Law), was 2,435, with capital investments totalling 400,000,000 yuan. The number of factory operatives was estimated at 500,000, producing about 1,280,000,000 yuan of manufactured goods. On the other hand, there were the British, American, Japanese and other foreign industrial enterprises in China, which are operated with about twice the amount of capital that the Chinese invest in their own industrial enterprises.

**Extent of Destruction** As 80 per cent of the industrial plants in China was concentrated in the five industrial centers, direct damages sustained by them as a result of the hostilities were enormous. In Shanghai, according to

statistics compiled by the Social Affairs Bureau of the old Shanghai Municipality in November 1936, 2,998, or about 55 per cent, out of the 5,525 factories in that city were destroyed. Damages increased still further consequent on the fall of Nantao. All in all, damages to factories in the city were estimated at 800,000,000 yuan. The French Concession escaped destruction, whereas in the International Settlement 70 per cent of the factories clustered about the eastern areas of the city under Japanese jurisdiction were demolished. In Pootung and other districts under Chinese jurisdiction, damages to factories did not exceed 50 per cent, while destruction of such establishments in Chapel and Nantao was almost complete, with the result that the number of factories in the whole of Shanghai was reduced to 26.5 per cent of that before the hostilities. Damages to Japanese spinning mills were not as great as those sustained by Chinese mills, but the Toyoda Spinning Mill was more than half wrecked and the Nikka Spinning Mill in Pootung also suffered considerable damage. Factories on the Yangtze delta escaped with less damage than those in Shanghai, but the productive capacity of those at Wush and Changchow was reduced by 50 per cent. Small factory-owners in those districts suffered heavy losses when thieves, taking advantage of the confusion, ransacked their establishments.

At Tsingtao, the greatest industrial center in North China, all Japanese spinning mills, including the Nagai, Fuji, Kungdah, Nishin, Dai Nippon, Shanghai, Tunghsing, Toyoda and Kokko Spinning Mills were razed to the ground overnight by Chinese troops. Direct damages to Japanese factories at Tientsin were comparatively small, but most of the spinning mills had to suspend operations, reducing their total output to about 53 per cent by the end of 1936. In the three Wuhan cities 41 per cent of the 516 factories took refuge in the hinterland and about 12 per cent were deliberately destroyed. The remaining 47 per cent more or less damaged factories were restored. Severe fighting was chiefly to blame for these devastations, and if losses due to suspension of work were included, the total setback would amount to a staggering figure.

**Rehabilitation** The industrial areas thus affected by the hostilities are the

strategic districts under the Chinese Government. It is necessary, therefore, to undertake first of all the rehabilitation of factories, rescue work and maintain peace and order in those stricken cities. For this purpose, all the factories which were deserted by their owners have been placed temporarily under the supervision of the Japanese military, or consigned to Japanese interests. Many Chinese factory-owners were able to reopen their plants by the aid of Japanese capital and engineering skill under Sino-Japanese management. This arrangement attracted no small amount of Japanese capital to China and has helped many a prostrate Chinese factory to regain its feet.

In Shanghai, factories are gradually being rehabilitated. This is particularly true in the foreign settlements where there is now a greater number of factory operatives than before the clash. Even in the eastern section of the settlement, where destruction was heaviest, about 80 per cent of the factories, chiefly Japanese, have been restored. In the area under Chinese jurisdiction, rehabilitation work in Pootung is being carried out most efficiently, and that in Nantao is also making headway. The Japanese spinning mills which suspended operations at the beginning of the war, set to work to reopen immediately after the Chinese forces were driven back and such plants resumed work late in 1937.

Although the damage suffered by Japanese spinning mills at Tsingtao was very great, the first part of the rehabilitation program was completed early in 1939, in which roughly 60 per cent of the productive power was restored. The spinning industry in Tientsin, which did not suffer direct damage, has outstripped those of Tsingtao in productivity and is now enjoying unprecedented prosperity. In the Wuhan cities, 11 important factories, representing British and Sino-Japanese capital and others, together with 87 small Chinese plants have been restored. The number of small Japanese industrial enterprises in those cities have quadrupled since 1937.

