

bearing stamps sufficient to cover the special rate required shall be delivered by Air Service, and the amount of ordinary postage underpaid shall be charged "double shortage" upon delivery.

Article VII. In case the delivery by air route is likely to be delayed owing to special circumstances, air mail matters may be despatched through ordinary postal service.

Article VIII. Undelivered air mail matters shall be returned or redelivered from the destination Post Office through ordinary postal service.

Article IX. The sender may ask for the return of special air mail postage paid under either of the following conditions:

1. In case the air mail is delivered later than ordinary mail due to some fault on the part of the Post Office;
 2. When mail for air delivery has been despatched through ordinary postal service.
- The present Regulation shall come into force on the third day of November, First Year of Tatung.

Parcels post for air service within the territory of Manchoukuo and Kwantung Leased Territory shall not be accepted until further notice.

Transportation by Water.

River navigation, which is as closely connected with railway service as are buses is also operated by the General Direction of State Railways, the bureau created by the South Manchuria Railway Co. to manage the government transportation system under its contract awarded in 1932. Before the Manchurian Incident of nearly three years ago, river navigation was operated by various organizations, including the River Transportation Bureau of the North Eastern Navy, the North Eastern Navigation Bureau, the North Eastern Shipyard, the Navigation Administration and the Water-course Bureau.

After the "Incident" these organizations were taken over the Government who later entrusted their (excepting the last 2) operation to the General Direction when it was established. Thirteen months later on April 1, 1934, the General Direction amalgamated all these organizations into one entity and created what

is called the Harbin Navigation Association, because, had individual shipowners been left to compete among themselves, it would be almost suicidal to all concerned. And to control this Association the Harbin Direction for Navigation was established at Harbin by the General Direction.

Important rivers on which the Association operates its vessels are the Sungari, Amur, Liao, Non and Yalu. The routes operating now totaling 3,837 kilometres, are as follows in kilometres:

Harbin-Fuchin, 614; Harbin-Heiho via Fuchin, 1,418; Heiho-Moho, 827; Harbin-Hulin, 1,286; Harbin-Chiangchiao, 503; Harbin-Kirin, 738; Total, 3,837.

The following tables show number of ships available for the Association, number of ships operating on each route, number of trips, required, etc.:

Ownership	General Direction		Private		Total	
	No.	Ton.	No.	Ton.	No.	Ton.
Steamship	44	15,200	69	35,055	115	50,750
Lighters	65	31,061	66	31,997	131	63,058
Sailing boats	13	2,203	58	9,351	71	11,554
Total	122	48,464	193	76,403	315	125,302

(June 30, 1934)

Routes	No. of Ships Operating	Time required for return Voyage	No. of Departure
Harbin-Fuchin (regular)	10 Pass.	10 days	Once a day
" " (extra-ordinary)	4 Pass.	10 "	12 times per month
" "	5 Pass. & Cargo	15 "	10 times per month
Fuchin-Heiho	2 Pass.	10 "	6 times per month
Harbin-Heiho	6 Pass.	21 "	8 times per month
Heiho-Moho	2 Pass.	7 "	8 times per month
Harbin-Sanhsing Section of Harbin-Fuchin route	3 Pass. & Cargo	9 "	9 times per month

Routes	No. of Ships Operating	Time required for return Voyage	No. of Departure
Harbin-Talai-Fuyu Section of Harbin-Kirin route	3 Pass. & Cargo	12 "	8 times per month
Fuyu-Kirin Section of Harbin-Kirin route	3 Pass. & Cargo	10 "	9 times per month
Chiangchiao-Tsitsihar-(Extension of Harbin-Chiangchiao route)	1 Pass. & Cargo	5 "	6 times per month
Moho-Aihun (Extension of Moho-Heiho Line)	1 Pass. & Cargo	15 "	2 times per month
Talai-Chiangchiao Section of Harbin-Chiangchiao route	1 Pass. & Cargo	10 "	3 times per month

Besides the above total of from 300 to 400 runs of cargo boats are operated for the routes mentioned during a year.

The number of passengers carried in 1933 were as follows:

From Harbin to Sanhsing, 12,381; to Chiamussu, 3,950; to Fuchin, 11,813; to other places, 52,785; total, 85,932.

From Sanhsing to Harbin, 10,583; to Chiamussu, 3,350; to Fuchin, 1,550 to other places, 14,107; total, 29,590.

From Chiamussu to Harbin, 8,176; to Sanhsing, 3,426; to Fuchin, 3,233; to other places, 12,689; total, 27,524.

From Fuchin to Harbin, 11,606; to Sanhsing, 1,577; to Chiamussu, 3,837; to other places, 18,684; total, 35,704.

From other places to Harbin, 45,018; to Sanhsing, 12,466; to Chiamussu, 11,961; to Fuchin, 16,610; others, 61,766; total, 147,821.

Total of Harbin, 75,383; of Sanhsing, 29,850; of Chiamussu, 28,098; of Fuchin, 33,209; of others, 160,031; total in all, 326,571.

The amount of cargo carried in 1933 in kilometres were:

From Harbin: Cereal, 1,688; coal, 3,510; others, 39,992; total, 41,190.

From Sanhsing: Soya beans, 72,110; wheat, 904; cereal, 586; coal, 103; wood, 5,306; others, 211; total, 79,220.

From Chiamussu: Soya beans, 30,838; wheat, 15,824; cereal, 589; coal, 1,784; wood, 250; others, 937; total, 50,222.

Fuchin: Soya beans, 34,807; wheat, 34,701; cereal, 1,332; wood, 16; others, 973; total, 71,829.

From other places: Soya beans, 95,364; wheat, 31,313; cereal, 10,222; coal, 148,613; wood, 46,668; others, 49,742; total, 371,923.

Totals: Soya beans, 233,119; wheat, 72,742; cereal, 14,417; coal, 154,010; wood, 52,240; others, 87,856.

Grand total, 614,384.

As for the navigation on the Yalu and Liao rivers, the situation has not yet reached the

stage where modern navigation is in much demand, so that although the General Direction is vested with right to operate vessels on them, at present it is still investigating the real conditions obtaining on these rivers. So far junks and rafts have been sufficient to take care of what traffic there are on the two rivers.

The following figures show earnings from operation of the river routes:

Year	Revenue	Expenditure	Balance
1932	899,353.35	1,769,703.82	-870,350.47
1933	1,331,969.77	1,568,836.15	-236,866.38
(estimate)			
1934	1,216,249.00	1,255,465.00	-39,216.00

As shown by the above figures the General Direction is not realizing any net income. Due to severe winter, the routes could only be operated about 7 months of the year, yet the personnel has to be maintained even during the freezing season practically in full force. Moreover, such routes as Harbin-Hulin, Harbin-Kirin and Heiho-Moho routes are purely sacrificial routes for the benefit of the public, because there are no other means of transportation available connecting these points. Added to this already adverse conditions great deal of the traffic is expected to be diverted to the railways when the projected ones are completed; consequently it is considered almost impossible to obtain any profit from this enterprise. The most that could be expected is a par between revenue and expense which will be approached perhaps this fiscal year. In other words this enterprise is operated solely for public service.

However, the General Direction is sparing no effort in curtailing unnecessary expenses by efficient use of vessels, by elevating the efficiency of personnel, etc. and in finding new sources of revenues, such as, by opening up new paying routes, attracting traffic and popularization of this means of transportation.

Besides the transportation facilities that have already been dealt with the General Direction

is also conducting various public enterprises such as the development of local industries, spreading of education, implanting of sanitary ideas and maintenance of peace and order along the railways. In other words the mission of the General Direction does not stop at merely carrying passenger and goods, but it also involves those enterprises that will help to enhance the general development of the country which might of course mean business to the railway in some distant future, but at tremendous initial sacrifice to the railways.

General Outline. The development of civilization has been dependent mostly upon transportation by water since ancient times, but Manchoukuo is very backward in this particular respect. Her coast line is not long enough to assist in the development of wealth in the hinterland. There are only two water courses in Manchoukuo. The Liaoho runs through Fengtien Province, and the Sungari forms a water course in a curved line through Kirin and Heilungkiang Provinces. Manchoukuo has had but a scanty means of communication up to the time of railway construction. True the Yalu River delimits the boundaries of that country and Chosen, while the Ussuri River running northeastward only serve to hamper communication.

Dairen, Port Arthur, and Hulutao, are the only sea-ports just as Kirin, Yingkow, Sungari and Harbin are the only river-ports in Manchoukuo.

Steam boats under the nationality of Manchoukuo plying the Sungari number 118, which are put at 49,061 tons in all, while steam ships registered at Yingkow number 15, which reach 18,422 tons altogether, and 129 ships of 333,215 tons in all according to registration in the Leased Territory of Kwantung at the end of January, 1932.

Dairen. The Port of Dairen is located near the south-west point of the Liaotung Peninsula and in the south-western part of Dairen Bay, opening its mouth towards the south-east. The port is surrounded by land on three sides, the two small islets, called Minami Sanzan To and Kita Sanzan To, lying at a short distance from the entrance. Dairen is an important free port connecting communications on land and sea. Distance between Dairen and Other Ports follows:

Otaru	1,315 nautical miles.
Hakodate	1,225 " "
Yokohama	1,153 " "

Kobe	857	"	"
Nagasaki	577	"	"
Jinsen	288	"	"
Tientsin	242	"	"
Shanghai	544	"	"
Singapore	2,623	"	"
Marseilles	9,200	"	"
San Francisco	5,709	"	"
Seattle	5,411	"	"
Muroran	1,285	"	"
Niigata	1,060	"	"
Osaka	876	"	"
Moji	614	"	"
Takao	1,069	"	"
Vladivostock	1,046	"	"
Tsingtao	262	"	"
Hongkong'	1,255	"	"
Bombay	5,058	"	"
London	10,900	"	"
Hamburg	11,230	"	"
Honolulu	4,396	"	"

Port of Dairen. The port of Dairen is under the administration of the Government of the Kwantung Leased Territory, and the South Manchuria Railway Company is responsible for general provisions, equipments, and accommodations of the harbour.

The Dairen Local Civil Administration Office levies consumption taxes upon import and export tobacco and alcoholic drinks which are consumed within the Leased Territory. It should be noted in this connection that the consumption taxes in question are separate from tariff, and also that Dairen is a free port.

Commerce through Dairen. Dairen is an emporium of commodities for 30 million people in the hinterland of Manchoukuo.

The annual amount of trade is increasing at the rate of 320,000 tons in proportion to the progress of development in the hinterland. Imports and exports through Dairen for 1908 reached 720,000 tons, which have risen to 6,719,699 tons 25 years later. The rate of increase will be still more remarkable. The rate of imports and exports is 10 to 90. The staple exports are soya beans, bean cake, bean oil, coal, and cereals, while miscellaneous goods occupy the major portion of imports. 60 per cent of exports goes to Japan, 20 per cent to China, and 10 per cent to Europe. The remaining 10 is shipped to America and elsewhere.

In all ports of China, Dairen stood next to Shanghai in the volume of trade. It is one of the most important ports for outgoing cargo.

Goods exported through Dairen are computed at 5,900,000 tons, and imports through this port stands at 800,000 tons.

Goods collecting at Dairen are mostly taken direct from railway cars to ships or from ships direct to railway cars for transportation to the interior or abroad. Dairen is a port of transit, so that the connection between the railway and ship is important. All harbour provisions, equipments, and accommodations at Dairen are under the control of the South Manchuria Railway Company.

Port Arthur. This is the only ice-free port in Manchuria, affording good shelter for ships, embraced by hills on all sides but one, and letting in water through a narrow passage. Port Arthur is a good harbor with deep water, but the sea bottom is muddy, the depth of which measures several fathoms.

Several centuries ago, Port Arthur was called Hsitzukow, where immigrants from the Southern Provinces came in hordes by vessels, and was frequently used as a base of naval operations. During the last Manchu Dynasty, Port Arthur was the base of operations for the North Sea Squadron. When Tsarist Russia held South Manchuria under lease, Port Arthur was the base of operations of the Russian Pacific Fleet. Russia would have made the inner port open for international commerce but for the war with Japan.

The western part of the port was made a commercial port in July, 1910. The north-eastern part was opened for commerce in November, 1922, and in March, 1927, the whole of the port except the southeastern section was made a commercial port.

Port Arthur for commercial purpose is not very important, the principal exports therefrom being coal, salt, and silica, whereas imports are well nigh nil.

Port of Antung. Port of Antung is located on the left bank of the Yalu River, 25 miles from the mouth. Owing to easy communications on land and water, it has attained marvellous development since its opening to trade. Antung now forms the center of commerce in the neighbouring localities, and a prosperous emporium of commodities. Antung was formerly an obscure resort of junks or sampans, but since it was opened for commerce in March, 1907, it has become a good port for commerce. The port has attained its present prosperity thanks

to the opening of the Antung-Mukden Railway in November, 1911, and also to the completion of the Yalu Railway.

Traffic on the Yalu River dates back to the remote past, the commodities transported being mostly soya beans, Manchuria corns, cocoons of wild silkworms, and Yalu timber. Antung forms the emporium of these commodities. Frequent shifting of waterways and depth constitute the weak points of the river, so that vessels drawing draught of 10 feet and more cannot go up. Vessels larger than 700 or 800 tons cannot enter Antung. The port is frozen for 4 months during the winter, and its value diminishes by drifting ice 200 *ken* long and 100 *ken* wide. Navigation on the Yalu River closes towards the end of October or the beginning of November. Thaw sets in about the beginning of March, and navigation is free towards the end of April or the beginning of May. While the river is frozen, sleds are available for communication across it.

Distance between Antung and Other Ports.
(in nautical miles.)

Dairen	157	Chefoo	193
Tadotsu	800	Shanghai	656
Hongkong	1,326	Ujina	784
Fusan	560	Jinsen	281
Ryuganpo	154	Tsingtao	343
Hakodate	1,271	Gensun	864
Yingkow	324	Kobe	880
Tientsin	393	Kyobunto	446
Moji	835	(Port Hamilton)	
Chinnampo	140	Mokupo	358
Takushan	73	Nagasaki	602
Otaru	1,413		

Port of Yingkow. Yingkow is Newchwang, so called by foreigners—a river port on the left bank of the Liaoho, 12 nautical miles from the mouth. Yingkow was opened for commerce in accordance with the Tientsin Treaty of 1858, but its activities as an open port date back to 1872. Yingkow consists of the interior port and exterior port. The water depth measures 9 feet at the bar of the mouth, while the deepest part of the port measures 50 feet; 20 feet to 33 feet being the average depth. The administration in respect of harbour and shipping is conducted by the Harbour Office of the Yingkow Custom House. There is a shallow towards the lower stream, so that ships drawing draught of 17 feet and more have no other means but to steam up the river on high tide.

When the river runs low, the volume of traffic is reduced, but once it rises high, the water way changes. This is the impediment to the transportation on the stream. During the winter, the river is frozen, making navigation impossible. Yingkow is thus not a first rate port.

Tatungkow. Tatungkow stands south-west to Antung, at a point North Latitude 39° 55" and East Longitude 24° 1". It is 12 *ri* distant from Antung on land and 26 nautical miles off that port. Tatungkow is a port at the entrance of the Yalu River. It is muddy, barely capable of letting small junks pass. As a port, Tatungkow is not valuable.

Harbour Construction at Hulutao. Hulutao is an ice free port in Pohai with an extensive hinterland favored in the depth of water, direction of wind, temperature, etc. The harbour construction was first started in 1908 at an estimated cost of 800,000 pounds in English sterling under a plan to be completed within five years. The work was resumed in 1919 at an estimated expenditure of 10,000,000 dollars in silver, but it had to be suspended because of a civil disturbance. It was in January, 1930, that a contract with a Dutch firm was signed, and the harbour construction was to be resumed again at an estimated expenditure of 6,400,000 dollars in American currency. The Manchuria Incident caused the abandonment of the resumed work. When the plan is realised to the full extent, the port will have equipments capable of handling cargo to 10,000,000 tons a year.

Port for Trade with Eastern Manchuria. Trade with Eastern Manchoukuo is developing since the opening of the Kirin-Kainei railway line. The trade in the future is bright since Northern Manchoukuo is rich in natural resources. Manchus are migrating there in large numbers, but Chosenese are settling there in larger numbers. The arable land is being occupied by Chosen migrants. Consequently, transactions in agricultural yields and manufactures with Chosen are steadily increasing in volume and Chosen is superseding the Coast Provinces of Siberia in this respect.

Lungchingsun. Luhtaokow is another name of Lungchingsun. This place was in a desolate state about 50 years ago, covered by forests, though fertile in soil. As it is fit for agriculture, Chosenese are coming there in increasing numbers. Lungchingsun developed into a town in 1907. When the Chientao Party was concluded between Japan and China, Lung-

chingsun became a market for commerce and an Imperial Consulate-General was established there.

Port of Seishin. The port of Seishin is at present barely capable of handling 500,000 tons of cargo a year, but when the present six-year plan of harbour construction is completed, it will become capable of handling 900,000 tons of cargo. Its physical conditions are far inferior to those of Dairen, while the construction of moorage there will have to undergo a complex process and it is a trying task in comparison with the engineering work at Hulutao. Even though the harbour construction at Seishin may be completed, the maximum cargo capacity may not exceed 2,500,000 tons a year.

Localities from which commodities collect into Seishin are Northern Chosen, Manchoukuo, and the Tumen valley. Since the completion of the Kirin-Kainei railway line, Seishin collects goods from districts as far west as Kirin, Wuchang, Hsinking, as far south as Chaoyangchin, and as far north as Ninguta, and when railways from Ilan or Tunhua to Ninguta are completed, the hinterland of Seishin will cross the regions through which the Central-Eastern Railway runs. Such a case, Seishin will be a rival port of Vladivostok. The most important part of its hinterland will be Northern Chosen. This district as far north as Kainei is rich in brown coal, the amount of which is estimated at several thousand millions of tons. Central Manchoukuo is abounding in the wealth of timber and minerals, the major portion of which will be exported to Japan through Seishin within several years.

The Sungari. Though no more than a tributary, an extensive region in Northern Manchoukuo from the Chohaku range down to the Heilungkiang is watered by the Sungari. Its valley extends over a long distance of 600 *ri*. The Sungari is the most important water course in Northern Manchoukuo, important not only for transportation but also for irrigation. Although the upper stream is not available for traffic on account of shallows and of danger from bandits, the water way down Harbin is navigable even by steamers displacing 1,000 tons and more. The Port of Sungari and the Port of Harbin are the two principal river ports which the Sungari has on its course. The part where traffic is most active extends from Harbin to the point where the Sungari joins the Heilungkiang, the depth measuring 7 feet on the average.

History of Traffic on the Sungari. The origin of traffic on the Sungari dates far back to old times, Russian steam-boats were pioneers explorers of the navigable course in the lower stream towards the latter half of the 19th century. They steamed up the Heilungkiang and entered the Sungari as far as Kirin in 1895. Chinese boats came there later than 1907, and Russia held, by virtue of treaties, the power of navigation on the Sungari until 1917, when the Tsarist Government was overthrown by Soviet Revolutionaries. Apprehensive of seizure by the Soviet, Russian shipowners hurriedly sold their vessels to Chinese capitalists interested in shipping at reduced prices. Since that time, Chinese have become powerful in the shipping world on the Sungari. The Chinese authorities prohibited shipping by Russians on the Sungari between Kirin and Laoshokow in 1920, and shipping business on the whole stretch of that river by Russians was forbidden in 1924. In September, 1926, China recovered quays and vessels belonging to the Chinese Eastern Railway from the possession of the Soviet.

Navigable course on the Sungari. The navigable course on the Sungari is divided into five sections. The uppermost course down to Kirin is shallow, where small steam launches drawing draught of two feet are plying, the course down to Sincing is navigable by boats drawing draught up to 9 feet, and Harbin to the mouth is most easy of navigation. The plains along both banks in Heilungkiang Province are fertile, so that traffic across the river on ice is carried on during winter.

The Sungari fleet, consisting of 103 passenger steamers and 188 barges, with a total tonnage of cargo of 100,000 tons and 17,784 passengers, brought from the lower part of the river to Harbin the following quantities of cargo in tons, which illustrates the development of the country: 268,000 tons in 1924, 468,000 tons in 1926, 580,000 tons in 1927, 704,000 tons in 1929, 703,000 tons in 1931 and 738,000 tons in 1933.

Liaoho. The east and west tributaries join in the vicinity of Sankiangkow to form the main stream of the Liaoho, which stretches over a long distance of 3,800 Chinese *ri*, or 650 Japanese *ri*. Yingkow lies at its mouth. The river is navigable from the mouth up to Chengchiatun, a distance of 1,438 Chinese *ri*, watering the plain of Southern Manchoukuo. The area embraced by this river measures 350,000 square *ri*.

However, sand in great volumes is carried down by the stream, leaving shallows in its course and blocking the way of ships, while four months in winter, the most important season of traffic, the river is frozen. The value of the Liaoho in traffic has been largely reduced since the construction of the South Manchuria Railway. While Manchuria was under the Russian administration, there were 10,000 lighters, barges, and other small crafts, but the number has fallen to 3,000.

Generally speaking, the Liaoho is not navigable from the 28th November, when ice begins to drift, the river begins to freeze on the 31st December, thaw sets in on the 16th March. The river is frozen for 76 days, and drifting of ice ends on the 30th March.

Yalu River. The Yalu River streams down from the southern foot of the Chohaku Range and runs more than 200 *ri* into Huanghai. It forms steep declivities at several points; there are reefs in the course, while water decreases in autumn every year, and the river is not easy of navigation. This shortcoming is made good to an extent by propeller vessels and craft of special structure. Manchoukuo is intending to improve the traffic system on the Yalu River.

Timber forms the staple goods of trade along that river above Antung, agricultural products coming next, and principal imports up the river are cotton yarns and threads, salt, flour, oil, and miscellaneous goods. The Yalu Transport Company is conducting traffic and passenger service by its vessels under instructions from the Government-General of Chosen. The Yalu Steam Craft Company is carrying on similar business with its propeller vessels and with creditable records.

The Yalu River is more or less like a dale and not very valuable from the viewpoint of communication. It is frozen from December till March, while it often overflows its banks in July and August.

The Yalu River is divided into five sections; the uppermost course, the upper course, the intermediate course, the lowest course, and the estuary. The uppermost course is passable only by rafts for seven miles. From the mouth to a distance of 40 *ri* is navigable by small crafts, but steamers drawing 10 feet and above can hardly go up to Antung. They must be moored at the entrance.

The Heilungkiang. The Heilungkiang is the

large river in North Manchuria. As it streams down the boundaries, it is joined by many tributaries, and it runs 2,500 miles into Mamiya Strait. From the head down to the mouth of the Ussuri, the Heilungkiang for a distance of 1,216 miles forms the frontiers between Russia and Manchoukuo and constitutes the important water-way for the development of Northern Manchoukuo. Its navigable distance extends over 8,826 kilometres, and the whole distance navigable by craft other than steam-boats measures 10,601 kilometres.

The Heilungkiang is one of the large rivers of the world, deep enough for ships displacing 1,000 tons and upwards, although there are several shallows at various points, and it has large towns on its banks, such as Habarovsk, Blagoveschensk, Heiho, and Aigun. Wealthy plains are watered by this large river. A time will come when the Heilungkiang and the Sungari will be opened for international transportation, and then the number of vessels plying between Harbin and towns on both banks of the Heilungkiang will increase. The river is frozen from the close of October to the middle of May and it is crowded with various descriptions of crafts during summer.

The navigation on this river is said to have been started by Russian explorers in 1643. Communication on this river was established since May, 1857, and the Heilungkiang Steamship Company was organized under Government subsidies in 1872. There were many vessels on the Sungari and the Heilungkiang while Russia was governed by Tsars, but the downfall of the Tsarist Government caused the rapid decrease in the number of passengers and the volume of cargo.

The Nunkiang. The Nunkiang is not deep enough for steamers to navigate. From the point where it meets the Sungari, the water way can be navigable only by steamers but other courses are available only for junks and small sailing boats. The lower stream is 200 to 600 metres wide and 5 to 10 feet deep.

Navigation Agreement. In view of the frequent disputes occurring in river navigation between Manchoukuo and the Soviet Russia an agreement was reached between the two parties on September 4, 1934 at Heiho. The text of the Agreement is as follows:

AGREEMENT RELATING TO THE IMPROVEMENT OF NAVIGATION CONDITIONS CONCLUDED BETWEEN THE MANCHOUTIKUO HARBIN NAVIGATION BUREAU AND THE U.S. S.R. STATE AMUR SHIPPING BUREAU

Unofficial Translation

The Manchoukuo Harbin Navigation Bureau and the Union of Soviet Socialist Republics State Amur Shipping Bureau, (hereinafter called "the Two Parties") with a view to improving the conditions of navigation on those parts of the following rivers and lakes which are common to their respective borders, namely, the Argun, Amur, Ussuri and Sungacha rivers and Lake Khanka, upon which joint operations mentioned in the following articles are to be conducted, have agreed upon the following articles:

Article I. The navigation of vessels of the Two Parties on the aforementioned rivers and lakes shall be conducted without obstruction according to the nautical marks to be erected within the limits of the waterways of the aforementioned rivers and lakes as a joint enterprise of the Two Parties, through the strict observance of the Navigation Rules attached to the present Agreement which have been approved by the Two Parties.

Article II. For the purpose of ensuring the best possible conditions of navigation on the waterways mentioned in Article I, and of establishing and maintaining the necessary nautical marks, and carrying out dredging and digging operations and other works as a joint enterprise of the Two Parties, the Two Parties shall organize a Joint Technical Commission of eight, composed of four representatives of each Party. One representative of each of the Two Parties shall be chairman of his side. The Regulations of the Joint Technical Commission shall be determined separately.

Article III. The Joint Technical Commission shall draw up the budget and projects necessary for its enterprises, shall supervise their execution, and shall also examine and approve of the statement of accounts.

Article IV. The Two Parties shall separately bear the expenses of their respective members of the Joint Technical Commission, as well as those of their experts who are required by the said Commission.

Article V. The Two Parties shall separately

conduct and supervise the erection of nautical marks on their respective banks and shores. Dredging, digging and all other forms of operations in the waterways shall be conducted jointly by the Two Parties.

Expenses for general operations shall be borne by each Party in equal sums according to the budget approved of by the Joint Technical Commission.

Article VI. Whenever any doubt arises as to the application of the present Agreement or the Regulations of the Joint Technical Commission, the question in dispute shall be settled by a Special Committee.

The said Special Committee shall be composed of two representatives from each Party. The decisions of the Special Committee shall be final, against which there shall be no appeal.

Article VII. In case of necessity the Two Parties shall assist in the joint operations mentioned in Article II.

Article VIII. The Two Parties shall devise necessary measures for the protection of the various facilities for navigation mentioned in Article II.

Article IX. The present Agreement shall come into force from the date of signature. After a lapse of two years, either of the Two Parties may abrogate the Agreement unilaterally at three months' notice.

When such notice is given by either Party,

TELEGRAPH & TELEPHONE

All forms of electric communication, including telegraphs, telephones, wireless telegraphy and wireless telephony, and radio broadcasting throughout Manchoukuo are now under the unified control and management of the Manchuria Telegraph and Telephone Company which was established on August 31, 1933, at Hsinking by virtue of an agreement signed between the Manchoukuo and Japanese Governments on March 26, 1933, the ratifications of which were exchanged on May 15, 1933. The new organ has laid out a far-reaching project for expanding and improving the communication facilities in the country. A five year program for the improvement of the various means of communication was launched upon in 1933, the program including the establishment of new bureaux and business offices, reduction of rates and fees, increase of speed and general betterment of services.

In telegraphs, some 7,000 kilometers of new

the Two Parties shall immediately call a conference in order to conclude a new Agreement.

Article X. The present Agreement shall be made in duplicate in the Manchurian and Russian languages and the Two Parties shall affix thereto their signatures and seals. Each Party shall keep one copy written in each language.

Done at Heiho, Manchoutikuo, this Fourth Day of September of the First Year of Kangtê of the Manchoukuo Empire, which is the Fourth Day of September, One Thousand Nine Hundred and Thirty-four.

(Signed and Sealed)

For the Manchoukuo Harbin Navigation Bureau

Kuei Hêng-chi, Manchoukuo Consul at Blagoveschensk

Yoichi Shimasaki, Chief, Third Section, Navigation Bureau, Dept. of Communications

Takejiro Horiuchi, Chief, General Affairs Section, Harbin Navigation Bureau

Kiyoshi Yoshizu, Manchoukuo Vice-consul at Blagoveschensk

For the U.S.S.R. State Amur Shipping Bureau

A. Y. Metelitz, Chief, the State Amur Shipping Bureau

S. E. Bochek, Chief, Scientific Division, Amur Shipping Bureau

M. P. Zorin, Chief, Works Division and Connections Division, Amur Shipping Bureau

lines will be added to the present system. The services between Hsinking and Kirin, Hsinking and Harbin, Mukden and Tsitsihar, among other places, are to be vastly improved. As for wireless telegraphy, the new Company intends to expand and better its services by establishing in the near future two 20-kw. transmission stations for communications with European and American countries, one 10-kw. station for messages to Japan, and several 5-kw. stations for domestic purposes. Wireless telephone services between the principal Manchurian and Japanese cities was inaugurated early in the summer of 1934. Television is likewise included among the items of projected enterprises.

Radio broadcasting stations are at present situated at Hsinking, Mukden, Dairen, and Harbin. Before long, Tsitsihar will also have such a station, while the establishment of a powerful station is planned for Hsinking.

In general the distribution of the business of-

ices of the Company fall into three large zones, namely, the Dairen Administration Bureau, Mukden Administration Bureau and the Harbin Administration Bureau Areas. The head office is in Hsinking, but for the time being general administrative and business affairs of the organ are carried on in Dairen.

The following is a brief summary of the more significant projected enterprises:

Dairen—Construction of an additional telephone central at Fushimidai, Dairen, to alleviate the congested condition of the local telephone communications. Cost of construction and appurtenances is placed at ¥312,000 and completion is scheduled by the end of 1934. It will have facilities for handling 8,000 lines.

Mukden—Installation of 1,000 new telephones by the end of 1934.

Hsinking—Construction undertaken on a switch-board capable of handling 1,000 telephones.

Harbin—Projects completed for increasing the number of telephones in the city.

Tsitsihar and Harbin—Installation completed on a number of automatic telephones in 1934.

Peianchen—Construction started in 1934 on a new telephone office. A telegraph office was established in December 1933.

Tumen—Plans completed for construction of a new telephone office.

Chaoyang and Chifeng—Increase planned in number of telephones.

Chengteh—Plans completed for constructing telephone service facilities.

The total capital of the Manchuria Telegraph and Telephone Company is fifty million Gold Yen divided into a million shares of ¥50 each, and is distributed as follows:

a. G¥ 16,500,000 (330,000 shares) fully paid up, subscribed to by the Japanese Government (in kind).

b. G¥ 6,000,000 (120,000 shares) fully paid up, subscribed to by the Manchoukuo Government (in kind).

c. G¥ 27,500,000 (500,000 shares), one-fourth to be paid at once, subscribed to by the general public.

Total G¥ 50,000,000 (1,000,000 shares)

Telegraphic Service

History. After Japan and Russia had transferred their land telegraphs in Manchuria (except the Railway Zone), the Chinese Ministry

of Communications in Peking, assumed in 1908, control of all land lines owned by Chinese private companies and the provincial governments. In 1913, the Chinese Republic was divided into 13 telegraphic districts, Manchuria being within the Mukden and Kirin-Amur Districts. In order to improve telegraph and telephone in China, the Great Northern (chiefly Danish) and Eastern Extension (chiefly English) Companies advanced to the Chinese Telegraph Administration the sum of £500,000 by an agreement made in April, 1911.

During the World War, when Russia withdrew from the Allies and combined with Germany by the Treaty of Brest-Litovsk, there was great anxiety that the combined force of the Bolsheviks and the German prisoners in Russia might move eastwards, by way of the Siberian Railway and the Chinese Eastern Railway, to Vladivostok. China and Japan were especially concerned over the question of frontier defence. The Chinese Government, in order to provide funds for the improvement and extension of telegraph lines, borrowed 20,000,000 gold yen by an agreement signed on April 30, 1918, by the Ministers of Communications and Finance on the Chinese side, and the Exchange Bank of China, representing the syndicate of the three Japanese banks. When the agreement for the loan was signed, the then Chinese Minister of Finance (Tsao Ju-lin) issued an explanatory statement, which opened as follows:—

Communications relating to the Chinese frontier in Mongolia and Manchuria are of great importance to China. Except the telegraph lines in the eastern and middle parts of China, most of the telegraphic lines, aggregating several thousand miles, especially in Mongolia and Chinese Turkestan, are in a state of decay on account of utter neglect due to the lack of funds in the national treasury.

Especially at such a time, when China is preparing for participation in warfare and confronted with a grave situation vis-à-vis Russia, the extension of telegraphic lines on the frontier and the repair of existing lines in China proper, are of vital importance.

This telegraphic construction, aggregating more than 22,500 Chinese miles (li), with repair work aggregating several thousand miles chiefly in Manchuria and Mongolia was to be carried out in three consecutive stages. In addition, by an agreement dated February 10,

1920, between the Chinese Ministry of Communications and the Toa Kogyo Kaisha, of Japan, an advance of 15,000,000 gold yen was made for the purchase of wire and other materials for the improvement of the telegraphs as well as for expenses for engineering and shipping purposes.

Wireless Installations

The situation of wireless telegraphy in Manchuria like that of the telegraphic lines, was more complicated, the control of installations being disputed not only as between China and the foreign powers, Denmark, Japan, Great Britain and the United States, but also among the foreign powers themselves. With the development of Marconi's invention, Russia was first to establish a wireless telegraph station, in 1905, at Harbin in the Chinese Eastern Railway Zone for communication between Chita and Vladivostok, for emergency use in case the land line be disturbed. Japan installed, in 1911, a wireless station at Dairen in the Leased Territory chiefly to provide navigation facilities. In North Manchuria, the Japanese Army operated a radio station at Harbin during the Siberian Expedition of the Allied Powers, but restored this to the Chinese Eastern Railway in 1922. The Russian radio station, maintained since

1905, was forcibly taken over by the Chinese authorities after the Washington Conference. Then the construction of radio stations in Manchuria was placed under the control of the Chief of the Mukden Arsenal by order of Marshal Chang Tso-lin; two more stations were built, at Mukden and Changchun respectively, and three Marconi type radio apparatus were installed respectively at Harbin, Mukden and Changchun. In 1923, two more stations were erected, at Kirin and Tsitsihar. The Chinese Government, up to that time, had been accustomed to pay for European messages about 400,000 Chinese dollars annually to the Great Northern Company (Danish) and the Eastern Company (English), but several payments on recent years were in default. Subsequently, radio station at Mukden was installed in February, 1927, this being one of the most advanced radio plants, supplied by the German Telefunken Company. This station successfully established direct radio communication with the Nauen Station in Germany in the first trial operation on July 13, 1927. According to the report, the British and Danish Ministers at Peking lodged formal protests against Chinese direct communication with Europe in disregard of China's previous engagements with these Powers.

General Statistics on Post, Telegraph, Telephone, Etc. (For 1932)

Superintendence offices	Post Offices						Total
	General offices	1st class	2nd class	3rd class	Branch offices		
Mukden Office	Aug.	1	3	40	49	21	114
	Sept.	1	3	40	55	22	121
	Oct.	1	3	40	59	25	128
	Nov.	1	3	43	68	26	141
	Dec.	1	3	43	74	26	147
Kirin-Amur Office	Aug.	1	6	26	20	14	70
	Sept.	1	6	41	29	14	91
	Oct.	1	6	46	37	14	104
	Nov.	1	6	48	38	14	107
	Dec.	1	6	50	42	14	113
Total	Aug.	2	9	69	69	35	184
	Sept.	2	9	81	84	36	212
	Oct.	2	9	86	96	39	232
	Nov.	2	9	91	106	40	248
	Dec.	2	9	93	116	40	260

Length of Mail Line (Li)

	Railway	Waterway	Motor car service	Courier system				
Kirin-Amur Office					5,188	2,160	2,005	16,030
Mukden Office	5,433	—	470	21,886				
Total					10,621	2,160	2,475	37,916

No. of Offices & Employees (At the end of December, 1932)				Length of Telegraph Lines (At the end of December, 1932)			
	No. of telegraph offices	No. of telephone offices	Wireless telegraph offices	No. of employees	Length (Kms.)	Extension of lines (Kms.)	
Mukden Main Office	65	58	5	654	Mukden Main Office 4,732	9,242	31
Harbin Main Office	92	106	12	1,623	Harbin Main Office 3,642	6,457	81
Total	157	164	17	2,277	Total 8,374	15,699	112

No. of Telegrams dealt with at Telegraph & Post Offices (1932)

	Despatched			Arrived			Transits
	Domestic	Foreign	Total	Domestic	Foreign	Total	
Mukden Main Office (45 branch offices)	Jan. 4,223	—	4,223	4,468	—	4,468	1,249
	Feb. 4,998	—	4,998	4,512	—	4,512	1,112
	Mar. 4,050	—	4,050	4,694	31	4,725	1,936
	Apr. 5,185	26	5,211	5,152	44	5,196	1,895
	May 4,712	24	4,736	4,510	47	4,557	2,932
	June 5,985	34	6,019	5,566	17	5,583	2,392
	July 5,742	32	5,774	5,560	19	5,579	2,229
	Aug. 5,819	44	5,863	5,120	3	5,123	2,461
	Sept. 5,743	56	5,799	5,895	10	5,905	1,876
	Oct. 5,803	35	5,838	6,250	25	6,257	3,032
	Nov. 6,667	35	6,702	6,833	20	6,853	3,475
	Dec. 7,372	30	7,402	7,700	23	7,093	3,941
	Total 66,299	316	66,615	65,630	239	65,869	28,530
Harbin Main Office (58 branch offices)	Jul. 12,918	7,124	20,042	12,081	5,950	18,031	14,526
	Aug. 11,446	6,955	18,401	9,231	5,074	14,305	13,863
	Sept. 9,894	6,252	16,147	8,361	4,038	12,399	13,026
	Oct. 11,394	7,247	18,641	12,379	5,674	18,053	13,798
	Nov. 14,592	7,422	22,014	21,658	5,158	26,816	19,834
	Dec. 13,890	7,574	21,464	14,432	7,062	21,494	17,019
	Total 74,134	42,575	116,709	78,142	32,956	111,098	92,066
Total (103 branch offices)	Jan. 4,223	—	4,223	4,468	—	4,468	1,249
	Feb. 4,998	—	4,998	4,512	—	4,512	1,112
	Mar. 4,050	—	4,050	4,694	31	4,725	1,936
	Apr. 5,185	26	5,211	5,152	44	5,196	1,895
	May 4,712	24	4,736	4,510	47	4,557	2,932
	June 5,985	34	6,019	5,566	17	5,583	2,392
	July 18,660	7,156	25,816	17,641	5,969	23,610	16,755
	Aug. 17,265	6,999	24,264	14,351	5,077	19,428	16,324
	Sept. 15,637	6,309	21,946	14,256	4,048	18,304	14,902
	Oct. 17,197	7,282	24,479	18,629	5,699	24,328	16,830
	Nov. 21,259	7,457	28,716	28,491	5,178	33,669	23,309
	Dec. 21,262	7,604	28,866	21,502	7,085	28,587	20,060

No. of Subscribers (1932)

	No. of Subscribers				No. of public telephone offices	No. of branch offices investigated
	Manchus	Japanese	Others	Total		
Mukden Main Office	2,229	249	53	2,531	6	14
Harbin Main Office	3,929	521	872	5,322	—	20
Total	6,158	770	925	7,853	6	34

No. of Messages Between Subscribers for 1932

	Urban Telephone			Suburban Telephone			Grand total	No. of branch offices investigated
	Between subscribers	Public telephone	Total	Between subscribers	Public telephone	Total		
Jan.	31,300	—	31,300	5,665	2,901	8,566	39,866	30
Feb.	29,450	—	29,450	1,823	1,770	3,693	33,043	25
Mar.	41,250	—	41,250	2,637	2,545	5,182	46,432	33
April	32,500	—	32,500	2,325	1,275	3,600	36,100	30
May	36,050	—	36,050	3,323	563	3,886	39,936	32
June	38,500	—	38,500	2,639	1,448	4,087	42,587	37
July	32,700	—	32,700	3,526	12,731	16,257	48,957	40
August	37,500	—	37,500	4,088	1,961	6,049	43,549	49
Sept.	43,100	—	43,100	5,261	6,489	11,750	54,850	47
Oct.	42,200	—	42,200	7,399	6,593	13,992	56,192	47
Nov.	41,550	—	41,550	8,301	5,407	13,708	55,258	45
Dec.	43,850	20	43,870	8,933	564	9,497	53,367	22
Total	449,950	20	449,970	55,290	44,247	100,167	550,367	—

POSTAL ADMINISTRATION

On April 1, 1932 the Manchoukuo government took control of the postal administration and postal affairs of the country. This enterprise under the former regime was controlled by the Central Government of China and due to the disunified condition then obtaining in Manchuria the service was far from satisfactory. The Manchoukuo authorities have been successful in eliminating most of the causes for the inefficiency that existed under the Chang rule. Among some of the projects that have been completed by the new government are the establish-

ment of a number of new post offices and the lowering of postal rates. In 1934 there were over 320 post offices in the country, which is an increase of roughly 60 post offices over the year 1932. Sale of stamps and transactions of the postal savings banks also saw an appreciable increase.

The Manchoukuo government remains still outside the International Postal Union, but the country's mails bearing the Manchoukuo stamp have been circulating without any hitch in foreign countries.