**New Construction** With the progress of restoration work, Chinese industry has entered a new stage of development and should therefore expand along modern lines. Under Japan's leadership, a plan is now under way for

the systematic development of North China, including the Mongolian provinces, with a view to preventing the infiltration of Communism and stimulating China's productive power. Under this plan, various industries such as coal, iron, coal liquefaction, electric power and salt industries have been placed under economic control, while spinning and other industries were allowed to remain as free enterprises. In November 1937, the North China Development Company was organized as a holding company for controlling various subsidiary companies related to such industries. As for free enterprises, they are to be conducted in accordance with the following three basic principles for the establishment of a new order in East Asia: (1) Japan, Manchoukuo and China must avoid economic rivalry; (2) Any enterprise which may call for dual investments will be restricted; and (3) Indiscriminate duplication of enterprises of the same kind must be avoided. Accordingly, policies based on these principles have been formulated to regulate free enterprises.

This policy of regulating industry is intended to promote a healthy development of Chinese industry, and to encourage Sino-Japanese economic cooperation by affording it political and economic security. The declaration of the commander-in-chief of the Japanese expeditionary forces in China on March 18, 1940, to the effect that factories under Japanese military supervision are to be restored to legitimate Chinese ownership was animated with the same spirit. Such is the political, economic and military policy of the Japanese Government in the special areas of North China as it is in Central China. Important industries are controlled by the North China Development Company and the Central China Promotion Company, while minor industries may be undertaken as free enterprises.

Up to the outbreak of the China Affair, a greater part of the iron industry in North China was still undeveloped, and the Shihchingshan refinery had been closed for 20 years. The iron industry is now under the direction of the Lungyen Mining Company, a Sino-Japanese organization established in July 1939. The Shihchingshan Iron Works has been put into operation since November 1938.

the Yanghuon Iron Works since June 1939, and the Taiyuan Iron Works since November 1939, and they are doing very creditably.

As for electric power, up till the outbreak of hostilities, Chinese industry depended upon the local generation of power on a small scale, chiefly for lighting purposes. This is one of the reasons why large electric enterprises did not develop. The electric industry in North China at present is being carried on by the Huapei Electric Power Company, which was established in November 1939, and commenced services in February 1940, as a subsidiary of the North China Development Company. It supplies Peking, Tientsin and the East Hopei District with electric power. The Company is also in charge of the local power houses under military control, and later on it is destined to control the electric power industry throughout North China.

Formerly the manufacture of industrial salt in North China was conducted chiefly by the salt department of the Hsingchung Company. The Huapei Salt Company, which was established in August 1939, as a subsidiary organization, is now engaged in the development of Changlu salt from the salt-fields near Tangku. The Hsingchung Company operates a soda manufacturing plant at Tangku belonging to the Yungli Chemical Industry Company, which is under military control, but the two concerns are expected to be merged in the near future. Besides this, the Shantung Salt Company, established in February 1937, is now developing salt-fields in Shantung. All these subsidiary companies are operated either by purely Chinese or Sino-Japanese management.

In Central China, there are 12 subsidiary companies of the Central China Promotion Company. The Huachung Salt Company, established in August 1939, is developing the salt-fields of Hanchou. It also intends to develop new salt fields by directly investing its capital or by accommodating loans. The Huachung Silk-Reeling Company was organized in August 1939, for controlling silk-reeling and for the manufacture of silkworm egg cards. It now operates 20 factories in Wushih, Suchow, Hangchow, Haining, Anking and Kashing. Electric power and water supply services are conducted by the Huachung Water and Electric Power Supply Com-

pany, which was brought into being in June 1938. The company supplies electric light to about 60,000 users, electric power to about 2,000 and electric heat to about 500 in Chapel, the central section, Nantao, Pootung, Chenju and Woosung in Shanghai. The company is also in charge of electric plants in Nanking, Hangchow, Chinkiang, Hankow, Anking, Changchow, Puhu, Sungkiang, Yangchow and Kiukiang.

A water supply system is maintained at Chapel, Nantao and Pootung in Shanghai. The total volume of water which the company supplies to the city is over 6,200,000 cubic meters a day. In addition to this, the company is in charge of the water works in Hangchow, Chenkiang, Nanking, Hankow and Wuchang.