Postal Administrative Organs in Manchoukuo

	Fengtien Province	Jehol Province	Hsingan Province	Kirin Province	Hellungkiang Province	Total
Administrative Bureau	1	—	—	1	—	2
Post Office	152	15	9	92	53	321
Acting Post Office	352	65	15	202	86	720
Total	505	80	24	295	139	1,043

	Ordinary		Parcel Post		Air Mail	
	Received	Delivered	Received	Delivered	Domestic (R. & D.)	for Japan (R. & D.)
1932	13,911,236	15,448,701	72,717	75,681	—	—
1933	51,288,852	60,381,276	381,456	428,328	161,676	28,320

Mail Matters (1932)

	Ordinary		Registered		Quick Delivery		Value declared mails	
	Despatched	Arrived	Despatched	Arrived	Despatched	Arrived	Despatched	Arrived
Mukden Office	Aug. 569,147	1,101,100	29,619	67,024	2,993	3,419	16	57
	Sept. 791,925	1,068,788	41,136	48,558	3,203	3,351	48	92
	Oct. 992,496	1,140,140	46,413	58,307	3,428	3,767	79	132
	Nov. 1,167,370	1,710,453	58,445	89,466	3,616	4,043	79	115
	Dec. 1,742,176	2,016,588	71,612	85,445	6,309	8,488	92	121
Total	5,263,114	7,037,069	247,225	348,800	19,547	23,068	314	517

	Ordinary		Registered		Quick Delivery		Value declared mails		
	Des-patched	Arrived	Des-patched	Arrived	Des-patched	Arrived	Des-patched	Arrived	
Kirin-Amur Office ...	Aug.	1,385,426	1,465,038	84,942	92,198	9,344	6,662	788	689
	Sept.	1,682,889	1,508,884	94,772	98,124	9,087	6,858	960	788
	Oct.	1,547,666	1,454,011	88,232	96,545	8,703	8,094	906	873
	Nov.	1,607,288	1,484,811	91,261	102,661	9,283	10,418	813	807
	Dec.	1,644,464	1,561,034	101,927	126,169	11,354	13,754	931	829
	Total	7,867,733	7,473,778	461,134	515,697	47,771	45,786	4,398	3,986
Total ...	Aug.	1,954,573	2,566,138	114,561	159,222	12,337	10,081	804	746
	Sept.	2,474,814	2,577,672	135,908	146,682	12,292	10,209	1,008	880
	Oct.	2,540,162	2,594,151	134,645	154,852	12,131	11,861	985	1,005
	Nov.	2,774,658	3,195,264	149,706	192,127	12,897	14,461	892	922
	Dec.	3,386,640	3,577,622	173,539	211,614	17,663	22,242	1,023	950
	Total	13,130,847	14,510,847	708,359	864,497	67,320	68,854	4,712	4,503

Effective January 1, 1934 postal rates in general were lowered by the government. Details are given in the subjoined bulletin issued by the Manchoukuo Government on December 26, 1933:

The Manchoukuo Department of Communications announced reduced postal rates for mail matters destined abroad to be enforced as from January 1, 1934, as follows: (Manchoukuo Yuan)

Kind of Mail	Weight	Rates
Letters	Within 20 gr.	0.10
	For every 20 gr. or fraction thereof	0.06
Post Cards	Single	0.06
	With Carte Reponde ..	0.12
Newspaper Series ..	For every 50 gr.	0.02
Books, Printed Matters, Commercial Papers	For every 50 gr.	0.02
	For Commercial papers, within 250 gr.	0.10
	For every 50 gr. or fraction thereof	0.02
Braille or Paper of Raised Letters ..	For every 1 k.gr.	0.02
	Samples	0.04
Letters with Values Declared	Within 500 gr. for every 50 gr. or fraction thereof	0.02
	Within 20 gr.	0.26
Boxes with Values Declared	For every 20 gr. or fraction thereof	0.06
	Within 20 gr.	0.56
	For every 50 gr. or fraction thereof	0.08

Fees for Special Mail Matters

Kind of Mail	Weight	Rates
Special Delivery Fee		0.40
Registration Fee ..	Ordinary	0.16
	Requiring Delivery Certificate	0.32
Value Declaration Fee	For every 300 francs or fraction thereof	0.02
	C. O. D. Post Fee ..	Original fee
	For every MY2.00 or fraction thereof	0.01

The agreement concerning the establishment of the Manchuria Telegraph and Telephone Company as a joint Manchoukuo-Japan undertaking is as follows:

Translation

The Governments of Manchoukuo and Japan: Desirous of consolidating and of operating the equipments for electric communication belonging to the two Governments in the Kwantung Leased Territory, in the South Manchuria Railway Zone and in the areas under the administrative jurisdiction of Manchoukuo; and

Recognizing the need of establishing for that purpose a joint-stock Company as a Manchoukuo-Japanese joint undertaking;

Have therefore agreed upon the following Articles:

Article 1. The Governments of Manchoukuo and Japan shall, in collaboration, cause a joint-stock Company to be established as a Manchoukuo-Japanese joint undertaking and shall cause it to conduct enterprises concerning electric communication both by wire and wireless in the Kwantung Leased Territory, in the South

Manchuria Railway Zone and in the areas under the administrative jurisdiction of Manchoukuo.

The enterprises concerning electric communication mentioned in the preceding Paragraph shall not include any which are accessory to railway and aviation enterprises nor any which are exclusively for the use of Government offices or for police and military purposes.

Article 2. The capital of the Company shall be ¥50,000,000 in Japanese currency; provided, however, that the same may either be increased or decreased with the approval of the Governments of Manchoukuo and Japan.

Article 3. The shares of the Company shall take the form of inscribed shares and shall be held only by the Governments of Manchoukuo and Japan, by local governmental bodies in those countries, by their nationals or by juridical persons formed under the laws, ordinances and regulations of their country and in which the majority of votes are held by their nationals or by their juridical persons.

Article 4. The Governments of Manchoukuo and Japan shall respectively contribute as capital such equipments for electric communications as at present belong to them in the Kwantung Leased Territory, in the South Manchuria Railway Zone and in the area under the administrative jurisdiction of Manchoukuo.

The equipments for electric communication mentioned in the preceding Paragraph shall not include any which are accessory to railway and aviation enterprises nor any which are exclusively for the use of Government offices or for police and military purposes.

Nationals or juridical persons of Manchoukuo may contribute as capital such equipments for electric communication as belong to them.

Fully paid-up shares shall be allotted in respect of the contributions defined in the present Article.

The value of the contributions in kind defined in the present Article shall be assessed by equitable methods on the basis of the actual value of the equipments so contributed.

Article 5. The Directors and Auditors of the Company shall be either of Manchoukuo or Japanese nationality.

The total prescribed number of the Directors and Auditors of the Company shall be divided among nationals of each country in proportion to the total number of shares held in aggregate by the Government, nationals and

juridical persons of their respective countries; provided, however, that the number of Directors and Auditors who are of the nationality of one country shall not be less than one-third of the number of those who are of the nationality of the other country.

Article 6. The dividend of profits of the Company shall not exceed a certain equitable rate.

Dividends of profits on the shares other than those held by the two Governments may, until they reach a certain rate, be distributed in preference to those held by the latter.

Article 7. In the case of the shares allotted, in accordance with the provisions of Article 4 hereof, to the Government, nationals or juridical persons of Manchoukuo, dividends of profits may be paid in Manchoukuo currency on the basis of the rate of exchange prevailing at the time of the contribution of capital; and in the case of the shares held, at the time of the first payment on such shares, by nationals or juridical persons of Manchoukuo, on the basis of the rate of exchange prevailing at the time of each payment on such shares.

Article 8. The property, income and business of the Company and every kind of registration effected by it as well as the articles necessary for its undertaking shall be exempt from taxes and from all other public charges in the Kwantung Leased Territory, in the South Manchuria Railway Zone and in the areas under the administrative jurisdiction of Manchoukuo.

Article 9. The Company shall enjoy the same privileges as have hitherto been granted to Government undertakings in respect of the expropriation of lands, the laying of electric wires, the utilization of means of transport, the collection of fees and charges and all other matters necessary for the conduct of its undertaking.

Article 10. The articles forming part of the Company's equipment for electric communication or of the installations accessory to such equipment shall not be made the object of hypothec, attachment, provisional attachment or provisional disposition.

Article 11. The Governments of Manchoukuo and Japan shall superintend the undertaking of the Company.

The Governments of Manchoukuo and Japan may, in respect of the undertaking of the Company, issue such directions as may be neces-

sary for the purpose of superintendence.

In cases where a resolution of the Company or the action of any of its officials is in contravention of the present Agreement, the laws, ordinances and regulations of the two countries or the Company's articles of association, or is injurious to the public welfare, as well as in cases where it is in contravention of the directions of the superintendent authorities, the Governments of Manchoukuo and Japan may cancel such resolution or remove such official from his office as the case may be.

Article 12. The Company shall obtain the approval of the Governments of Manchoukuo and Japan for every alteration of its articles of association, every appointment or removal of its Directors or Auditors, every issue of debentures, every fixation and alteration of its fees and charges, every disposal of its profits, every resolution for the purpose of amalgamation or dissolution, every program of enterprises for each business year, every conclusion of business agreements concerning electric communication and every transfer of articles belonging to its equipment for electric communication or to the installations accessory to such equipment.

Article 13. The military authorities of Manchoukuo and Japan may, with reference to the enterprises of the Company, issue such directions as may be necessary for military purposes; and may, with reference to the equipment of the Company, take such measures as may be necessary for military purposes.

They shall make compensation for any loss that may be incurred by the Company in consequence of the said directions or measures.

Article 14. The Governments of Manchoukuo and Japan may direct the Company to offer its equipment to be used for such communication as may be necessary for railway, aviation, police, military and other purposes.

Article 15. The Company may, when necessary for the conduct of its enterprises, apply to the superintendent authorities of the country concerned for sanction to use for its own purposes any equipment for electric communication accessory to railway and aviation enterprises or such as are used exclusively for police and military purposes.

Article 16. The Governments of Manchoukuo and Japan may, in case they consider that the Company is likely to go into liquidation

purchase at a reasonable price the equipment for electric communication belonging to the Company and the installations accessory to such equipment.

Article 17. The Company shall, in addition to the provisions of the present Agreement, be subject to further agreements to be entered into by the Governments of Manchoukuo and Japan.

Article 18. The Company shall, with regard to matters concerning international electric communication, conform to the provisions of treaties and other international agreements.

Article 19. The Governments of Manchoukuo and Japan shall respectively appoint 15 members of an Organizing Committee and shall cause them to conduct, under the supervision of the two Governments, all affairs concerning the establishment of the Company.

Article 20. The Organizing Committee shall draw up the articles of association of the Company and, after obtaining the approval of the Governments of Manchoukuo and Japan thereto, shall offer shares for subscription.

Article 21. The Organizing Committee shall, upon the completion of subscription to shares, apply to the Governments of Manchoukuo and Japan for their sanction to establish the Company, submitting to them the letters of application for subscription.

The Organizing Committee shall, on obtaining the sanction mentioned in the preceding Paragraph, forthwith call for the first payment on each share, and shall, on the completion of such payment, forthwith convene an inaugural General Meeting of the shareholders.

Article 22. The Organizing Committee shall, on the termination of the inaugural General Meeting of the shareholders, hand over the affairs in their charge to the Company.

Article 23. The present Agreement shall be ratified by Manchoukuo and Japan in conformity with their respective formal modes of procedure and the instruments of ratification shall be exchanged at Hsinking as soon as possible.

The present Agreement shall come into force from the date of the exchange of the instruments of ratification.

The present Agreement has been drawn up in Chinese and Japanese, two identical copies being made in each language,

Should any difference arise in regard to interpretation between the Chinese and Japanese texts, the Japanese text shall prevail.

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

Done at Hsinking this 26th day of the 3rd month of the 2nd year of Tatung, corresponding

to the 26th day of the 3rd month of the 8th year of Showa.

(L.S.) Hsieh Chieh-shih,
Minister for Foreign Affairs
of Manchoukuo.

(L.S.) Nobuyoshi Muto,
Ambassador Extraordinary
and Plenipotentiary.

CHAPTER XII

RAILWAYS

The railways of Manchoukuo consist of the network represented by the Manchoukuo Government railways, the South Manchuria Railway and the North Manchuria Railway, the total mileage of which aggregated 6,468 kilometers in 1934. The length of the lines, classified by ownership, is as follows:

Railways	Length (kms.)
State	3,618
South Manchuria Railway Co.	1,130
*Manchou-Soviet	1,720
Total	6,468

*Represented by North Manchuria Railway, formerly known as the Chinese Eastern Railway.

Operation. By the agreement concluded in February, 1932 the South Manchuria Railway Company was vested with the supervision of all of the state lines of Manchoukuo. Under the agreement the sphere of influence of the S.M.R. extends over lines totalling 4,748 kilometers, representing roughly 73 percent of the entire railway mileage in Manchoukuo. The North Manchuria Railway is jointly managed by the Soviet authorities and the Manchoukuo Government.

The North Manchuria Railway (gauge 5 feet) crosses the breadth of central Manchoukuo diagonally, between Manchouli on the western border and Suifenho on the eastern border, with a branch line extending from Harbin to Kuancheng-tzu, near Hsinking (Changchun). The South Manchuria Railway proper (standard gauge) and the Manchoukuo government railways are centered in the southeastern quarter of the country. It will thus be seen the northern and western regions of Manchoukuo are still scantily provided with railways, though a number of projects are either under consideration or construction in those regions, and particularly so in northern Manchoukuo.

In spite of the expanding system of lines the railway mileage to the area of Manchoukuo is still very small when compared with Japan and other countries as the following figures show:

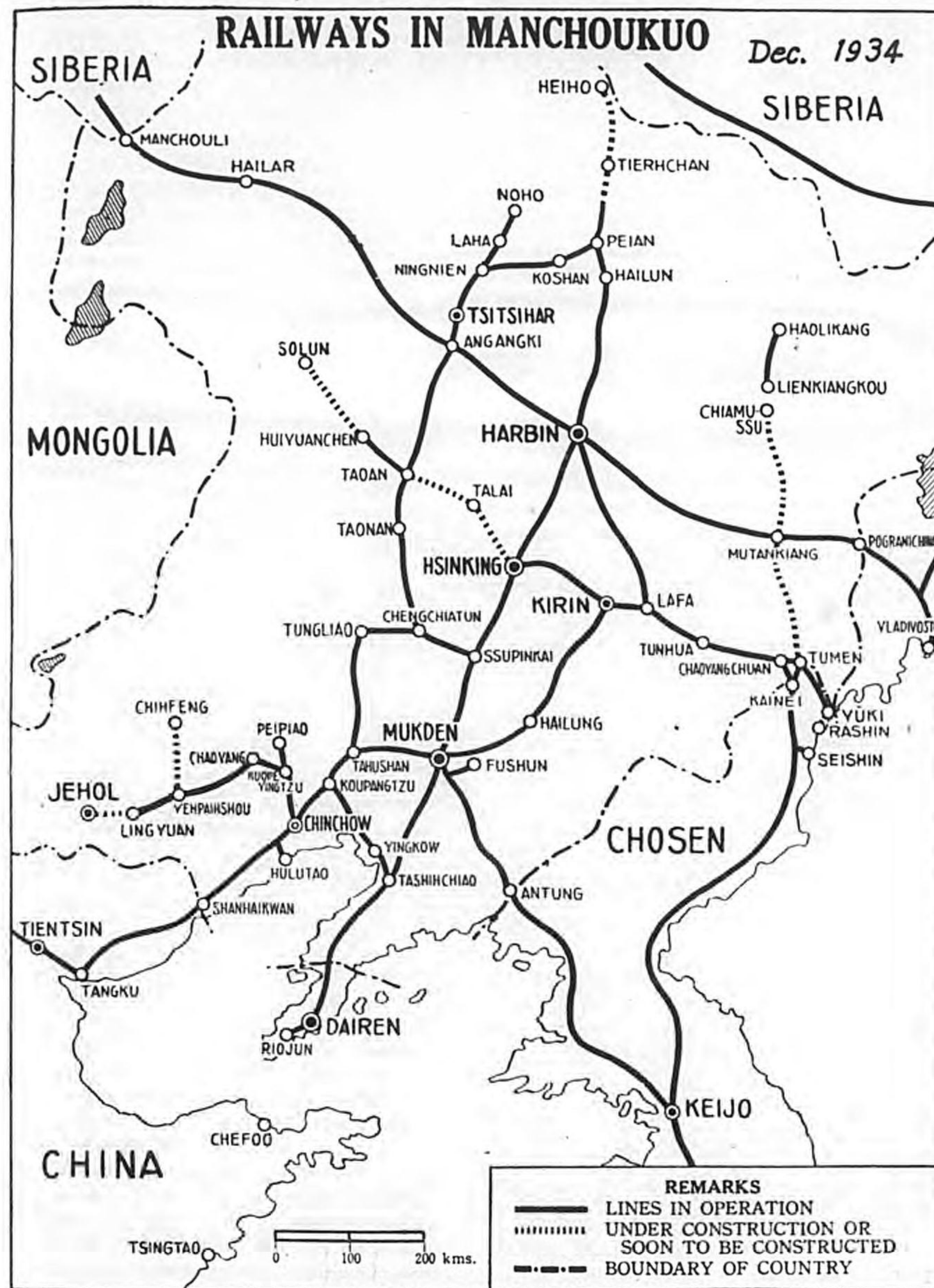
	Railway Mileage per 100 sq. km.	Railway Mileage per 10,000 population (sq. km.)
Manchoukuo	0.5	2.1
Japan	5.6	3.3
United States	5.1	32.3
Russia	0.4	4.8
British India	1.4	1.9
Great Britain	14.2	7.3
Brazil	0.4	7.9

Railway Investments. It is estimated that some 77 percent of the railways in Manchoukuo have been financed with foreign capital. In the amount of capital outlay in this enterprise Japan leads, and is followed by Soviet Russia, France and Great Britain, respectively, as the following figures show:

Foreign Investments in Railways

Country	Amount
Japan	¥ 526,270,000
U.S.S.R.	450,000,000
France	14,276,000
Great Britain	10,270,000
Total	990,816,000

Railway Construction. The construction of railways on any large scale dates back to 1902 when Tsarist Russia realized its plan of connecting Vladivostok, its premier port on the Pacific, with European Russia by the shortest route, namely, through the heart of Manchuria. This was brought about by virtue of the Li-Lobanoff Secret Treaty of May, 1896, whereby the Chinese government consented to "the construction of a railway across the Provinces of Amur and Kirin in the direction of Vladivostok." Construction and operated was entrusted to the Russo-Chinese Bank which established an organ known as the Chinese Eastern Railway Company to which was vested the actual constructional and supervisory work. By the Convention for the Lease of the Liaotung Peninsula signed between China and Russia in March 1898, the Tsarist government acquired the further privilege of laying a railway from "one of the stations of the main line to Ta-lien-wan, and also, if deemed necessary, from the same



main line to another more convenient point on the littoral of the Liaotung Peninsula between the town of In-tzu and the estuary of the River Yalu." The outcome was the extension of the railway line to Port Arthur.

By virtue of the Portsmouth Treaty Japan came in control of the Russo-Chinese controlled railway line from Port Arthur to Kuancheng-tzu and all its branches, and through the South Manchuria Railway Company, established in June, 1906, she has developed her present network of railways.

Prior to the Manchurian Incident (1931) the Chinese had control of several important lines in Manchoukuo built mostly with foreign capital. The most important railway was the line between Mukden and Shanhaikwan, comprised in the Peiping-Mukden system which was built with British loans. Constructional work was begun in 1893 and completed in 1908. The Chinese had also constructed with Japanese loans a half a dozen railways, the more important of which are the Kirin-Changehun, the Kirin-Tunhua, the Ssuping-kai-Chengchiatung-Taonan, with its branch to Payintala, and the Taonan-Angangki lines. With the founding of Manchoukuo such lines have been taken over by the new government.

New Lines

Railway lines newly opened to traffic after the founding of Manchoukuo aggregate 826 kilometers in length and are classified as follow:

Lines	Length (kms.)	Opened to Traffic
Sanehengfang-Peian	262.47	Dec. 1933
Tunhua-Tumen	193.13	Sept. 1933
Weiho-Naitzushan	9.50	1933
Ningnién-Noho	86.78	Dec. 1933
Hailun-Peian	106.08	Dec. 1932
Lafa-Harbin	268.38	Sept. 1934

State Railways

With a view towards facilitating the operation of the various state railways of Manchoukuo, the South Manchuria Railway Company, upon being vested with the supervision of the foregoing state lines, established an organ called the General Direction of National Railways (Tetsurosokyoku) at Mukden in March 1933, under which all existing state lines have been controlled since April 1934 through four bureaux. The railway lines classified by administrative railway bureaux are the following:

Administrative Railway Bureaux	Railways	Regions of operation (by provinces)
Hsinking	{ King-Tu Ki-Hai	Southern Kirin
Mukden	{ Shen-Hai Feng-Shan	Fengtien
Taonan	{ Ssu-Tao Tao-Ang Tao-So Tsi-Pei	Northern Fengtien, Southwestern Heilungkiang, Southern Hsingan
Harbin	Pin-Pei	Northern Kirin

Data on the railways follow:

GENERAL STATISTICS ON RAILWAYS

		Distance	Working kilometers	Gauge (feet)	Construction started	Construction completed	Open to traffic
State Railways							
Feng-Shan Railway							
Main Line	Mukden-Shanhaikwan	419.68	419.68	4.85	1893	1908	1908
Taitung	Taihusan-Tungliao	249.48	249.48	"	1924	1927	1927
Yingkow	Koupangtzu-Yingkow	91.10	91.10	"	1894	1899	1900
Peipiao	Chinchou-Peipiao	112.63	112.63	"	1921	1924	1924
Hulutao	Lienshan-Hulutao	11.54	11.54	"	1910	1910	1911
Shen-Hai Railway							
Main Line	Shenyang-Chaoyangchen	252.63	252.63	4.85	1925	1928	1928
Hsian	Meihokou-Hsian	67.34	67.34	"	1927	1927	1927
Ki-Hai Railway							
	Kirin-Chaoyangchen	183.24	183.24	4.85	1927	1929	1929
King-Tu Railway							
Kiehing Line	Kirin-Hsinking	127.73	127.73	4.85	1910	1912	1912
Kitung	Kirin-Tunhua	210.43	210.43	"	1926	1928	1928
Tuntu	Tunhua-Tumen	193.13	193.13	"	1932	1933	1933
Naitzushan	Weiho-Naitzushan	9.50	9.50	"	1933	1933	1933

	Distance	Working kilometers	Gauge (feet)	Construction started	Construction completed	Open to traffic
Ssu-Tao Railway		436.09	4.85			
Main Line	Ssupinghai-Taonan	319.97	"	1917	1923	1924
Chengtung "	Chengchiatun-Tungliao	114.13	"	1921	1922	1924
Tatung "	Tungliao-Tahushan	1.99	"	1924	1927	1927
Tao-Ang Railway	Taonan-Sanchengfang	224.22	4.85	1925	1926	1926
Tao-So Railway	Taonan-Huiyuanchen	84.30	4.85	1929	1931	1931
Tsi-Pei Railway		354.23	4.85			
Main Line	Sanchengfang-Peian	262.47	"	1928	1932	1933
Noho "	Ningnien-Noho	86.78	"	1930	1933	1933
North Manchuria Line	Yushutun-Angangki	4.98	"	1929	1929	1929
Pin-Pei Railway		321.32	4.85			
Huhai Line	Hailun-Harbin	215.24	"	1926	1928	1928
Haipei "	Hailun-Peian	106.08	"	1932	1932	1932
Lafa-Harbin Railway		268.38	4.85	1932	1934	1934

Private Railways

Kai-Feng Light Railway	Shihchiatung-Taolu	64.0	3.30	1925	1926	1926
Haolikang Colliery Railway	Lienkiangkow-Hsingshanchen	56.0	5.00	1925	1926	1927
Tsi-Ang Light Railway	Tsitsihar-Angangki	30.0	3.30	1908	1909	1909
North Manchuria Railway		1,721.0	5.00			
Main Line	Manchouli-Suifenho	1,481.0	"	1898	1902	1903
South "	Harbin-Kwangchengtzu	240.0	"	1898	1902	1903
Hsi-Chien Light Railway	Penhsihu-Nihsintai	26.0	2.60	1913	1914	1914
Tien-Tu Light Railway	Tifang-Laotoukou	101.0	2.60	1922	1924	1924
	Chaoyangchuan-Chutzuehieh	10.0	2.60	1922	1924	1924
Muling Colliery Railway	Hsiaoehengtzu-Lishuchen	63.5	5.00	1924	1925	1925
Chin-Fu Railway	Chinchou-Chengtzuehuan	102.0	4.85	1926	1927	1927
South Manchuria Railway		1,129.1	4.85			
Main Line	Dairen-Hsinking	704.3	"	1898	1902	1903
Antung-Mukden Line	Suchiatun-Antung	260.2	"	1904	1905	1905
Fushun Line	Suchiatun-Fushun	52.9	"	1898	1902	1903
Port Arthur Line	Choushuitzu-Port Arthur	50.8	"	1898	1902	1903
Other Branch Lines	Yingkow, Yentai, Hunyu, Kanchingtzu, Wuchi	60.9	"	—	—	Operating

Business results of railways for 1932 and the first half of 1933 are shown below:—

Railways		No. of Passengers carried	Goods Hauled (Metric tons)	Passenger Traffic Receipts (yuan)	Goods Traffic Receipts (yuan)
Feng-Shan	1932	2,000,051	921,465	3,961,399	5,976,341
	1933 (1st half)	1,150,274	617,494	2,349,662	3,380,907
Shen-Hai	1932	882,883	1,059,010	1,561,595	5,678,941
	1933 (1st half)	430,194	479,719	660,413	1,256,670
Ki-Hai	1932	218,860	140,675	288,507	326,734
	1933 (1st half)	131,906	35,857	158,920	101,617
Ssu-Tao	1932	625,714	1,416,762	1,648,658	11,025,955
	1933 (1st half)	259,646	872,502	926,242	2,814,429
Tao-Ang	1932	318,231	1,044,003	642,158	4,920,398
	1933 (1st half)	113,890	853,591	387,099	1,434,019
Tsi-Pei	1932	400,828	1,022,851	506,494	3,095,677
	1933 (1st half)	176,314	432,830	392,977	1,091,762
Tao-So	1932	17,477	12,676	18,251	27,576
	1933 (1st half)	10,254	15,019	12,199	17,786

Railways		No. of Passengers carried	Goods Hauled (Metric tons)	Passenger Traffic Receipts (yuan)	Goods Traffic Receipts (yuan)
Ki-Chang } Ki-Tun }	1932	1,241,906	1,623,905	1,660,965	4,389,231
	1933 (1st half)	673,597	588,162	1,022,979	1,707,382
Pin-Pei	1932	400,247	433,934	585,912	2,137,843
	1933 (1st half)	257,972	593,712	338,108	793,661
Kai-Feng	1932	280,005	130,113	174,450	506,127
North Manchuria	1932	2,207,377	3,371,757	R5,704,355	R35,659,124
Hsi-Chien	1932	119,773	37,503	¥4,533	¥41,651
Chin-Fu	1932	120,298	65,613	79,056	141,562
South Manchuria Railway	1932	7,900,106	15,723,677	¥13,171,388	¥78,876,664
	1933	11,630,000	18,850,000	¥18,757,000	¥94,263,000

Further data on the state railways are given below:

Fengshan Railway. The Fengshan railway comprises the section between Mukden and Shanhaikwan of the Peiping-Mukden railway. The change in name was brought about following the establishment of Manchoukuo when the new state took possession of the line from Chinese control. The line is the oldest in Manchoukuo and construction on it was started in 1893 as the extension of the line between Peiping and Shanhaikwan. The section from Shanhaikwan to Hopei was opened to traffic in 1899 and that from Koufangtzu to Hsinmin was opened in 1903. During the Russo-Japanese war the Japanese built a light railway connecting Hsimin with Mukden and in 1908 the Chinese government purchased it at the price of ¥1,660,000 by incurring a loan known as the Hsimin-Fengtien loan from the Japanese government. The line was later reconstructed to the standard gauge.

The branch lines of the foregoing railway were constructed as follows: Chinchou-Peipiao line, in 1924; Hulutao line in 1911; Tahushan-Tungliao line in 1927. Later the administration of the Three Eastern Provinces connected the Tahushan-Tungliao line with the Ssu-Tao, Tao-Ang and the Tsi-Ko lines with the object of bringing pressure to bear on the South Manchuria Railway. The line between Shanhaikwan and Hsimin, and the Yingkow branch line were constructed with loans incurred by the Chinese government from the British & Chinese Corporation and the Hongkong & Shanghai Banking Corporation amounting to ¥2,300,000, which is known as the Peking-Newchwang loan. The British interests had attempted to take control of the railway by negotiating with the Chinese government but through objections from the administration of

the Three Eastern Provinces the plan failed to materialize. Since the independence of Manchoukuo the Manchoukuo government has been refunding the said loan, the first payment of which was made in September 1932 amounting to ¥65,850.

Shen-Hai Railway. The Shen-Hai railway consists of the line from Shenyang to Chaoyangchen and was constructed wholly by Chinese capital through the Fenghai Railway Company capitalized at 20,000,000 fengtien-tayang. Construction on the main and branch lines was started in July, 1925 and completed in 3 years 2 months. In 1928 the line was purchased by the Chinese government and made into a government railway, the name being changed simultaneously to the Shen-Hai Railway Company. The Manchurian Incident disrupted business on the line and in March 1932 it was brought under the control of the Communications Department of the Manchoukuo government.

Ki-Hai Railway. Encouraged by the construction of the Shen-Hai railway the Kirin provincial government undertook the building of the Ki-Hai railway which connects Kirin and Chaoyangchen. In November, 1926 a railway office for its construction was established and a sum of 12,000,000 Kirin-tayang was allotted as constructional expenses. Surveying of the line was started in March 1927 and actual construction begun in June of the same year. Due to the lack of funds and building materials constructional progress on the line was slow and it was only in November 1928 that the section between Chaoyangchen and Panshih was completed. In May 1929 the rest of the line to Kirin was completed. From a technical point of view the construction of the line was a violation of the privilege granted Japan by the protocols attached to the Treaty of Peking sign-

ed on December 22, 1905, Paragraph 3 of which reads: "The Chinese Government engage, for the purpose of protecting the interest of the South Manchuria Railway, not to construct, prior to the recovery by them of the said railway, any main line in the neighborhood of and parallel to that railway, or any branch line which might be prejudicial to the interest of the above-mentioned railway." With the founding of Manchoukuo the line was taken over by the new government.

King-Tu Railway. The King-Tu railway consists of the three principal lines, the Ki-Chang, connecting Kirin with Hsinking; the Ki-Tung, connecting Kirin with Tunhua and the Tun-Tu, connecting Tunhua with Tumen. The Ki-Chang railway was to have been constructed as a branch line of the Chinese Eastern Railway by virtue of the Provisional Agreement signed between the Chinese Eastern Railway Company and the Chinese Government in September 1902. The break out of the Russo-Japanese war (1904-05), however, automatically dissolved the construction of the line. Following the war Japan acquired the right of advancing one-half of the constructional cost of the railway by virtue of the protocol attached to the Treaty of Peking. This agreement was later revised by the Hsin-Feng and Ki-Chang Railways Agreement whereby one-half of the constructional expenses were defrayed by the South Manchuria Railway Company. In August 1909 the Ki-Chang Railway Loan Contract was signed whereby the South Manchuria Railway Company advanced a loan of ¥2,150,000 to the Communication Department of the Chinese Government. Accordingly, in 1910 construction was started on the line, and completed in October, 1912. In 1917 the loan contract was revised to ¥6,150,000 and period of redemption to 30 years, while the South Manchuria Railway was given the privilege of supervising the line until the present.

The Ki-Tung Railway was established following the agreement signed between the South Manchuria Railway and the Communications Department of the Chinese Government in 1925. In February 1926 a construction office was established and actual work on the line was started in June of the same year. The line was completed in October, 1928. Until 1931 when the Ki-Tung and Ki-Chang railways were merged the lines had been operating independently in spite of an agreement calling for their joint operation. This hitch in operation was caused, according to the Chinese Government, due

to the high constructional expenses of the Ki-Tung railway which amounted to ¥2,400,000. At present both lines are under the supervision of the South Manchuria Railway.

The Tun-Tu Railway was completed in April 1933, construction on it having been started in May, 1932. The line connects Tunhua and Tumen, as stated above, and its importance is greatly due to its medium as a connecting link between North Chosen and Hsinking. Plans for this line were formulated some twenty years ago. The line came under the control of the General Railway Administrative Bureau in September, 1933 and simultaneously the three lines, namely, the Ki-Chang, Ki-Tung and Tun-Tu were merged and called the King-Tu Railway.

Ssu-Tao Railway. The main line of the Ssu-Tao Railway connects Ssuping kai and Taonan while its branch line connects Chengchiatun with Tungliao. Construction on the line was divided into three sections. The first section runs from Ssuping kai to Chengchiatun, the second section from Chengchiatun to Tungliao, and the third section from Chengchiatun to Taonan. The line between Ssuping kai and Chengchiatun was started in April, 1917 the capital for its construction being advanced by a loan extended to the Chinese Government by the Yokohama Specie Bank in December, 1915. The line was completed in December, 1917.

The negotiation for constructing the line from Chengchiatun to Tungliao and that from Chengchiatun to Taonan was carried out in September 1919 between the Chinese Government and the South Manchuria Railway Company. Construction on the Chengchiatun-Tungliao or Cheng-Tu line was begun in April 1921 and completed in January 1922. Construction on the Chengchiatun-Taonan or Cheng-Tao line was begun in September 1921 and completed in November 1923. The loan advanced by the Yokohama Specie Bank which was ¥5,000,000 has since been refunded by the Chinese Government. The aggregate loan advanced by the South Manchuria Railway for the same purpose to the Chinese Government amounted to ¥32,000,000, including ¥10,000,000 of the first issue. The loans remained unrefunded until the outbreak of the Manchurian Incident. In December 1931 the Ssutao Railway recognized its debt amounting to ¥49,000,000, following the approval obtained from the Fengtien Provincial Government and the new Northeastern Communications Committee, and entrusted the super-

vision of the entire line to the South Manchuria Railway Company.

Tao-Ang Railway. The Tao-Ang railway connects Taonan and Sanchengfang (Angangki). Russia's attempt to obtain control of construction rights of the railway through the medium of Belgian interests was frustrated in 1913. In 1924 the Administration of the Three Eastern Provinces and the South Manchuria Railway Company reached an agreement whereby the latter company obtained the rights for constructing the line at a cost of ¥12,920,000. Started in May 1925 the line was completed in July, 1926. The loans for the railway remained unrefunded by the reigning Chang family until the outbreak of the Manchurian Incident.

Tao-So Railway. The Tao-So railway connects Taonan and Huiyuanchen. Plans for constructing the railway was started in 1926 but actual construction work was begun in 1928. The object for the line was purely a personal one of Chang Tso-lin in establishing facilities for transporting his troops in his retreat from Peking in June 1928. Construction on the line was commenced in April 1929 and completed in February 1931. The extension of the line from Huiyuanchen to Solun was still under construction in 1934.

Tsi-Pei Railway. The Tsi-Pei Railway consists of two principal lines, one connecting Sanchengfang with Peian via Tsitsihar, and the other connecting Ningnien with Noho. The line between Sanchengfang and Peian was first considered as an extension of the Tao-Ang railway. Objection to this project was expressed by the Chinese Eastern Railway as violating upon treaty rights forbidding the crossing of the C.E.R. by other lines. As a result the Chinese authorities cut off the line at Sanchengfang (formerly Angangki) temporarily but in July 1928 upon reaching a compromise with the C.E.R. the Chinese authorities erected a railway bridge over the C.E.R. lines and extended the line in December 1928 to Tsitsihar. The line between

Tsitsihar and Koshan (Tsi-Ko) was begun in June 1928 but due to lack of funds only a part of the line, that extending from Tsitsihar to Taian, was completed by March 1930. Since the Manchurian Incident construction on the line was continued and the stretch between Taian and Koshan and to Peian was completed in December 1932. In December 1933 the two principal lines were merged and called the Tsi-Pei Railway.

Pin-Pei Railway. The Pin-Pei railway consists of two lines, one running from Hailun to Harbin and the other from Hailun to Peian. Plans for constructing the section from Harbin to Hailun were under consideration since the Russo-Japanese War and a Construction Office was established in 1911. Due to the revolution in China in that year work on the line was delayed. In that year the Chinese Government gained the approval of obtaining a loan from the Russo-Asiatic Bank for the construction of the line not only to Hailun but to Heiho on the Russo-Manchurian border. The construction of the line failed to materialize, however, due to objections raised by China on mutual supervision of the line and due to the Russian Revolution. In 1925 Wu Chun-sheng, Governor of Heilungkiang Province, proposed the building of the section between Harbin and Hailun and established an organ known as the Hu-Hai Railway Company, capitalized at 10,000,000 yuan. Construction of the line was actually begun in 1926 and completed in December 1928.

The stretch between Hailun and Peian consists of a section of the Hai-Ko Railway which connects Hailun and Koshan. The completion of the Hai-Ko line was effected in December, 1933. Since December of the same year the Hu-Hai railway and the line between Hailun and Peian have been incorporated in the Pin-Pei Railway. The importance of the Pin-Pei Railway is due greatly to its connection with the Harbin-Lafa line.

NORTH MANCHURIA RAILWAY SALE NEGOTIATION

Acting upon the initiative of the Soviet Government a negotiation for the sale of the North Manchuria Railway (former Chinese Eastern Railway) by the Soviet Government to Manchoukuo was commenced in Tokyo in June 1933 under the good offices of the Japanese Government. While great divergences in the sale price were seen at first, the original Soviet demand

being 250,000,000 gold rubles and the Manchoukuo offer ¥50,000,000, a bargain was struck at ¥170,000,000 in October 1934. The actual sale of the railway was delayed at the time of writing due to the terms and conditions involved.

The original Soviet offer to sell the railway which was presented on July 5, 1933 is given below:

- (A) The main line, 1,726 kilometers, sidings, inclusive of lines for transportation of ballast and timber material, 2,544 kilometers, and telegraph lines, 2,567 and telephone with water supply equipment included;
- (B) Engines, other rolling stock, and other material relative to transportation which belong to the said Railway;
- (C) Erections for the use of the Railway, as well as for the use of passengers, godowns, dwelling houses, office buildings, barracks and other civil buildings, the aggregate area being 1,199,762 square meters;
- (D) Factories and engine sheds, the central factory at Harbin, railway maintenance works, telegraph wire works and others;
- (E) All the electricity generating plants;
- (F) The Harbin Telephone Exchange;
- (G) The river fleet of merchant marine, comprising steam and non-steam boats, including the transshipment piers at Harbin;
- (H) The land within the railway zone;
- (I) All the forestry districts (Chole and Tzairinhe Eastern Districts);
- (J) All the medical and veterinary establishments;
- (K) Villas and sanatoriums;
- (L) Various agricultural industries;
- (M) Lumber mills, olive oil presses, and the refinery of oils and cloths for machine;
- (N) Mineral water factory;
- (O) Wool washing factory;
- (P) Printing press;
- (Q) The Harbin Waterworks;
- (R) The automobile work;
- (S) School and club buildings;
- (T) All the other buildings, equipment and property relating to the said railway.

The various terms and conditions stipulated by the Soviet Government with regard to the sale of the railway, as presented to the Japanese Government in October, are the following:

1. In consideration of fluctuations of the Japanese paper yen, the Soviet Government deems it necessary to incorporate a gold clause governing the value based on exchange rate at the time of signing the contract.

2. The Soviet Government proposes to make the balance sheet of the C.E.R. already submitted as the basis. It does not see any necessity for preparing a new one at the time of signing the contract.

3. In connection with the method of cash payment, the Soviet Government will demand interest on the second and third instalments after the first one-third payment. It will also demand a guarantee by the Japanese Government of the payment of the second and third instalments.

4. As regards the validity of the proposed contract, the Soviet Government will confirm a complete transfer of the rights of control and possession of the C.E.R. to the Manchoukuo Government simultaneously with the first cash payment.

5. In regard to payments in kind after the first cash payment, the Soviet Government will demand their completion in two years. The Soviet Government will also demand a guarantee by the Japanese Government of all payments in kind. The Soviet Government does not see any necessity for deciding previously the kind of articles to be delivered.

6. In connection with the withdrawal of its employees, the Soviet Government will demand three months' previous notice.

CHAPTER XIII

AGRICULTURE

Introductory Remarks

The principal wealth of Manchoukuo lies in its vast area of productive soil. It is estimated that some 16,000,000 hectares are now under cultivation against a total arable area of about 34,000,000 hectares. Plentiful opportunity thus exists for a great future development, especially since the over-populated provinces of Shantung and Chihli furnish an inexhaustible labor supply close at hand. In this connection the density of population in Manchoukuo averages only 72 persons per square mile as compared with 390 per square mile in Japan and 201 in Chosen. The land of Manchoukuo is being constantly opened in conjunction with the development of the railways and lands hereto used only for pasture by the Mongols are being converted into agricultural fields.

It has been estimated that the total value of the annual agricultural crops of Manchoukuo, which today reaches some 650 million yen, will treble in normal times when the entire arable land has been placed under cultivation and when various improvements in the methods of cultivation have been brought about. More than eighty percent of the inhabitants at present eke their living from the soil, while the value of agricultural products comprises seventy percent of the entire production of all industries.

Recent Situation

The year 1934 saw the agricultural industry still suffering from the economic depression. The price of soya beans were quoted at such a low price in 1934 that profits accruing from it have been practically negligible. Since soya beans and its by-products have in past years comprised approximately 46 percent of the country's entire exports the affects of the slump have been widely felt. In March, 1934 the quotation per 100 "kin" of soya beans fell below ¥3, registering the lowest quotation since 1915. The effects of such a price fall have wiped profits for farmers in certain districts in Manchoukuo. In the case of Koshan, in North Manchuria, the freight rate alone to Dairen costs ¥2.20 per 100 "kin". Adding to this the cost of 50

sen for jute bags, and the cost of transportation of the beans from the farms to the railway station, the balance, after defraying such expenditures, is gone.

The year 1934 was also marked by a fall in the output of agricultural crops due to droughts, floods and ravages from insects. Figures on agricultural production are subjoined elsewhere in this chapter.

Agricultural Division.—Manchoukuo may be divided into four parts according to its physical configuration and distribution of arable lands. These are:

(1) South-eastern portion; (2) South-western portion; (3) Central portion; (4) Northern portion.

1. The chief features of the South Eastern portion, which comprises the whole basin of the Yalu and the Liaotung Peninsula, are its prominent mountains and, in general, its sandy and sterile soil with its mixture of gravel. The Japanese leased territory of Kwantung is very hilly and the soil is especially poor. But, since it is the most densely populated portion of Manchoukuo, every inch of arable land, even the hill side and the river bed, is under cultivation. The same condition prevails more or less in other parts of this portion with the exception of the districts along the upper reaches of the Yalu, where there are still left some lands yet to be cultivated.

2. The south-western portion, which comprises the entire basin of the Liao, is level, and generally well suited for agriculture. The whole region is well cultivated, and, with the exception of some districts along the upper reaches of the river and those adjacent to Outer Mongolia, there is little room left for further exploitation. Some parts of this portion are quite rich, though other parts, especially along the sea coast and the lowlands, have a soil that is sandy and sometimes saline. What is most deplorable in connection with this portion is the lack of proper drainage systems, some districts along the lower Liao, once the best agricultural fields, being already in part deserted on account of repeated inundations.

3. The Central portion, which occupies the middle part of Manchoukuo watered by the River Hurka and the upper and middle reaches of the Sungari, is unquestionably the best agricultural region in the new empire. Especially are the lands around Hsinking, Kirin, and Harbin exceedingly rich, and moreover there is still plenty of room for further exploitation. As a matter of fact, it is in this region that the most wonderful development has taken place in agriculture in recent years.