The development of free enterprises, such as spinning, flour milling, cement, tobacco, and paper manufacturing, and wool weaving, which are operated by machinery, has been as remarkable in Central China as it has been in North China under Chinese and Sino-Japanese management. In Shanghai, Japanese industrial activity before the China Affair was confined to the spinning industry, but since the outbreak of hostilities Japanese capital has financed all kinds of enterprises from flour milling, silk-reeling, lumbering, the manufacture of tobacco, soft drinks, cement, electric bulbs, rubber, automobile, tea, pig's bristles, paulownia oil, and the processing of eggs.

#### Transportation

**New Rail Link in North China** A. V. Wedekind gives the following report in the columns of the Peking Chronicle. A railway crossing central Hopei Province, a dream for 24 years has finally become a reality. The new Tehchow—Shihomen (Shihchiachuang) railroad, called the Tehshih Line, is an important link between the Kinghan (Peking-Hankow) and the Tsingpu (Tientsin-Pukow) railways. It runs across a tremendously fertile region which abounds with agricultural products, especially wheat and cotton. It serves as a feeder to Tsingtao, a new outlet to the sea for Shansi and Mengchiang.

A casual reflection on these few facts will show the great commercial worth of the Tehshih route. It is also of considerable strategic value for the mainte-

nance of peace and order in the interior of the province. Bandits and guerillas will be harder pressed than ever and even the Chinese peasant realizes the beneficial effects the railroad will have for him. Old markets for his products have come closer and new ones have been opened. No longer will a few motor trucks laboriously haul a limited quantity of his cotton and wheat to the large cities over bad country roads and take days to do it.

The Tehshih Line spells a new deal to the harassed farmer: it promises protection from marauding "soldiers" and guarantees to carry as much of his products as he can supply to the outside world. And there is no Chinese field laborer today who does not recognize these elementary facts.

The Chinese peasant, no matter what may be said of his old-fashioned methods of agriculture, has fully come to recognize the benefits of railways, good roads, fast transportation and the meaning of these outlets to the outside world. The past four years have taught him more than the previous 40 had done.

The first definite plan for a link between the Kiangnan and Tsinpu Railways was prepared in 1916. But the work barely progressed beyond the drafting stage. Tsangchow was originally chosen as the Tsinpu terminus. In May 1940 it was decided to make use of Tehchow in Shantung, probably because of the shorter distance to Tsingtao through Tsinan.

No special difficulties were encountered. The route ran across rich yellow soil, a typical loess area. Shihmen is 230 feet above sea level and Tehchow 20 meters. Thus construction proved relatively simple. The chronological history of the work is short. Surveying started on June 1 and ended on August 17. The road bed was begun on June 15 and finished on October 31. The first rail was laid on July 12 and the last on November 12.

The North China Communications Company and a special corps from the Japanese Railway Ministry cooperated with a railway engineering detachment of the Japanese army. The railway passes through the following larger towns: Kaocheng, Tsinhsien, Shulu, Motow, Hengshu, Lungkwachen. Roughly described the route is divided into two different region types. From Shihmen

to Shulu the agriculture, soil, dwellings and the people belong to the Kiangnan area types. From Shulu eastward to Tehchow the types change and begin more to resemble those found along the Tsinpu railway. M. Arima, the engineer who was specially sent from Japan to aid in the railway construction, draws attention to this dissimilarity.

Two rivers are crossed by the Tehshih railway, the south canal near Tehchow and the Fuyang Ho. There was little difficulty in building the necessary bridges. The cost of the new line was relatively inexpensive, rails were obtained from the Nippon Iron Works and sleepers, of the pine variety, were brought from Manchoukuo. Other materials used were mostly drawn from Japanese army stocks.

There is no regular passenger traffic on the new railway as yet. A train now does the trip in ten hours, including all stops, and averages 15 miles an hour. The rail bed has been made wide enough to carry a second track if this should prove necessary in the future. Fifteen stations and signal houses are planned and will go up in due course. Construction work on the latest railway was begun on June 15 and ended five months later. Work was commenced simultaneously from both ends of the 120-mile link.

A year or two before the Lukouchiao incident, when General Chiang Kai-shek controlled Hopel Province, a much more ambitious scheme was drawn up, namely to take the line right past Tsangchow eastward to the coast and build a special new port, thus cutting out Tientsin altogether. At the same time General Han Fu-chu, practically independent ruler of Shantung, was also planning to build a line to connect Shihchiachuang with Tsinanfu.