4. The Northern portion, which comprises the whole of the northern region watered by the lower Sungari, the Nonni, and the Amur, is generally rich in soil, though being so sparsely populated it is not as yet much developed. But its possibility is immense.

On the whole it may be said that the best farm lands in Manchoukuo are not found in South but in North Manchuria.

Soil.—The soil of Manchoukuo is fertile in general and may be divided into two main classifications, consisting of black and yellow soil. The black soil region is to be found in the north and is rich in chemical and mineral matters. The yellow soil region is centered in South Manchuria, and is poor in nitrogenous and organic matter. The soil as a whole is rich in alkaline. While the farming lands in the south have been deprived of much fertility due to indiscretion in agricultural methods and choice of crops in the past, the soil in the north with its wonderful natural loaminess,

especially in the regions of Shwangehngpu, assure good harvests for many years to come. With a view to developing the fertility of the soil in the exhausted regions the government has been taking steps at propagating the use of fertilizers and discreet rotation of crops.

Climatic Influences.—The climate of Manchoukuo, as noted elsewhere, is characterized by the short duration of spring and autumn and the comparatively long summers and winters. With consideration of such climatic conditions and the seasons and amount of rainfall, the choice of crops, the period of planting and harvesting are accordingly determined. The country as a whole is marked by continental dryness, which is particularly emphasized in the west and whatever rainfall is mostly centered in the eastern half of the country. Frost prevails in North Manchuria for some 225 days during the year and in South Manchuria for some 180 days and moisture is thickest in the months of June and July. Taking advantage of the thick moisture in June and July planting is undertaken and harvest is done in the dry season.

Cultivated Area

In 1934 the estimated cultivated area in Manchoukuo showed a decrease, owing to inclement weather, insect pests, and floods, of about 735,000 hectares as compared with the figures for 1933, as shown in the following table (in hectares):—

Cultivated Area

	1934 (hectares)	1933 (hectares)	Increase or Decrease (—) (hectares)
South Manchuria			
District to South of Mukden	1,446,570	1,515,450	-68,880
Mukden-Shanhaikwan Ry. District	641,140	704,690	-63,550
Kaiyuan	1,074,230	937,910	136,320
Shenyang-Hailung Ry. District	359,480	354,860	4,620
Hsinking-Kungehuling	1,065,090	1,123,180	-58,090
Ssuta-Taonan Ry.	648,230	727,260	-79,030
Kirin-Hsinking Ry.	622,020	704,800	-82,780
Chenta	237,660	254,480	-16,820
Total	6,094,420	6,322,630	-228,210
North Manchuria			
District along the south branch line of the North Manchuria Ry.	785,830	817,650	-31,820
Lafa-Harbin Ry. District	528,700	524,860	3,840
Harbin District	31,720	35,300	-3,580
District along the east branch line of the North Manchuria Ry.	779,440	929,200	-149,760
District in the lower reaches of the Sungari ..	730,520	846,090	-115,570
Harbin-Peian Ry. District	965,300	995,240	-29,940

	1934 (hectares)	1933 (hectares)	Increase or Decrease (—) (hectares)
District along the west branch line of the North Manchuria Ry.	830,230	860,500	-30,270
Tsitsihar-Peian Ry. District	806,430	929,490	-123,060
Other districts	161,570	188,250	-26,680
Total	5,619,740	6,126,580	-506,840
GRAND TOTAL	11,714,160	12,449,210	-735,050

The area under cultivation in 1932 and 1931 is shown below:—

	1932	1931	Increase or Decrease (—)
District to South of Mukden	1,532,910	1,642,960	-110,050
Mukden-Shanhaikwan Ry. district	687,209	711,840	-24,631
Kaiyuan	917,498	925,960	-8,462
Shenyang-Hailung Ry. district	358,923	385,310	-26,387
Hsinking-Kungehuling	1,114,211	1,094,780	19,431
Ssuta-Taonan Ry.	720,102	864,520	-144,418
Kirin-Hsinking Ry.	678,474	708,500	-30,026
Chenta district	254,517	248,730	5,787
Total	6,263,844	6,582,600	-318,756
Harbin district	35,180	37,590	-2,410
District along the east branch line of the North Manchuria Railway	1,137,330	1,210,390	-73,060
District along the west branch line of the North Manchuria Railway	2,078,050	2,286,270	-208,220
District along the South branch line of the North Manchuria Railway	1,237,850	1,345,450	-107,600
Hulan-Hailung Ry. district	971,210	1,182,930	-211,720
District in the lower reaches of the Sungari ..	785,160	906,590	-121,430
Other districts	156,260	181,430	-25,170
Total	6,401,040	7,150,650	-749,610
Grand total	12,664,884	13,733,250	-1,068,366

Utilization of Land

The area of cultivable land and arable land in Manchoukuo as at the end of 1932 is given in the following table (in hectares):—

Province	Total area	Cultivable Area			Not arable area
		Arable	Under cultivation	Uncultivated	
Fengtien	18,506,800	6,399,650	4,673,930	1,725,720	12,107,150
Kirin	26,755,300	10,891,800	5,218,610	5,673,190	15,863,500
Heilungkiang	58,217,410	12,877,810	4,075,880	8,801,930	45,339,600
Jehol	15,680,000	3,290,000	1,710,000	1,580,000	12,390,000
Kwantung & Man- churia Ry. zone district	374,300	204,990	204,990	—	169,310
Total	119,533,810	33,664,250	15,883,410	17,780,840	85,869,560

The percentage of cultivated area to the total area stands as follows:—

Province	% to the total area				% to the arable area	
	Arable area	Not arable area	Cultivated	Un- cultivated	Under cultivation	Un- cultivated
Fengtien	34.6	65.4	25.3	9.3	73.0	27.0
Kirin	40.7	59.3	19.5	21.2	47.0	52.1
Heilungkiang	22.1	77.9	7.0	15.1	31.7	68.3
Jehol	21.0	79.0	10.9	10.1	52.0	48.0
Kwantung & Manchuria Rly. zone district	—	—	54.8	45.2	—	—
Total	28.2	71.8	13.3	14.9	47.1	52.8

Soya Beans. Soya beans are the most important staple product of the country and has been grown for many years before the opening of Newchwang while some had had been exported to the ports of South China. At the time of the Russo-Japanese war (1904-05) the Japanese became aware of the value of the bean, especially of the bean cake for use as fertilizer, but the article did not enter upon its career as an important factor in international trade until 1910 when the Mitsui Bussan Co. made a trial shipment of 100 tons to England. Since then, mainly through the continued experiments of the Central Laboratory, maintained in Dairen by the S.M.R., many new uses have been found for soya bean until today the articles manufactured either wholly or partially from beans, bean oil and bean cake include more than thirty items, among which the following may be mentioned: soy, sauces, soups, condensed milk, casein, cheese, salad oil, crackers, macaroni, flour, confectionary, gly-

cerine, explosives, enamels, varnishes, butter and lard substitutes, edible oils, salad oils, water-proof material, linoleum, paints, soap, celluloid, rubber substitutes, printing ink, lighting and lubricating oils, etc. Bean cake is also used extensively for fodder and as fertilizer. The S.M.R. Agricultural Experiment Station at Kunchuling and elsewhere have through continuous experiments and distribution of superior seeds to Manchurian farmers increased the crops by 10 to 20 percent while the oil content of such improved beans have been increased by more than ten percent. The use of these improvements is being advocated by means of poster campaigns and other forms of propaganda, while demonstrations are being carried out to instruct the farmers in new methods. At the same time a new industry of manufacturing beans into oil and cakes has sprung up, the modern methods rapidly replacing the old-fashioned presses.

Soya bean output in 1934 is as follows:—

Output of Soya Beans

	Cultivated Area (hectares)	Output per hectare (kgs.)	Output in 1934 (Metric tons)	Actual Output in 1933 (Metric tons)	Increase or Decrease (Metric tons)	Rate of Increase (1933-100)
South Manchuria						
District to South of Mukden	362,170	1,230	445,470	495,590	-50,120	90
Mukden-Shanhaikwan Ry. district	76,890	939	72,200	82,670	-10,470	87
Kaiyuan district	302,380	1,410	426,360	467,220	-40,860	91
Shengyang-Hailun Ry. district	134,250	1,384	185,800	210,690	-24,890	88
Hsinking-Kungehuling Ry. district	401,090	1,425	571,550	630,180	-58,630	91
Ssutao-Taonan Ry. district	92,080	1,182	108,840	131,760	-22,920	83
Kirin-Hsinking Ry. district	266,040	1,285	341,860	412,400	-70,540	83
Chentao district	94,510	1,035	97,820	118,960	-21,140	82
Total	1,729,410	1,301	2,249,900	2,549,470	-299,570	87
North Manchuria						
District along the south branch line of the North Manchuria Ry.	229,420	1,090	251,440	286,190	-34,750	88
Lafa-Harbin Ry. district	174,580	999	174,410	196,160	-21,750	89
Harbin district	9,520	1,007	9,580	12,970	-3,390	74
District along the east branch line of the North Manchuria Ry.	268,030	970	259,990	342,130	-82,140	76
District in the lower reaches of the Sungari	246,690	1,015	250,390	338,880	-88,490	74
Harbin-Peian Ry. district	286,540	1,041	298,290	323,950	-25,660	92
District along the west branch line of the North Manchuria Ry.	84,080	1,079	90,720	203,220	-112,500	45
Tsitsihar-Peian Ry. district	222,290	951	211,400	292,640	-81,240	72
Other districts	53,270	847	45,120	55,390	-10,270	82
Total	1,574,420	1,011	1,591,340	2,051,530	-460,190	78
GRAND TOTAL	3,303,830	1,163	3,841,240	4,601,000	-759,760	83

Kaoliang.—Kaoliang is most widely cultivated, and occupies an important position in the agricultural economy next to soya bean. Be-

sides being very important as the principal food stuff of the Manchoukuo people it is used as material for distilling kaoliang spirits and

starch manufacture industry and as fodder for domestic animals while its stalks are also utilized for building materials and as fuel. The first shipment to Europe was made soon after the World war as grain food for horses. The principal producing centers are the districts

along the South Manchuria Railway main line, Mukden-Shanhaikwan railway line and the district around Tungshan. The area under cultivation and the amount of crops in 1934 and 1933, as classified according to districts, are shown below:—

Output of Kaoliang

	Cultivated Area (hectares)	Output per hectare (kgs.)	Output in 1934 (Metric tons)	Actual Output in 1933 (Metric tons)	Increase or Decrease (Metric tons)	Rate of Increase (1933-100)
South Manchuria						
District to South of Mukden	440,230	1,490	655,940	804,250	-148,310	82
Mukden-Shanhaikwan Ry. district	353,650	1,415	500,410	645,200	-144,790	78
Kaiyuan district	368,060	1,609	592,210	479,620	112,590	123
Shengyang-Hailun Ry. district	69,070	1,966	135,790	125,960	9,830	108
Hsinking-Kungehuling Ry. district	273,390	1,457	403,250	473,280	-70,030	85
Ssutao-Taonan Ry. district	192,640	1,688	325,180	334,450	-9,270	97
Kirin-Hsinking Ry. district	133,510	1,755	234,310	193,610	40,700	121
Chentao district	8,340	1,254	10,460	23,670	-13,210	44
Total	1,838,890	1,554	2,857,550	3,080,040	-222,490	93
North Manchuria						
District along the south branch line of the North Manchuria Ry.	170,270	1,241	211,310	201,580	9,730	105
Lafa-Harbin Ry. district	93,190	1,212	112,950	120,220	-7,270	94
Harbin district	320	1,189	386	470	-90	81
District along the east branch line of the North Manchuria Ry.	106,290	1,197	127,230	142,960	-15,730	89
District in the lower reaches of the Sungari	77,210	1,214	93,730	126,100	-32,370	74
Harbin-Peian Ry. district	132,270	1,164	153,960	114,090	39,870	135
District along the west branch line of the North Manchuria Ry.	136,480	1,190	162,410	144,560	17,850	112
Tsitsihar-Peian Ry. district	51,280	967	49,590	66,760	-17,170	74
Other districts	17,050	903	15,400	25,110	-9,710	61
Total	784,360	1,182	926,960	941,850	-14,890	98
GRAND TOTAL	2,623,250	1,443	3,784,510	4,021,890	-237,380	94

Millet.—Millet is cultivated throughout Manchoukuo, more profusely in North than South Manchuria. In South Manchuria, the millet produced in the district around Haicheng, Liaoyang and Mukden is reputed for its good qual-

ity. It is another important food stuff of the Manchoukuo people, and is also largely used for distilling native spirit while its stalks are used as fodder.

Area under Millet and its Output in 1934 and 1933 as Classified by Districts

Output of Millet

	Cultivated Area (hectares)	Output per hectare (kgs.)	Output in 1934 (Metric tons)	Actual Output in 1933 (Metric tons)	Increase or Decrease (Metric tons)	Rate of Increase (1933-100)
South Manchuria						
District to South of Mukden	154,170	1,285	198,110	259,880	-61,770	76
Mukden-Shanhaikwan Ry. district	64,740	968	62,670	92,070	-29,400	68
Kaiyuan district	203,380	1,282	260,730	256,000	4,730	102
Shengyang-Hailun Ry. district	47,230	1,156	54,600	78,720	-24,120	69
Hsinking-Kungehuling Ry. district	209,790	1,311	275,030	332,800	-57,770	83
Ssutao-Taonan Ry. district	154,190	975	150,340	167,520	-17,180	90
Kirin-Hsinking Ry. district	134,830	944	127,330	233,160	-105,830	55
Chentao district	53,150	976	51,870	109,510	-57,640	47
Total	1,021,480	1,156	1,180,080	1,529,660	-348,980	77

North Manchuria	Cultivated Area (hectares)	Output per hectare (kgs.)	Output in 1934 (Metric tons)	Actual Output in 1933 (Metric tons)	Increase or Decrease (-) (Metric tons)	Rate of Increase (1933-100)
District along the south branch line of the North Manchuria Ry.	134,070	1,173	157,260	219,090	-61,830	72
Lafa-Harbin Ry. district	101,660	1,033	105,010	132,820	-27,810	79
Harbin district	6,190	1,110	6,870	9,030	-2,160	76
District along the east branch line of the North Manchuria Ry.	132,960	1,071	142,400	227,140	-84,740	63
District in the lower reaches of the Sungari	108,660	1,101	119,630	199,970	-80,340	60
Harbin-Peian Ry. district	182,730	978	178,710	256,380	-76,670	70
District along the west branch line of the North Manchuria Ry.	214,460	1,046	224,330	271,060	-46,730	83
Tsitsihar-Peian Ry. district	163,150	874	142,590	293,720	-151,130	49
Other districts	28,720	816	23,440	46,600	-23,160	50
Total	1,072,600	1,026	1,100,240	1,654,810	-554,570	66
GRAND TOTAL	2,094,080	1,089	2,280,920	3,184,470	-903,550	72

Maize.—Maize or Indian corn is mostly produced in the southern parts of South Manchuria, and is an important foodstuff next to kaoliang and millet. The cultivation area in 1932 increased by about 69% but output decreased by

about 180,000 metric tons over the previous year. Classified according to districts, the area of plantation under the crop and the production for 1934 as compared with 1933 are shown below:—

Output of Maize

South Manchuria	Cultivated Area (hectares)	Output per hectare (kgs.)	Output in 1934 (Metric tons)	Actual Output in 1933 (Metric tons)	Increase or Decrease (-) (Metric tons)	Rate of Increase (1933-100)
District to South of Mukden	213,010	1,376	293,100	405,860	-112,760	72
Mukden-Shanhaikwan Ry. district	51,710	1,348	69,710	68,400	1,310	102
Kaiyuan district	102,600	1,545	158,520	163,250	-4,730	97
Shengyang-Hailun Ry. district	52,200	1,926	100,540	92,950	7,590	108
Hsinking-Kungehuling Ry. district	51,590	1,664	85,850	131,040	-45,190	66
Sautao-Taonan Ry. district	71,760	1,628	116,830	60,240	56,590	194
Kirin-Hsinking Ry. district	22,380	1,406	31,470	102,950	-71,480	31
Chentao district	17,180	1,441	24,760	49,130	-24,370	50
Total	582,430	1,512	880,780	1,073,820	-193,040	82
North Manchuria						
District along the south branch line of the North Manchuria Ry.	39,540	1,235	48,830	77,070	-28,240	63
Lafa-Harbin Ry. district	41,380	1,235	51,100	68,730	-17,630	74
Harbin district	2,380	1,303	3,100	4,110	-1,010	75
District along the east branch line of the North Manchuria Ry.	63,140	1,269	80,120	129,740	-49,620	62
District in the lower reaches of the Sungari	73,850	1,402	103,540	113,010	-9,470	92
Harbin-Peian Ry. district	64,940	1,381	89,680	81,560	8,120	110
District along the west branch line of the North Manchuria Ry.	94,320	1,460	137,710	90,660	47,050	152
Tsitsihar-Peian Ry. district	70,620	1,282	90,530	96,940	-6,410	93
Other districts	25,340	1,242	31,470	23,240	8,230	135
Total	475,510	1,338	636,080	685,060	-48,980	93
GRAND TOTAL	1,057,940	1,434	1,516,860	1,758,880	-242,020	86

Wheat.—The soil of land in North Manchuria is generally suitable for wheat cultivation. In North Manchuria good wheat are produced in the districts around Ningan, Petuna, Harbin,

and along the right bank of the Sungari and the district around Suiwha, while in South Manchuria the producing centers are found around Hsifeng, Hailun and the district lying

to the west of the Liao. There are many large modern flour mills at several important cities around Harbin and along the Chinese Eastern Railway line. The wheat flour industry in Manchoukuo is an important industry only be-

ing second to bean oil extraction. The area under the crop and the production in 1934 and 1933, as classified according to districts, are shown below:—

Output of Wheat

South Manchuria	Cultivated Area (hectares)	Output per hectare (kgs.)	Output in 1934 (Metric tons)	Actual Output in 1933 (Metric tons)	Increase or Decrease (-) (Metric tons)	Rate of Increase (1933-100)
District to South of Mukden	42,910	775	33,260	20,900	12,360	159
Mukden-Shanhaikwan Ry. district	8,190	667	5,460	5,910	-450	92
Kaiyuan district	9,100	740	6,730	8,500	-1,770	79
Shengyang-Hailun Ry. district	7,000	912	6,380	8,070	-1,690	79
Hsinking-Kungehuling Ry. district	24,880	865	21,520	50,160	-28,640	43
Sautao-Taonan Ry. district	16,300	758	12,360	29,190	-16,830	42
Kirin-Hsinking Ry. district	6,840	870	5,950	21,210	-15,260	28
Chentao district	5,000	794	3,970	8,980	-5,010	44
Total	120,220	795	95,630	152,920	-57,290	63
North Manchuria						
District along the south branch line of the North Manchuria Ry.	63,700	787	50,130	80,730	-30,600	62
Lafa-Harbin Ry. district	45,580	778	35,460	44,070	-8,610	81
Harbin district	5,710	785	4,490	5,340	-850	84
District along the east branch line of the North Manchuria Ry.	113,570	717	81,430	100,630	-19,200	81
District in the lower reaches of the Sungari	144,580	795	114,940	150,270	-35,330	76
Harbin-Peian Ry. district	162,760	775	126,140	148,630	-22,490	85
District along the west branch line of the North Manchuria Ry.	94,070	787	74,030	87,250	-13,220	86
Tsitsihar-Peian Ry. district	81,760	675	55,190	79,850	-24,660	69
Other districts	11,850	671	7,950	13,760	-5,810	58
Total	723,580	760	549,760	710,530	-160,770	77
GRAND TOTAL	843,800	765	645,390	863,450	-218,060	75

Rice.—The paddy-field devoted to rice cultivation are mostly found in the districts around Mukden, Fushun, Antung, Kaiyuan, Sungshu, Haicheng, Yingkow and Hailin, Chientao, and the districts along the banks of the Liao, the Sungari, the Taitzuo, the Hunho and other rivers. As the rice is used on rare occasions such as dinners and festivals and among the upper-class Chinese, the demand of rice has

never been increased. The entry of the Japanese into Manchoukuo stimulated the cultivation of paddy-rice. The cultivation of paddy-rice was first undertaken by Korean immigrants, next by Chinese, and now many Japanese are engaged in the paddy-field cultivation along the railway lines. The area under cultivation and production in 1934 and 1933, classified according to districts, are shown below:—

Output of Rice

South Manchuria	Cultivated Area (hectares)	Output per hectare (kgs.)	Output in 1934 (Metric tons)	Actual Output in 1933 (Metric tons)	Increase or Decrease (-) (Metric tons)	Rate of Increase (1933-100)
District to South of Mukden	26,900	1,900	51,220	53,280	-2,060	98
Mukden-Shanhaikwan Ry. district	480	1,834	880	1,220	-340	72
Kaiyuan district	10,560	2,519	26,600	16,600	10,000	160
Shengyang-Hailun Ry. district	14,940	1,818	27,160	27,820	-660	98
Hsinking-Kungehuling Ry. district	3,540	1,600	5,670	1,940	3,730	292
Sautao-Taonan Ry. district	2,120	1,497	3,170	3,240	-70	98
Kirin-Hsinking Ry. district	6,830	1,576	10,760	11,880	-1,120	91

	Cultivated Area (hectares)	Output per hectare (kgs.)	Output in 1934 (Metric tons)	Actual Output in 1933 (Metric tons)	Increase or Decrease (-) (Metric tons)	Rate of Increase (1933-100)
Chentao district	10,140	2,239	22,700	29,410	-6,710	77
Total	75,570	1,960	148,160	145,390	2,770	102
North Manchuria						
District along the south branch line of the North Manchuria Ry.	4,670	1,841	8,600	1,480	7,120	581
Lafa-Harbin Ry. district	1,900	1,783	3,390	1,770	1,620	192
Harbin district	30	1,725	60	80	-20	75
District along the east branch line of the North Manchuria Ry.	10,860	1,840	19,980	7,160	12,820	279
District in the lower reaches of the Sungari	2,120	1,763	3,740	4,500	-760	83
Harbin-Peian Ry. district	2,220	1,846	4,100	2,650	1,450	155
District along the west branch line of the North Manchuria Ry.	410	1,793	740	—	740	—
Tsitsihar-Peian Ry. district	320	1,748	560	1,720	-1,160	33
Other districts	880	1,672	1,470	1,260	210	117
Total	23,410	1,821	42,640	20,620	22,020	207
GRAND TOTAL	98,980	1,928	190,800	166,010	24,790	115

Output of Upland Rice

	Cultivated Area (hectares)	Output per hectare (kgs.)	Output in 1934 (Metric tons)	Actual Output in 1933 (Metric tons)	Increase or Decrease (-) (Metric tons)	Rate of Increase (1933-100)
South Manchuria						
District to South of Mukden	27,720	1,240	34,370	21,060	13,310	163
Mukden-Shanhuikwan Ry. district	3,340	1,252	4,180	7,840	-3,660	53
Kaiyuan district	13,610	1,311	17,840	10,510	7,330	170
Shengyang-Hailun Ry. district	5,130	1,279	6,560	14,070	-7,510	47
Hsinking-Kungehuling Ry. district	12,380	1,495	18,510	37,260	-18,750	50
Ssutao-Taonan Ry. district	2,850	1,060	3,020	10,230	-7,210	30
Kirin-Hsinking Ry. district	6,370	1,105	7,040	22,570	-15,530	31
Chentao district	450	1,410	630	7,120	-6,490	9
Total	71,850	1,283	92,150	130,660	-38,510	71
North Manchuria						
District along the south branch line of the North Manchuria Ry.	15,640	1,214	18,990	3,010	15,980	631
Lafa-Harbin Ry. district	7,690	1,200	9,230	2,420	6,810	381
Harbin district	30	1,125	30	50	-20	60
District along the east branch line of the North Manchuria Ry.	2,500	1,109	2,770	1,440	1,330	192
District in the lower reaches of the Sungari	810	1,191	960	1,120	-160	86
Harbin-Peian Ry. district	800	1,259	1,010	1,180	-170	86
District along the west branch line of the North Manchuria Ry.	1,340	1,198	1,610	1,890	-280	85
Tsitsihar-Peian Ry. district	480	1,191	570	1,380	-810	41
Other districts	110	1,275	140	—	140	—
Total	29,400	1,201	35,310	12,490	22,820	283
GRAND TOTAL	101,250	1,259	127,460	143,150	-15,690	89

Cotton.—Kangping, Liaoyang, Liaochung, Tainan, Haicheng and Changwa are principal producing centers of cotton. The cultivation area in Fengtien province amounts to 38,000 cho; particularly in the Liaoyang district which has become the foremost cotton-growing district in Manchoukuo, the area of cotton plantation

is yearly increasing.

As the annual production of cotton in Manchoukuo is only about 20,000 cattiees and, moreover, the quality is not good, the country has to import annually about 20,000,000 piculs (80,000,000 to 160,000,000 Hk. taels in value) of cotton to fill the short supply for domestic consump-

tion. Although the native product is not particularly good as spinning cotton, it is being improved gradually, and attention is being directed to the adoption of proper methods of culti-

vation.

The amount of annual import and export through the three ports (Yingkow, Dairen and Antung) of South Manchuria is shown below:—

Year	Import		Export		Excess of Import	
	Quantity (Piculs)	Value (Hk. Tls.)	Quantity (Piculs)	Value (Hk. Tls.)	Quantity (Piculs)	Value (Hk. Tls.)
1919	48,576	1,363,010	1,814	49,530	46,762	1,313,490
1920	59,164	1,328,076	523	12,732	58,641	1,315,344
1921	55,175	1,380,543	4,096	74,314	51,079	1,306,229
1922	51,404	1,162,442	36	851	51,368	1,161,591
1923	48,894	1,164,316	3,693	77,213	45,201	1,087,103
1924	83,722	1,906,380	2,898	72,674	80,824	1,833,706
1925	92,416	3,213,220	622	19,575	91,794	3,193,645
1926	192,713	5,929,697	274	7,580	192,439	5,922,117
1927	185,945	5,973,933	145	4,213	185,800	5,969,720
1928	180,438	5,857,785	158	4,246	180,280	5,853,540
1929	90,771	5,133,747	995	30,832	89,766	3,102,915
1930	221,053	8,269,849	436	14,437	220,617	8,255,412

Conceiving the importance of this product, the Government in 1933 established a Raw Cotton Association with the object of studying ways and means to raise 150,000,000 cattiees of raw

cotton by bringing some 750,000 acres of land under cultivation within the next ten years, and further established the Manchuria Raw Cotton Company in 1934.

SERICULTURE

Sericulture in Manchoukuo has a history dating from about 330 A.D., when mulberry trees were first brought from Liaotung and planted in some part of central Manchuria as a trial for silk-raising. Later in the Ching Dynasty sericulture was much encouraged and as a result silk-worm rearing has come to spread among the farming classes, though until recently sericulture has never appeared as a form of farming industry, it being carried on as a side work in a limited circle of the peasantry. But since the successful results of experiments conducted at the South Manchuria Railway Co's, Experiment Farm at Hsiungyaocheng and the Kwantung Experiment Farm, the people have come to see a hopeful future for the cocoon raising industry which promises to develop as a remunerative subsidiary work for the farming

classes since the climate condition of the region is highly adapted to silk-raising and also in view of the long-off season of farming which affords farmers ample time for occupying themselves in such subsidiary occupations. At present, the position of sericulture in the farming industry of Manchoukuo is rather insignificant. It is carried on only in the Kwantung Leased Territory and neighborhood on a somewhat large scale, but expectations are entertained that sericulture will develop into an important industry of Manchoukuo. The annual output of cocoons in the Kwantung districts is returned in the neighborhood of 40 metric tons (9,910 kwan). The following statistics shows the number of silk-worm rearing families, egg-cards hatched and output of cocoons in Kwantung Province:

Cocoon Production in Kwantung Province (1931)

	Spring	Summer	Autumn - Late Autumn	Total		
Port Arthur ..	Rearing families	175	—	110	10	—
	Egg-cards hatched (Sheets)	691.0	—	607	318	1,616
	Output (Kwan)	2,631.850	—	1,143.414	635.680	4,410.944
Dairen	Rearing families	69	—	25	4	—
	Egg-cards hatched (Sheets)	137.0	—	53	31	221
	Output (Kwan)	424.534	—	83.250	85.870	593.654

	Spring	Summer	Autumn	Late Autumn	Total	
Chinchow	Rearing families	61	2	41	10	—
	Egg-cards hatched (Sheets)	176.0	10	770	161	424
	Output (Kwan)	503,040	22,770	190,540	471,700	1,188,05
Pulantien	Rearing families	89	1	57	14	—
	Egg-cards hatched (Sheets)	182.0	30	121	73	406
	Output (Kwan)	459,400	95,800	284,920	110,910	951,030
Pitzuwo	Rearing families	216	4	95	4	—
	Egg-cards hatched (Sheets)	416.0	80	161.5	35	692.5
	Output (Kwan)	1,168,010	166,935	779,610	52,030	2,166,585
Total	Rearing families	610	7	328	—	—
	Egg-cards hatched (Sheets)	1,602.0	120	1,019.5	—	3,359.5
	Output (Kwan)	5,186,834	285,505	2,481,734	—	9,910,263

(1932)

	Spring	Summer & Autumn	Total	
Port Arthur	Rearing families	151	76	227
	Egg-cards hatched (Sheets)	583	393	976
	Output (Koku)	111	105	216
	(Yen)	2,143	3,357	5,500
Dairen	Rearing families	63	19	82
	Egg-cards hatched (Sheets)	112	68	180
	Output (Koku)	49	8	57
	(Yen)	841	256	1,097
Chinchow	Rearing families	57	46	103
	Egg-cards hatched (Sheets)	147	198	345
	Output (Koku)	33	45	78
	(Yen)	630	1,623	2,253
Pulantien	Rearing families	77	35	112
	Egg-cards hatched (Sheets)	207	215	422
	Output (Koku)	27	27	54
	(Yen)	460	839	1,299
Pitzuwo	Rearing families	211	104	314
	Egg-cards hatched (Sheets)	213	399	612
	Output (Koku)	74	57	131
	(Yen)	1,234	1,501	2,735
Total	Rearing families	559	280	839
	Egg-cards hatched (Sheets)	1,262	1,273	2,535
	Output (Koku)	294	242	536
	(Yen)	5,308	7,576	12,884

Culture of Wild Cocoons. The culture of wild cocoons in Manchuria is over two centuries old, having been probably introduced to the region about the same time when sericulture was first introduced there by the Chinese immigrants from Shantung Province. It has since then attained a fair development and is widely carried on in different parts of Manchoukuo, which is now the world-famous centre of the tussah silk industry. The most flourishing centres of the industry are the districts in the southern

section of Fengtien Province and the Liaotung Peninsula, principal producing districts being Tungfeng, Hsifeng, Kaiping, Suiyen, Antung, and other places. Antung-hsien ranks first, far surpassing Chefoo in Shantung Province (China).

Tussah silkworms are reared in the open, and though very sensitive to moisture and wind, they thrive well on dry and warm hillsides. In different parts of Manchoukuo there are many woodlands still unutilized which are best suited to wild silk-worm rearing, and if the breed

of worms and the method of rearing are improved, there is the possibility that the present production will easily be doubled. The increased demand for tussah silk after the World War has given a stimulus to the growth of the industry which has since attained a marked development.

The annual production, according to the latest reports, is approximately 8,600,000,000 cocoons or 11,000,000 yen in value, Fengtien Province contributing about 7,600,000,000 cocoons. Antung and Kaiping are principal centers of distribution. The export figures for recent years are returned as follow:—

Year	Wild silk cocoons	Wild silk yarns	Wild silk (waste)	Pongee silk	Total Value (in Hk. Tls.)
1925	1,198,977	11,380,227	1,029,020	357,966	13,966,190
1926	893,020	10,993,915	1,027,677	533,134	12,947,746
1927	707,952	10,256,250	1,191,559	422,760	12,578,521
1928	615,649	8,585,714	1,371,597	701,610	11,274,580
1929	868,121	9,096,600	1,085,319	1,016,180	11,566,220
1930	537,687	9,415,799	925,743	671,552	11,550,781
1932	149,072	6,648,780	211,192	669,962	7,679,006

HORTICULTURE

The climatic condition in the districts north of Mukden is not adapted to the cultivation of fruit trees, while in the southern districts both soil and climate are ideally adapted to horticulture, conditions all being even better than the horticultural centers in Japan proper. In recent years, therefore, many Japanese residents and Manchu people have started the cultivation of fruit trees in the districts south of Hsiungyaocheng, the results being highly hopeful. Speaking generally, however, the industrial position of horticulture in Manchoukuo is still very insignificant.

In the Kwantung districts, however, there existed a small number of pear orchards in the time prior to the advent of Japanese. But it was after the Russia-Japanese war and the establishment of the Kwantung Government by

Japan in the Leased Territory that horticulture has come to develop gradually together with the general development of the agricultural industry, mainly due to the painstaking efforts of the Kwantung Government authorities who encouraged the cultivation of fruit trees in the Leased Territory and for that and other purposes established an experiment farm soon after the close of the war, namely, in 1906. From about 1923 the industry began to steadily develop and many Japanese and Manchus came to engage in the cultivation of various fruit trees, the area of plantations reaching 885 square cho by the end of 1921. Principal fruits produced in the Leased Territory are apples, pears, peaches, grapes, cherries, etc., the chief centers of production being Ryojun, Dairen, Chinchow, Pulantien, and Pitzuho. The following statistics will show the position of the industry in the territory:—

	Area under cultivation (Cho)		No. of Trees		Output				
	Japanese	Manchus	Japanese	Manchus	Quantity (Kwan)		Value (Yen)		
					Japanese	Manchus	Japanese	Manchus	
1931	Port Arthur	217.11	643.58	78,161	227,633	189,880	290,509	52,489	58,948
	Dairen	351.78	481.42	104,583	145,377	21,881	109,628	50,390	30,821
	Chinchow	259.81	853.06	72,028	294,552	54,264	164,880	17,681	41,461
	Pulantien	371.63	863.90	99,280	263,161	214,113	158,482	64,234	47,548
	Pitzuwo	37.36	73.72	9,349	26,706	—	1,051	—	453
	Total	1,237.69	2,915.68	363,392	957,429	671,138	724,550	184,794	170,231
1932	4,273.93		1,338,711		2,086,650		552,160		
1931			Pears						
	Port Arthur	21.84	59.26	13,105	35,559	35,596	81,118	9,751	15,227
	Dairen	46.51	59.62	13,952	17,888	19,204	18,444	6,020	5,866
	Chinchow	2.14	55.15	933	22,268	906	28,176	358	5,962
Pulantien	6.62	34.10	2,308	13,571	3,700	22,584	740	4,518	

	(Cho)		Trees		Quantity (Kwan)		Value (Yen)	
	Japanese	Manchus	Japanese	Manchus	Japanese	Manchus	Japanese	Manchus
Pitzuwo	98	3.40	245	1,634	—	773	—	287
Total	78.09	211.53	30,543	90,920	59,406	151,095	16,869	31,860
1932	290.56		118,353		238,207		53,295	
Peaches								
Port Arthur	25.34	75.40	19,009	56,552	36,045	109,896	6,935	14,748
Dairen	38.94	50.55	13,860	27,388	20,241	23,895	7,110	7,783
Chinchow	6.32	85.89	2,499	29,727	1,083	28,752	335	6,947
Pulantien	23.14	40.98	9,848	32,753	13,200	25,529	5,280	10,211
Pitzuwo	04	7.24	119	3,005	—	485	—	161
Total	93.78	260.06	45,335	149,425	70,569	188,557	19,660	39,850
1932	363.28		205,965		312,864		63,162	
Cherries								
Port Arthur	6.22	8.42	3,110	4,208	3,001	4,277	3,768	3,941
Dairen	23.36	23.39	4,272	5,446	6,931	7,274	7,112	4,105
Chinchow	9.99	27.64	3,358	9,464	3,935	6,587	4,258	6,372
Pulantien	4.21	7.59	988	2,696	200	1,065	301	1,600
Pitzuwo	—	41	—	103	—	1	—	0.6
Total	43.78	67.45	11,728	21,917	14,067	19,204	15,439	16,018
1932	117.74		34,629		47,488		39,596	
Grapes								
Port Arthur	4.64	87	9,277	1,750	8,127	10,566	4,234	1,674
Dairen	60.44	21.35	27,376	3,746	6,995	4,301	3,991	3,490
Chinchow	21	10.45	1,028	5,008	347	1,802	170	582
Pulantien	6.11	2.07	3,549	1,112	2,306	759	1,153	380
Pitzuwo	16	87	475	300	—	93	—	39
Total	71.56	35.61	41,705	11,916	17,775	17,521	9,548	6,165
1932	76.51		34,829		25,674		14,720	
Miscellaneous								
Port Arthur	63	1.17	502	941	458	1,650	415	265
Dairen	5.53	14.25	1,642	3,155	1,028	1,626	229	406
Chinchow	33	22.99	146	10,065	41	10,447	11	1,443
Pulantien	46	11.13	120	4,993	—	1,296	—	222
Pitzuwo	—	22	—	337	—	256	—	72
Total	6.95	49.67	2,410	19,491	1,528	15,305	655	2,408
1932	61.34		21,875		16,313		3,112	
Grand total 1931	1,531.85	3,540.00	495,113	1,251,098	834,482	1,116,232	240,965	275,532
1932	5,182.36		1,754,228		2,727,109		726,450	

(1932)

	Japanese		Manchus	
	Area under Cultivation (cho)	No. of Employees	Area under Cultivation (cho)	No. of Employees
Port Arthur	283.85	86	794.31	1,057
Dairen	512.63	116	700.35	373
Chinchow	278.25	33	1,091.99	373
Pulantien	427.87	70	975.36	642
Pitzuwo	41.20	22	78.01	85
Total	1,543.80	827	3,640.02	2,530

Institutions for Agricultural Improvement

The South Manchuria Railway Company years ago established the Agricultural Experiment Station at Kungchuling, a branch station at Hsiungyocheng, and other minor experimental farms and nursery beds at various places. The Kwantung Government also maintains an experiment station at Chinchow.

The Dairen Agricultural Company (Capital

¥5,000,000) at Dairen, and the East Asia Industrial Company (Capital ¥10,000,000) at Mukden conduct the scientific management of paddy-fields and the researches as to the improvement of rice cultivation.

The important role which the South Manchuria Railway Company has played during the many past years in bringing about the remarkable development and exploitation of the agricultural resources of Manchuria should not be overlooked, this being particularly the case with the soya bean industry which indeed owes its inception and development to the efforts of that establishment. Besides, the agricultural experiment farms established by the company at Kungchuling and elsewhere in Kwantung have immensely contributed to the recent development and progress of agricultural and productive industries. Another important contribution to the welfare of the inhabitants of the land made by the South Manchurian Railway Company's experiment farm at Kungchuling which are many, is the improvement of the Mongolian sheep by crossing them with the Merino. The experiment has met with a great success, the wool production having been almost quadrupled thereby, it being expected that when about 2,000,000 sheep of Manchuria and Inner Mongolia have been improved by the method, the total wool production will eventually be increased from 5,320,000 to about 20,000,000 pounds.

STOCK BREEDING

Introductory Remarks.—In Manchoukuo, stock-breeding has well thrived especially in the western part of Heilungkiang province and in the districts along the Mongolian frontier, where the native Manchus and the Mongols used to carry on their trade with the aid of horses. With the entry of the Chinese emigrants, however, the rich pastoral lands were soon converted into cultivated fields and in Fengtien, Kirin and Heilungkiang provinces there are now very few people engaged in stock-breeding, with little spaces left for pasturing in Fengtien and Kirin provinces. In Hsiangan province, however, the native Mongols who have been leading a nomadic life for many generations are still devoted to the breeding of horses and horned cattle. The Chinese farmers in Manchoukuo generally raise horses, oxen, mules and donkeys for tilling the soil and also as beasts of burden. The Manchoukuo

Government are now planning to produce domestic animals of superior quality by adopting an up-to-date method in stock-breeding.

Domestic Animals and Poultry

The kinds of domestic animals raised by the Chinese and the Manchu farmers are mostly oxen, horses, mules, donkeys, swine, sheep and goats. Poultry raised chiefly consist of fowls, ducks and geese.

Horses.—Horses are almost entirely of Mongolian stock, under-sized, about 1.3 meters in height and about 260 kilograms in weight. They are very strong and well-balanced in form.

Mules.—Mules, mixed breed of horses and donkey, look much like horses, some of them being about 1.4 meters or occasionally 1.5 meters in height and weighing 300 kilograms. They are also used for tillage and as beast of burden, having great traction force.

Donkeys.—There are two species of donkeys, one being comparatively large-sized and the other smaller. The former is 1.4 meters to 1.5 meters in height, weighing 220 to 300 kilograms, the latter being 0.7 to 1.1 meters in height and weighing 135 to 190 kilograms. Both are hardy and strongly built, and are used for traction as well as farming purposes.

Horned Cattle.—There are three species of cows, namely, the Mongol, the Manchu and the Korean breeds, of which the Mongol breed is the strongest and suited for milking, meat and labor, though rather undersized, being about 1.3 meters in height and weighing about 400 kilograms. In the central and eastern parts of the country, cows are raised chiefly for tillage and not for meat purpose and milking.

Sheep and Goats.—Both sheep and goats in Manchoukuo are of Mongolian stock. Sheep are raised chiefly in the Hsiangan district and goats in South Manchuria as a side work of farmers. The sheep are a little larger than goats, being about 0.6 meters in height, about 1.0 meter in length, and about 30 kilograms (male) and 37 kilograms (female) in weight. Among the native Manchus, sheep are made much use of as an important stuff for their daily living, supplying mutton and clothing stuff.

Swine.—Swine are raised mainly for pork except among the Mohammedans. Most of the restaurant managers there keep twenty or thirty, sometimes, several hundred pigs. Kirin

and Hsinking are two centers of swine-breeding.

The Manchu swine are classified into three species, large, middle and small breeds. The large breed when two or three years old and weighing about 110 kilograms are butchered and sent to market.

Apiculture.—Apiculture has not yet attained any particular development but only exists as a subsidiary work of farmers in the district on the upper reaches of the Sungari, the north-eastern part of Kirin province, Chientao, the district along the North Manchuria Railway lines, and in Jehol province. It bids fair to grow into a prospective industry, though it is

still carried on a small scale.

Poultry.—Poultry raising is carried on in a very simple and primitive method. They are of rather inferior quality and of little value as a productive industry.

STATISTICS OF LIVE STOCK & POULTRY

Owing to the absence as yet of any statistical survey as to the number of live stock and poultry in Manchoukuo no exact figure is obtainable. The following figures (estimate) are taken from the Statistics of Manchurian Industries compiled in 1931 by the South Manchuria Railway Co.