Anyhow, the Japanese having pacified North China, have now made Tsingtao the outlet for the trade of Shansi. But they have gone one better in this direction. The railway between Taiyuanfu and Shihchiachuang was built originally by French engineers with French money and was of the narrow-gauge type for which the French seem to have a special liking. Within one year of their presence in Shansi, the Japanese changed this narrow-gauge to a broad-gauge, so that cargoes can be shipped in the same freight car, without unloading, direct from Taiyuanfu, capital of Shansi, to the

sea at Tsingtao.

This new line is, no doubt, a blow for Tientsin, but ought to be a good thing for the people of Shansi, at least in theory. It makes haulage very much shorter and should thus help to reduce the hitherto exorbitant freight charges on imports to and exports from Shansi.

This Tehchow-Shihmen railway is the fifth line that the Japanese have built, since they pacified North China. The others include the Peking-Jehol Railway, which connects Peking with Chengde the capital of Jehol Province and once the summer residence of the Manchu emperors. This is another of those numerous Chinese lines that were forever being talked about, but never built. Yet, except for 50 miles or so of mountainous country on the border between Hopel and Jehol it was a fairly easy line to build. Kupelkow, the name by which the line is more generally known, lies about half-way on the line, on the border, and is one of the famous gates in the Great Wall.

The Sinsiang-Kalfeng Railway in North Honan is a loop line which connects the Peking-Hankow line direct with Kalfeng. It was built partly for reasons of military necessity and partly owing to the vagaries of the Yellow River. Sinsiang lies north of the Yellow River on the Peking-Hankow line. Kalfeng, capital of Honan, which until recently lay south of the Yellow River, was connected with the Peking-Hankow line at Chengchow by the Hanchow-Sian Railway. In 1935 the Yellow River broke its banks and changed its course, the main arm running south of Kalfeng, thus cutting it off from Chengchow.

One of the other two new railways in Shansi is the Tungkuanchen-Luan Railway, which connects Luan in south-east Shansi with Taiyuanfu, the capital, via Talku. Though only about 150 miles long, its construction was quite an achievement, as in the southern part it runs through very mountainous country.

Another important communication artery in Hopel Province recently completed is a 100-foot-wide highway joining Shihmen to Tsangchow, also on the Tsinpu Railway but 70 miles north of Tehchow. An old road bed existed to some extent but this was almost completely destroyed by Chinese troops. The old bed was also found to be too low and so the work had to be redone in whole by the Japanese army. This was begun in April 1940. After the preliminary work had been completed, the 600-foot route was completed by Japanese military labor in 90 days.

The new road is intended for motor traffic and at present has a temporary macadamized surface. For 32 miles it runs parallel to the new railroad but at Tsinhsien it parts company with the latter and turns northward. The inauguration ceremonies of the motor-highway were held recently. Besides this main road there are several other roads in Hopel Province, newly built or repaired, that connect many other important towns on the vast plain. Neither in the building of the railway nor of the motor-highway were the few guerilla activities that occurred of much significance. A further proof of the general absence of effective anti-Japanese action is the fact that the railroad and the highways are being regularly made use of and continue uninterrupted.

**Shipping** According to the report of the Statistical Department of the Inspectorate-General of Customs, the total tonnage of trade boats entered, during 1940, into Chinese ports, was 25,073,458 tons, a decrease of 4,754,000 tons or 15.9 per cent from the previous year. The report for the first half of 1941 indicates still further decrease possible in the year. Japan came to the first place, beating Great Britain both in number and tonnage. She will keep the position in 1941 as the following figures show:

VESSELS ENTERED INTO AND CLEARED FROM CHINESE PORTS BY FLAGS

Flags	1938	1939	1940	Jan.-June 1941	
	Total Tonnage	Total Tonnage	Total Tonnage	1940	1941
American	328,920	769,285	1,471,771	736,783	605,133
British	12,350,327	8,300,409	4,437,605	2,342,150	1,081,973
Chinese	791,960	683,709	648,049	357,533	363,427
Chinese junks	1,451,363	1,541,911	1,163,878	643,133	478,577