**Number of Live Stock by Head
(At end of 1931)**

	Fengtien province	Kirin province	Heilungkiang province	Eastern Inner Mongolia	Total
Horned cattle	516,670	429,950	658,650	1,120,000	2,725,270
Horse	669,220	735,070	1,033,700	810,000	2,247,990
Mule	321,530	269,250	151,920	70,000	812,700
Donkey	349,330	83,410	46,000	100,000	3,678,740
Sheep	518,200	182,430	1,939,930	6,300,000	8,507,560
Swine	3,444,030	2,273,760	1,789,400	3,200,000	13,807,190

(At end of 1932)

Horned cattle	593,740	461,360	605,190	—	1,615,290
Horse	609,640	783,240	1,030,150	—	2,423,030
Mule	418,790	293,610	191,070	—	903,470
Donkey	385,560	81,210	34,950	—	501,720
Sheep	569,930	161,070	1,615,070	—	2,346,070

Number of Poultry

	Fengtien province	Kirin province	Heilungkiang province	Total
Fowl	6,140,000	4,078,000	1,816,000	12,034,000
Duck	875,000	516,000	931,000	2,322,000
Goose	320,000	42,000	94,000	356,000

Export of Live Stock and By-products

	1930		1931		1932	
	Quantity	Value (H.K. Tls.)	Quantity	Value (H.K. Tls.)	Quantity	Value (H.K. Tls.)
Horned cattle	3,533	197,447	265	4,406	68	3,426
Swine	2,994	49,303	10,081	151,411	209	2,205
Donkey	21,397	309,274	33,923	509,870	—	—
Horse	810	57,477	2,322	131,443	—	—
Mule	2,445	77,559	21,403	919,611	—	—
Animal bones	100,832 (Piculs)	185,286	94,041 (Piculs)	197,045	87,170 (Piculs)	160,366
Bristles	6,653 (")	1,148,944	7,327 (")	1,280,172	5,871 (")	739,265
Eggs	8,208	156	11,000	184	26,433	439
Sheep's wool	19,978 (")	634,627	22,131 (")	777,704	7,574 (")	185,152
Goat's wool	3,408 (")	117,492	446 (")	10,929	223 (")	18,177
Horse hair	6,758 (")	496,563	6,368 (")	445,376	7,804 (")	163,094

	1930		1931		1932	
	Quantity	Value (H.K. Tls.)	Quantity	Value (H.K. Tls.)	Quantity	Value (H.K. Tls.)
Raw hides	21,348 (Pieces)	796,201	41,074 (Piculs)	1,705,510	22,932 (Pieces)	852,010
Furs	1,072,417 (")	3,970,921	1,409,408 (")	3,829,526	1,012,215 (")	1,482,456
Animals fats	3,630 (Piculs)	50,820	821 (")	537,840	59,224 (")	718,350
Fresh beef & beef preserv- ed in ice	29,645 (")	341,525	42,524 (")	405,724	97,718 (")	224,423
Powdered bones and waste bones	106,191 (")	275,485	143,481 (")	9,377	—	—
Canned meat	1,043 (")	1,665	2,	10,927,897	—	4,600,060

Number of Slaughtered Animals (1932)

	Horned cattle	Sheep	Swine	Total
Fengtien province	37,290	49,462	173,424	259,176
Kirin province	3,360	3,030	20,233	26,623
Heilungkiang province	3,324	18,320	8,040	29,684
Hsinking Special City	3,000	2,440	13,200	18,640
Tungsheng Special district	28,420	35,900	21,300	85,620
Total	75,394	108,152	236,197	419,743

Besides the above figures, 1,500 horses were slaughtered in Hsinking Special City.

CHAPTER XIV

FORESTRY

Distribution of Forest Zones

The forest zones of Manchoukuo principally lie in the northern and eastern sections, namely, in Kirin Province, Fengtien Province, and in some parts of Heilungkiang and Hsingan Provinces. According to the natural features of the land and artificial divisional environments, these forest zones are divided into ten forest districts, viz.:—(1) The Yalu Valley forests, (2) the Tumen-kiang Valley forests, (3) the Sungari Valley forests, (4) the Hurka Valley forests, (5) the Lalin River Valley forest, (6) the Sanhsing forests, (7) the forest zone along the eastern division of the North Manchuria Railway, (8) the Great Hsingan forests, (9) the forest zone along the western division of the North Manchuria Railway line, and (10) the Little Hsingan forests. Excepting the three last-named forests, these forest zones all occur in Kirin and Fengtien Provinces.

For the purpose of preserving forests and securing their rational management, the authorities of the new regime have stopped the granting of fresh forest concessions and have commenced to classify forests into three categories, viz., state, public, and private, under a three year program. At the outset the authorities

look over the various forests of the Central Bank in Kirin Province as State forests, for which purpose a sum of MY2,000,000 was appropriated in the 1933 supplementary budget. The forestry offices established in 1933 at Chiaoho, Tunhua, Yenki, Wuchang and Peianchen and the branch office at Hailar, have been entrusted with the rational management of State forests and the improvement of forestry. Some 15 other forestry offices will also be established in various other districts during 1934. A five year program for the investigation of forests by means of aerial photography is also being worked. The enactment of new forest laws and regulations are being also being considered.

The total forest area is roughly estimated at about 35,635,000 hectares corresponding to about 36 percent of the total area of the whole territory, and the volume of trees at about 4,183,830,000 cubic metres. The above figures are, however, anything but accurate as no actual survey of the forest area and the volume of standing timber has ever been conducted. The following statistics based on the investigation of the South Manchuria Railway Company is the latest reliable data, the figures indicated being estimate:—

The Wealth of Forests

Districts	Area (Hectares)	Volume of Standing Trees		Estimate at end of 1927 (Cubic meters)	Based on the investigation made in
		Total (Cubic meters)	Coniferous (Cubic meters)		
Yalu Valley (including its tributary Hun River) ...	662,733	96,647,840	—	86,904,558	1918
Tumen Valley	825,685	120,541,022	45,139,810	75,401,221	116,871,422
Sungari "	1,424,969	251,068,241	111,640,471	139,427,770	242,980,008
Hurka "	629,720	117,024,351	58,917,395	58,106,956	117,024,351
Lalin "	628,589	83,719,644	28,837,154	54,882,490	83,536,164
Sanhsing District	5,247,281	727,971,304	251,483,880	476,487,424	727,053,900
Along the N.M.Ry. Eastern Section	2,415,084	257,065,641	76,139,131	180,926,510	149,726,441
Great Hsingan Range	13,884,343	1,566,800,000	—	—	1,556,800,000 estimate
Little Hsingan "	9,917,388	971,000,000	—	—	973,000,000 1917 & 1923
Total	35,635,792	4,191,838,043	—	—	4,143,896,844 estimate

N.B. The estimate volume of trees at the end of 1927 given in the foregoing table is the balance of the total volume of standing trees based on the investigation made in the years given in the same table from which the amount of trees felled during the intervening period is deducted.

The area of the forests along the western section of the North Manchuria Railway line and

volume of trees contained therein are included in the figures for the Great Hsingan forests as it forms part of the said forest zone.

Timber Species

Viewed from the standpoint of dendrologists, certain forests of Manchoukuo belong to the same class as those of the northern part of the temperate zone. The principal, however, belong to the frigid zone, being more or less similar to the Hokkaido forests, but with a few exception. Some three hundred species of trees are known in Manchoukuo, and of these, eight are needle-leaved (coniferous) trees, and twenty-one broad-leaved (deciduous) varieties. Of the conifers, Korean pines (*Pinus koraiensis*) are distributed most extensively through the eastern and northwestern parts of the land. They live longer than any other trees and often grow to several feet in diameter, reaching a height of more than a hundred feet. Next to the Korean pines, the species of larch (*Larix Dahurica*) grows straight and tall, challenging the supremacy of the Korean pines, in many places. Of the conifers, firs, spruce and silver firs are found in abundance. Among deciduous trees, there are several kinds of oak, elm, birch, maple, walnut, lime, willow, acacia and poplar. Forests of birch are peculiar to North Manchuria and are found intermingled with other forest growth. Birch forests are found along the North Manchuria Railway lines and over the Hsingan Ranges.

Forests of the Yalu River Valley.—The forest area of the Yalu River Valley which covers

Kwantien, Chian, Tanghwa, Linkiang and Changpai districts totals 890,000 hectares and the volume of standing trees contained amounts to 100,920,000 cubic meters. This forest zone was for a long time neglected by the Chinese Government, and the Russians were the first to attempt its exploitation as she advanced eastward, by forming a timber corporation in 1902. Later, however, in accordance with the Sino-Japanese Treaty concluded after the close of the Russo-Japanese war (1904-'05), the present Yalu Lumber Company was established in 1908 with a capital of 3,000,000 yuan (Peiyang silver). The principal species of deciduous trees which occupy, about 60 percent of the total volume of trees in the zone, are various kinds of Korean pine, Korean silver firs, maples, elm, birch, alder and ebony.

Forest of the Tumen River Valley.—This great forest zone extends from the Tumen River district to Laoyehling, covering Helung, Yenki, Wangching and Hunchun districts in Kirin province and Antu district in Fengtien province. The area of forests is estimated at 820,000 hectares and the volume of standing trees contained 117,100,000 cubic meters of which 60% represents deciduous trees. The forest area and the volume of trees contained, classified according to hsien (prefecture), are as follow:—

Volume of Trees

	Area (Cho)	Volume of Trees (Cubic meters)		Estimated at end of 1927 (C. meters)
		Total	Coniferous	
Yenki	97,579	17,060,721	7,166,201	9,894,520
Wangching	278,758	44,179,941	16,189,717	27,990,224
Hunchun	199,935	28,414,713	8,325,455	20,089,258
Helung	189,433	18,976,127	6,775,095	12,201,032
Antu	59,980	11,909,520	6,683,342	5,226,178
Total	825,685	120,541,022	45,139,810	75,401,221

Forests of the Sungari River Valley.—The forest zones on the upper stream of the Sungari River, of which one connects with the Changpaishan Range and the other Kirin and Hata, extends for five districts (hsien), Mengchiang, Huatien, Emu (in Kirin province), Fusung and

Antu (in Fengtien province). The forest area is estimated at 1,420,000 hectares and the volume of trees contained at 240,060,000 cubic meters. Classified according to hsien (prefecture), the forest area and the volume of trees as investigated some years ago were as follow:—

Volume of Trees
(Cubic meters)

District	Area (Cho)	Total	Coniferous	Deciduous	Estimate at end of 1927 (Cubic meters)
Mengchiang	295,982	47,220,936	18,168,520	29,032,416	
Huatien	358,378	56,143,045	21,283,802	34,859,243	
Emu	93,835	17,946,184	6,699,076	11,247,108	
Antu	316,196	55,721,868	29,084,476	26,637,392	
Fusung	360,578	74,056,208	36,404,597	37,651,611	
Total	1,424,969	251,068,241	111,640,471	139,427,770	

Forests of the Hurka River Valley.—Running along the Hsiaopaishan, Mukotehsiangshan and Wantashan Ranges this forest zone extends from Tunhua in the south to Sanhsing in the north. The forest area totalled 630,000 hectares and the volume of trees contained 117,250,000 cubic meters, the species of trees in the zone

mostly consisting of firs, silver firs, "karamatsu" (*Larix leptolepis*), and among the deciduous trees there are lime, oak, firs, birch, "Itaya-kaede" (*Acer pictum*), alder, etc. The forest area and volume of trees contained, classified by hsien (prefecture) investigated some years ago were as follow:—

Volume of Trees
(Cubic meters)

District	Area (Cho)	Total	Coniferous	Deciduous	Estimate at end of 1927 (Cubic meters)
Tunhua	195,099	41,615,120	20,611,835	21,003,285	
Emu	145,932	31,965,449	15,520,734	16,444,715	
Ningan	288,689	43,443,782	22,784,826	20,658,956	
Total	629,720	117,024,351	58,917,395	58,106,956	

Forests of the Lalin River Valley.—The Lalin River has its fountain-head among the mountains of Shulan, Emu and Wuchang prefectures in Kirin province and its basin covers the two prefectures of Shulan and Wuchang, and the

northern section of Emu prefecture. The area of the forests in the Lalin valley is estimated at about 630,000 hectares and the estimate volume of standing trees contained approximates 83,700,000 cubic meters. The details are as fol-

Volume of Trees
(Cubic meters)

District	Area (Cho)	Total	Coniferous	Deciduous	Estimate at end of 1927 (Cubic meters)
Total	628,589	83,719,644	28,837,154	54,882,490	83,536,164

Forests in the Sanhsing Districts.—The forest zone in the Sanhsing district in the northern part of Kirin province, enclosed by the Sungari, Amur, and Ussuri Rivers, extends northward to the junction of the Amur and the Ussuri rivers. Principal timber trees in this district

are Korean pine, Korean fir, fir, elm, birch, willow, oak and ebony wood. The forest area and the volume of trees, classified according to hsien (prefecture), as investigated some years ago, are as follow:—

Volume of Trees
(Cubic meters)

District	Area (Hectares)	Total	Coniferous	Deciduous	Estimate at end of 1927 (Cubic meters)
Fangcheng	170,194	21,517,700	4,667,831	16,849,869	
Ilan & Poli	734,759	93,517,754	19,729,521	73,788,233	
Tungchiang & Pao-ching	1,137,128	171,581,156	76,773,320	94,807,836	
Huachuan	277,659	35,840,650	9,577,356	26,263,294	
Fuchin	312,148	40,832,139	11,950,152	28,881,987	
Suiyuan	454,101	58,657,892	14,082,310	44,575,582	
Hulin	447,853	61,230,835	20,881,242	40,349,593	
Naoho	582,809	84,231,832	34,935,176	49,296,656	
Mishan	1,130,630	160,561,346	58,886,972	101,674,374	
Total	5,247,281	727,971,304	251,483,880	476,487,424	

Forests in the districts along the North Manchuria Railway Eastern Division.—The forest zone extends along the eastern division of the North Manchuria Railway line, namely, the section running eastward from Harbin to the Soviet-Manchoukuo frontier, the zone lying within Kirin province including Pinhsien, Yenshou, Wangching, Tungning, Muling and Ninggan prefectures. The total forest area covers approximately 2,410,000 hectares and the volume of standing trees contained is estimated at about 250,220,000 cubic meters. In the sylvan districts lying eastward of Pinhsien there exist thick forests of broad-leaved trees and near the eastern borderland are found thick forests of needle-leaved trees mixed with broad-leaved

trees growing in primitive state. Generally, in the districts distant from the railway lines there are found many thick forests of coniferous and duodecious trees growing in primitive state, this being especially the case in the forest districts situated on the right-side bank of the upper reaches of the Hurka and in the valley of the Hailung River (both main stream and tributaries), where a vast area of primitive forests of coniferous trees stretches for miles and miles. Elsewhere forests have been subjected to wanton felling and are left in neglected state. The forest area in various prefectures, estimate volume of trees contained, etc. are shown in a tabular form as follow:—

Volume of Trees
(Cubic meters)

Districts	Area (Hectares)	Total	Coniferous	Deciduous	Estimate at end of 1927 (Cubic meters)
Pinhsien	153,339	13,550,887	2,244,060	11,306,827	
Yenshou	446,574	51,775,276	12,830,430	38,944,846	
Ningan	589,209	79,606,232	31,668,565	47,937,667	
Muling	298,214	27,635,577	5,389,653	22,245,924	
Tungning	618,084	50,393,672	15,741,917	34,651,755	
Wangching	309,664	34,103,997	8,264,506	25,839,491	
Total	2,415,084	257,065,641	76,139,131	180,926,510	

SAWING BUSINESS & LUMBER INDUSTRY

Kinds of Lumber.—Lumber produced in Manchoukuo are classified, according to different producing districts, into four kinds, namely, (1) Yalu timber, (2) Kirin timber, (3) Yenki-Hunchun timber and (4) North Manchurian timber. The Yalu timber is the name given to the timber trees felled from the forests on the right bank of the Yalu River and in the Hunchun River valley, these being carried down the Yalu as rafts to Antung, which is the center of distribution and an important timber market, on the lower reaches of the Yalu. The forests in the Yalu valley have been already exploited to a large extent and wellnigh exhausted in many places, especially in the places closely situated along the stream. Consequently the yield of timber trees there is yearly decreasing, though dense forests are still found in the interior distant from the stream. The timber trees brought down the stream to Antung are dressed as lumber at the saw mills there and exported to North China, Chosen, Japan proper and other places, besides being marketed for domestic consumption. The timber trees felled from the forests in the Sungari

valley and on the upper course of the Hurka River and brought to Kirin by rail or by water route are generally called the Kirin timber. The Kirin timber formerly enjoyed a large demand in the South Manchurian market and large quantities were annually shipped to South Manchuria through Hsinking (former Changchun) mainly by rail, but later was nearly driven from South Manchuria by the advance of the North Manchurian products and the invasion of American timber. With the completion of the railway net-work in Manchuria the Kirin products are expected to regain their former market in South Manchuria and moreover to be exported to Chosen and Japan proper.

The Yenki-Hunchun timber is the trade name given to timber trees felled from the forests on the upper course of the Tumen River and carried down to Kainei, Seishin, Yuki and other places in Chosen by water route. In the days prior to the Russo-Japanese war timber produced in those districts had a large sale and wide market in Siberia and the Russian Maritime Province, but later their market shifted to Chosen where they maintain a limited mar-

ket. At present the Yenki-Hunchun timber is mainly exported to northern Chosen, China and the northern part of Japan proper, the shipments being, however, rather limited. Lastly, the North Manchurian timber is the name given to the products of the forests in the interior of Northern Manchuria and carried to Hsinking (Changchun) through Harbin by overland route or by the waterway of the Sun-

gari. The bulk of the timber trees is used by the North Manchuria Railway for fuel and other purposes, the remainder being exported to other countries through South Manchuria or Vladivostok.

The following statistics shows the annual yield of timber trees, classified according to kinds, for the five years ended 1929:—

Annual Output of Timber
(Cubic meters)

Year	Yalu timber	Kirin timber	Yenki and Hunchun timber	North Manchuria timber	Total
1925	538,347	304,756	157,251	391,691	1,392,045
1926	347,387	125,877	60,894	406,425	940,583
1927	534,801	161,662	93,660	292,194	1,082,317
1928	393,496	277,716	133,203	621,421	1,425,836
1929	264,322	290,399	103,287	413,572	1,071,580
1930	245,537	282,439	74,437	256,755	859,168
1931	405,827	273,796	89,265	140,524	909,412
Average	415,243	231,843	104,037	420,171	1,171,294

Owing to the absence of reliable information as to the condition of consumption of timber in Manchoukuo it is impossible to give an exact figure of timber consumed. Knowledge of the estimate figure of consumption may be obtained by comparing the aforementioned output figures with those of exports and imports in conjunction with the volume of timber trees arriving annually on the market from the producing centers.

Volume of Timber arriving on Market
(Cubic meters)

Year	Home Products	Imports	Total
1925	1,392,045	204,787	1,596,832
1926	940,583	218,499	1,159,082
1927	1,082,317	131,168	1,213,485
1928	1,425,836	237,358	1,663,194
1929	1,071,580	231,414	1,302,994
Average	1,171,294	204,645	1,375,939

Consumption of Timber
(Cubic meters)

Year	Export	Import (Cubic meters)	Year	Total arrival on market	Export	Consumption
1925	573,743	204,787	1925	1,596,832	573,743	1,023,089
1926	312,079	218,499	1926	1,159,082	312,079	847,003
1927	323,878	131,168	1927	1,213,485	323,878	889,607
1928	288,683	237,358	1928	1,663,194	288,683	1,374,511
1929	214,311	231,414	1929	1,302,994	214,311	1,088,683
Average	342,538	204,645	Average	1,375,939	342,538	1,033,401

CHAPTER XV

FISHERY

Although the total area of Manchoukuo is more than one million square kilometers, the coast line is only about 700 kilometers in length (excluding that of Kwantung Leased Territory), and the coast is made up of small shallow bays, which readily freeze in winter, and the localities are not generally favorable for fishing. Only along the coast of the Kwantung Leased Territory, the fishing industry has developed to some extent, for Dairen and other large consuming centers are near at hand and transport is easy. Recently not only the Japanese residing in the Leased Territory have been engaged in fishery, but also some fishing boats have come from Japan Proper to the Liaotung coasts and by so doing have given a stimulus to the improvement of the old-fashioned Chinese method of fishing.

In Manchoukuo there are several large rivers and lakes, and a large amount of fresh water-fish are caught annually; particularly in North Manchuria, fresh-water fishing holds an important economic position. The annual amount of catches aggregates about ¥3,000,000 excluding

those caught in the Kwantung Leased Territory. Accurate fishery statistics for recent years were still unavailable at the time of writing. The amount of principal catches for 1931 is tabulated as follows:—

	Quantity (Catties)	Value (Yen)
Guchi	5,778,000	307,234
Lepidotrigla & gurnet	1,851,000	148,080
Gray mullet	1,015,000	60,900
Lateolabrax	1,214,000	123,540
Halibut	1,479,000	170,940
Hair-tail	335,000	40,200
Clam	187,000	37,400
Sciaenidae	933,000	46,650
Prawn & shrimp	12,993,000	1,102,950
Crab	1,015,000	20,300
Total incl. others	36,324,000	2,263,014

Kwantung Leased Territory

This district has recently shown a great development in the fishing industry. As the fishing areas are very large and large markets are close at hand, the situation is favorable for deep-sea fishing. Available statistics are given below:—

No. of Fishing Households and Population

Permanently Occupied

	Japanese		Manchus		Total	
	No. of households	No. of population	No. of households	No. of population	No. of households	No. of population
1928	73	241	5,103	13,244	5,178	13,485
1929	82	141	5,694	19,664	5,776	19,805
1930	89	328	5,648	14,583	5,737	14,911
1931	87	372	5,625	14,592	5,712	14,964
1932	95	419	5,299	12,108	5,394	12,527

Partially Occupied

1928	8	8	3,710	8,662	3,718	8,670
1929	9	15	3,555	10,246	3,564	10,261
1930	27	38	3,795	9,375	3,822	9,413
1931	30	29	3,757	8,413	3,787	8,442
1932	24	24	2,963	5,715	2,987	5,739

No. of Fishing crafts

Year	Junks	Sampan	Japanese type	Foreign type	With engines	Transport boats	Total
1928	970	4,727	201	—	199	77	6,174
1929	957	4,999	195	—	82	49	6,282
1930	1,093	4,791	161	1	115	68	6,229
1931	1,092	4,679	179	—	133	72	6,155
1932	965	4,839	142	—	150	64	6,160

Principal catches in the last few years in the Kwantung Leased Territory are as follow:—

	1930		1931		1932	
	Quantity (Kwan)	Value (Yen)	Quantity (Kwan)	Value (Yen)	Quantity (Kwan)	Value (Yen)
Sea-bream	151,560	286,141	87,592	187,305	79,695	183,317
Cod	2,047,103	554,820	1,973,154	547,081	2,621,952	734,298
Hair-tail	1,208,179	542,314	1,219,774	503,959	917,142	349,976
Guchi	1,785,260	740,540	2,296,663	557,583	2,444,517	747,858
Scombreomorus	68,851	75,909	101,769	113,747	385,721	357,444
Halibut	1,014,723	421,353	1,129,091	268,141	1,594,551	440,131
Lateolabrax	107,994	106,533	79,353	79,084	53,580	46,302
Batoidei	355,105	78,216	338,780	53,758	522,975	101,361
*Lepidotrigla	316,784	94,758	255,239	56,944	447,906	94,381
Sea-cucumber	430,453	142,225	444,953	134,851	131,967	102,850
Prawn & shrimp	123,124	172,860	188,210	188,537	334,289	407,061
Other fishes & sea-weeds	1,493,821	595,031	1,264,178	458,719	1,637,127	593,280
	69,058	37,512	8,190	1,041		
Total	9,562,015	3,848,214	9,387,036	3,150,750	11,171,422	4,104,259

*—Includes gurnet.

Principal Marine Catches

Year	Preserved and dried articles		Finished articles		Total	
	Quantity (Kwan)	Value (Yen)	Quantity (Kwan)	Value (Yen)	Quantity (Kwan)	Value (Yen)
1928	1,326,430	1,054,598	96,901	187,326	1,423,331	1,241,924
1929	1,657,245	1,141,895	99,351	192,343	1,774,596	1,334,238
1930	1,623,218	1,151,380	84,790	188,194	1,708,008	1,339,574
1931	1,562,667	911,492	86,783	189,839	1,649,450	1,101,331
1932	1,500,213	959,782	85,074	201,654	1,585,287	1,161,436

Fishery along the Coast of Pohai or Gulf of Pechili

The fishing district in the eastern coast lies for 266 kilometers extending from north of Fuh-sien, Kaiping to Yingkow, while that in the northern district lies for 533 kilometers extending from Panshan, Chahsien, Chihhsi, Hsingchen to Suichung, and the species of fishes found in the eastern coast are hair-tail, sea-cucumber, oyster, guchi, scombreomorus, prawn, crab, etc. and those found in the western coast are prawn, shrimp, crab, hair-tail, sea-bream clam, etc. The number of fishery lots, households, population, etc. for 1931, as classified according to districts is shown below:—

Districts	No. of fishery lots	No. of fishing households	No. of fishing population	No. of fishing crafts
Fuh-sien ...	9	456	—	237
Kaiping ...	7	905	1,320	325
Yingkow ..	7	585	1,849	522
Panshan ..	4	424	Unknown	267
Chihhsien ..	3	413	"	100
Chihhsi ...	4	309	"	211
Hsingcheng	1	114	"	102
Suichung ..	2	155	"	116
Total ...	37	3,391	"	1,880

Fishery along the Coast of Yellow Sea

Scarcity of fish and the freezing of the coast during the winter have prevented any notable development. Species of fishes found there are prawn, pseudosiaena, guchi, lateolabrac, scombreomorus, shark fin and hair-tail. The fishing district is about 104 kilometers, extending from Antung, Fengcheng to Chuangho. The permanent fishers are very scarce, generally they carry fishing combined with farming. The total fishing households numbered 953, the population 7,117 at the end of 1931. The available figures are shown below:—

Districts	No. of fishery lots	No. of fishing households	No. of fishing population	No. of crafts
Antung	3	38	467	101
Fengcheng ..	3	26	217	43
Chuangho ...	14	889	6,433	1,043
Total	20	953	7,112	1,187

RIVER FISHING

South Manchurian Rivers

Yalu.—Though abundant in fish, fishing districts are restricted by the geographical features and the industry is undeveloped. Spe-

cies of fishes found there are carp, eel, prawn, gray mullet, turtle, lateolabrax, crucian, shark's fin, etc.

Liao.—Fish is scarce and only sufficient to supply local needs. Species of fish are carp, prawn, eel, trout, crucian, pseudorasbora, turtle, etc.

North Manchurian Rivers

Principal centers are 1st and 2nd Sungari, Ussuri, Amur, Nonni Rivers, and Hulan, Peier and Chingpo Lakes. Many varieties of fish are found here in abundance, and the industry is active even in winter. Principal species of catches are carp, crucian, sheat-fish, etc.

According to the latest available statistics, the amount of catches of river fishery for 1932 aggregated as follows:—

	(Catties)	(Yen)
Sungari River	6,000,000	650,000
Nonni "	18,600,000	1,860,000
Hulan Lake	5,100,000	400,000
Amur & Ussuri Rivers	1,000,000	100,000
Yalu & Liao Rivers ..	1,560,000	120,000
Total	32,260,000	3,130,000

At the end of March, 1932 the total weight of fish caught for the year amounted to 16,000 metric tons or in value to ¥48,000,000, which is not sufficient to supply the need of Manchoukuo, and the import of fish from Japan, China, Chosen, Russia, America and Canada exceeds the export every year. The principal articles of fishes imported consist of salted trout, salted salmon, luminaria, dried fish, sea-cucumber, ligament, dried bonito, etc. Amount of export and import of aquatic products in the last few years is shown below:—

Year	Import		Export		Excess of Import		Σ	
	Quantity (Picul)	Value (Hk. Tls.)	Quantity (Picul)	Value (Hk. Tls.)	Quantity (Picul)	Value (Hk. Tls.)	Import	Export
1928	497,105	4,501,101	105,763	720,208	391,342	3,780,893	86.2	13.8
1929	489,637	4,403,861	160,626	859,229	329,011	3,544,632	83.7	16.3
1930	375,284	4,415,827	107,413	725,010	267,871	3,690,817	85.9	14.1
1931	158,228	2,074,735	138,823	1,065,842	19,405	1,908,893	73.6	26.4

Salt Manufacture

The salt manufacturing industry of Manchoukuo dates back to 1862 when the first salt field was laid out at Erlaokou, Kaipingsien. After that salt fields were gradually opened along the coast of South Manchuria and particularly of the Liaotung Peninsula, but owing to maladministration and neglect by the Chinese and Russian authorities the industry languished.

When the territory came under the control of Japan, salt fields were opened everywhere by the Japanese, and old neglected fields were again repaired and improved. Today the Kwantung Territory is a great salt-producing district.

The Kwantung Leased Territory has very little rainfall and as evaporation is rapid and the air dry, the district is suitable for the manufacture of salt by evaporation. With Formosa and Tsingtao, it is among the leading salt producing centres of the world, which produce salt by this process. The total salt field area has now reached 21,191,355 tsubo or 21,016,086 hectares and the annual salt production over 375,205,500 catties, and if the demand grows in the future, it should not be difficult to multiply the area of salt fields and production.

The quality of salt produced in the Kwantung Territory is comparatively poor as the following analysis shows:—

Comparative Analysis of Sun Evaporated Salts

Formosan salt:	Moisture	Foreign matters	Sodium chloride	Appraised quantity
First class ..	10.50	4.61	84.89	82.92
Medium	6.46	3.21	90.33	89.04
Kwantung salt:				
Medium	6.91	5.36	87.73	85.97
Refined Medium	5.90	2.78	91.32	90.17
Tsingtao salt:				
Medium	7.29	5.24	87.47	85.69
Egyptian salt ..	2.11	2.48	95.41	94.70
Spanish salt ...	2.17	1.69	96.14	95.58

N.B.—The figures were based on the investigation of the Salt Monopoly Bureau, Japanese Government in 1927.

The Kwantung Government, however, is conducting a wide survey of the salt fields and is taking various practical measures to improve the quality of the salt produced in the Leased Territory. For this purpose a salt field of about 300,000 square meters is kept by the Government as an experimental ground, and at the

same time the authorities are endeavouring to encourage the industry by improving transport facilities, introducing subsidiary works and giving advice or guidance whenever necessary.

Salt-Field Area in Kwantung Leased Territory
(End of 1932)

	Japanese		Manchus		Total	
	No.	Area (Tsubo)	No.	Area (Tsubo)	No.	Area (Tsubo)
Port Arthur	74	2,957,306	30	437,276	104	3,394,582
Dairen	2	117,516	1	12,383	3	129,899
Chinchou	—	—	9	244,499	9	244,499
Pulantien	239	8,161,816	8	369,285	247	8,531,101
Pitzuwo	212	7,263,144	49	1,628,130	261	8,891,274
Total	527	18,499,782	97	2,691,573	624	21,191,355

Annual Amount of Salt Production in Kwantung Leased Territory
(100 catties)

Year	Port Arthur	Dairen	Chinchou	Pulantien	Pitzuwo	Total
1928	1,075,284	11,268	68,586	1,474,692	1,515,000	4,144,830
1929	1,128,805	9,900	84,060	1,508,892	1,417,349	4,149,006
1930	1,045,440	13,230	82,668	1,464,438	1,552,002	4,157,778
1931	882,858	11,010	60,274	1,184,274	1,268,064	3,406,428
1932	1,012,860	10,740	71,878	1,477,240	1,178,737	3,751,454

Salt Production for 1932 as classified by Japanese and Manchus

	Japanese (Catties)	Manchus (Catties)	Total (Catties)
Port Arthur ..	83,256,360	18,029,640	101,286,000
Dairen	961,200	112,800	1,074,000
Chinchou	—	7,187,760	7,187,760
Pulantien ...	127,202,280	20,521,740	147,724,020
Pitzuwo	79,646,200	38,327,460	117,973,660
Total	290,966,040	84,179,400	375,145,440

Export of Kwantung Salt by Destination
(in 1,000 catties)

Year	Japan Proper	Chosen	Karafuto	Hongkong	Kwantung	Other	Total
1928	76,109	135,199	2,689	48,447	33,146	4,674	300,264
1929	124,996	120,522	—	53,650	38,627	10,250	348,045
1930	189,585	189,585	2,040	20,737	29,406	3,690	327,498
1931	286,169	286,169	1,822	—	24,627	3,644	427,933
1932	262,323	179,286	17,274	—	33,507	2,218	494,608

Outside the Kwantung Leased Territory, the coast of Fengtien Province, in particular the Yingkou, Kaiping and Fuhsien districts, is noted for sun-evaporated salt. Lake Dabusnor in East Mongolia is one of the great salt lakes.

The salt production in Kwantung Leased Territory is more than sufficient to supply local needs, and a large amount is annually exported as shown in the following table:—

CHAPTER XVI

MINING

Mining is one of the major enterprises of Manchoukuo. The importance of the mineral resources of the country was appreciated in the middle of the 19th century and undertakings, preeminently by the Russians, were carried on in a fair scale. Successive surveys by the Russians and Japanese and other nationals confirmed the earlier conclusions and since the dawn of the present century the activities in this field have continued at an increasing pace. The more important mineral resources of the country are computed as follows:

	1930	1931	1932
Zechstein	116.9	97.8	89.9
Limestone	688.5	545.1	477.3
Fire clay	53.7	35.5	51.8
Oil Shale	981.0	1,245.1	1,412.5
Crude oil	47.8	61.1	70.6
Coke	485.3	418.6	416.3
Coal	10,040.7	9,048.7	7,108.2
Gold*	1.5	29.9	—

* In 1,000 yuan.

The Manchoukuo Government is still using the old mining regulations, but a new and comprehensive mining law is expected to be promulgated shortly. The exploitation of mineral resources will be carried out in accordance with the following policy:

1. Coal mining will be controlled by the Government to secure rational exploitation, cheap supply of fuel, development of productive industries and increased exports.

2. Special corporations of a semi-official nature will be formed for the investigation, management and exploitation of such mines which are essential to military purposes or national defence.

3. The management of State-owned gold and alluvial gold mines will be entrusted to those special companies, while proper guidance and assistance will be given by the authorities to private gold or alluvial gold mines.

With the foregoing policies in view, the Government has been readjusting various mines and conducting surveys regarding the economic value and other conditions of the mines. On the other hand, it has established the Manchuria Petroleum Company, the Manchuria Coal Mining Company and the Manchuria Gold Mining Company to secure a rational management and development of the oil and mineral industries. Conforming with the general policy of recognizing the validity of the mining concessions obtained under the old regime as well as of the mining applications filed up to the present since the founding of the new State, provided they do not conflict with existing laws and regulations, the Government is examining the old concessions permits and studying the actual

	Metric tons
Coal	4,800,000,000
Iron Ore	400,000,000
Gold	3,700
Oil Shale	5,400,000,000
Magnesite	384,000,000

Computations as to the deposits of other important mining products including steatite, dolomite, quartzite, limestone, fire clay, silica, lead and marble have not yet been made, but it is estimated that the deposits of such items are large, gathering from the geologic strata of the land.

In contradistinction to the rich mineral resources of the country, the mining operations that are being carried on are still small in scale. A number of projects have been formulated to exploit the resources on a larger scale, but due to lack of capital, and to problems arising from placing such undertakings on a commercially profitable basis, progress in this direction has been slow. The following figures on mining output in recent years will give an indication of the scope of the enterprise.

Mining Output
(1,000 metric tons)

	1930	1931	1932
Iron Ore	832.2	922.6	993.1
Pig iron	348.1	342.3	368.1
Iron briquet ...	48.2	40.9	3.6
Sulphuric iron ..	3.0	3.9	3.6
Magnesite	29.0	36.0	55.4
Steatite	25.7	42.9	44.3

conditions of the various mines as well as the payment of taxes by the mines.

Coal. Manchoukuo's most important mineral product is coal. The various deposits are estimated at 4,804,000,000 metric tons by the Research Bureau of the S.M.R. The deposits classified by provinces are as follows:

Coal Deposits (Metric Tons)	
Fengtien Province	1,668,000,000
Fushun Coal-field	950,000,000
Yentai Coal-field	40,000,000
Penhsihu Coal field	220,000,000
Takotan	111,000,000
Others	348,000,000
Kirin Province	1,030,000,000
Mishan	25,000,000
Muling	75,000,000
Others	930,000,000
Heilungkiang Province	197,000,000
Haolikang	144,000,000
Others	53,000,000
Hsangan Province	358,000,000
Chalainor	300,000,000
Others	58,000,000
Jehol Province	1,551,000,000
Hsienchiu Coal-Field	1,100,000,000
Nuantitang	12,000,000
Peiplao	250,000,000
Others	189,000,000
Total	4,804,000,000

The deposits at Fushun alone in South Manchuria are estimated 956,400,000 metric tons. In North Manchuria there are several mines along the Chinese Eastern Railway (North Manchuria Railway), the important mines being Dalainor, Muling and Holikwang. The Russians have operated the Dalainor coal field since 1903 under a contract with the Chinese Eastern Railway, which it practically controlled until recently. The output of this mine is in the vicinity of 200,000 tons annually. The Holikwang coal-field produces between 12,000 and 15,000 tons a year. The coal deposits of North Manchuria are generally of inferior bituminous grade.

The Fushun and the Yentai mines controlled and worked by the South Manchuria Railway are two of the richest mines in Manchuria. The coal from Fushun mine is rich in volatile matter and is thus used extensively for the production of gas. About forty-seven miles east of Mukden lies the Penhsihu coal mine on the

Antung-Mukden line of the S.M.R.

Capital investment in the Fushun and Yentai mines amounted to 117,000,000 yen at the close of the fiscal year ending March 31, 1931. Fushun lies in the valley of the Hun River, a little over thirty miles east of Mukden. It runs east and west about 10 miles parallel with the river and from north to south $2\frac{1}{2}$ miles, covering 23 square miles. The seam is interbedded in the tertiary stratum with a northerly dip of about 30 degrees, and with an average thickness of 130 feet, the thickest part being 430 feet. About 81,000,000 tons have been mined during the last quarter century, so that more than 870,000,000 tons of deposits remain.

The Fushun and Yentai districts have a long history. Coal was first worked by Koreans some 600 years ago, and was used for the baking of earthenware. Three hundred years later, further digging was prohibited for the curious reason that it was near the mausoleum of a Manchu Emperor, built in the suburbs of Mukden. Prior to and during the Russo-Japanese war, the mines were operated by Russians on a small scale for their own needs, the daily output amounting to 300 tons. After the war, the Japanese military authorities carried on the mining until it was turned over in 1907 to the South Manchuria Railway Company, together with the Yentai and other minor fields. It then entered on an era of large-scale production on a scientific basis, the pits being equipped with modern machinery.

Increased demand resulted in the introduction of the open-cut method of mining at the Fushun Mine. As the result of this improvement, the average capacity of production increased to about 7000 tons, or three million tons annually, in 1918. But the demand for coal continued to increase, due to industrial expansion in Manchuria and Korea, and also to the greater use of coal by the natives, in place of their former fuel, kaoliang stalks. Industrial expansion necessitated the import of coal into Manchuria to the extent of 150,000 tons in 1918, and 490,000 tons in 1919. To meet the ever-increasing demand from growing industries, particularly that of the Anshan Iron Works, the S.M.R. Company planned another expansion. This resulted in the so-called "Ten-Year Program" drawn up in 1919 and modified and enlarged in 1928 by the former President, Mr. Jotaro Yamamoto, as the third stage of mining development, by which the excavation of a large shaft at Lunfeng, the open-cut

of the remaining seam extending from Kucheng-tzu to the Yangpaipu rivulet, and the extension of the open-cut of Chienchinchai so as to connect with that of Kuchengtzu, were to be worked. With the completion of this scheme, the annual output from the Fushun Mine was expected to be in the proximity of 8,000,000 tons in the fiscal year 1934.

Coal Production (Metric Tons)

	Fengtien	Kirin	Heilung-kiang	Jehol	Total
1926 ...	7,205,520	251,953	195,400	201,907	7,854,780
1927 ...	8,800,412	373,213	410,250	324,729	9,908,604
1928 ...	8,259,551	474,387	370,400	405,225	9,509,563

Coal Exports in 1930, 1931 and 1932, Classified By Destinations

	(Metric Tons)			(Haikwan Taels)		
	1930	1931	1932	1930	1931	1932
Japan	2,424,822	2,517,722	2,378,520	19,378,619	22,238,341	20,281,660
China, Chinese Ports ..	1,671,325	1,990,560	652,261	15,203,550	18,829,338	5,633,448
Philippine Islands	208,307	154,727	132,360	1,640,216	1,370,610	1,204,814
Hongkong	81,777	207,684	120,698	771,625	2,040,110	941,036
Others	73,697	125,052	52,405	591,085	1,108,412	485,329
Total	4,459,928	4,995,745	3,345,743	37,585,095	45,586,811	28,546,287

Iron Mines

The greater part of the iron deposits in Manchoukuo is to be found in Fengtien Province. The total deposits are estimated to be something over 400,000,000 tons. In Manchoukuo iron commonly exists in ferruginous rock. The ores are generally hematite and contain a 68-70 percent proportion of iron in the richer ore and 34-40 percent in the poorer. The iron mines have been worked by natives on a very small scale for many years. Wood was used for fuel. Today two mines stand out prominently, the Penhsihu and Anshan. Penhsihu produces about 81,000 tons of pig iron a year and Anshan 270,000 tons.

The Chinese worked the iron mines at Penhsihu in a primitive way as early as 1833. Just before the outbreak of the Russo-Japanese war the Russians had plans on foot for operation which were, however, frustrated by later events.

The iron works at Anshan, producing pig-iron by utilizing local ore of low percentage was established in 1918. The total capital invested up to 1926, amounting to 45,900,000 yen, has been spent on this iron works, which contain two blast furnaces, a concentration plant, four coke ovens, each with a daily capacity of

	Fengtien	Kirin	Heilung-kiang	Jehol	Total
1929 ...	8,569,672	570,100	308,500	445,302	9,893,574
1930 ...	8,524,717	523,279	177,800	544,856	9,770,652
1931 ...	7,506,619	530,158	320,926	691,000	9,048,703
1932 ...	6,749,968	218,569	94,788	44,957	7,108,282

Export of Coal

	Quantity (Metric Tons)	Value (Haikwan Taels)
1926	3,817,495	35,201,694
1927	4,467,222	35,263,414
1928	4,478,063	34,887,668
1929	4,782,833	37,619,966
1930	4,459,928	37,585,095
1931	4,998,021	45,586,811
1932	3,345,743	28,546,287

700 tons; by-products plants, gas works, electric plant, etc. There are thirty-five miles of railway connecting the mines with the works. When the plant first began producing in the fiscal year 1919, the price of pig-iron was on the decrease and ultimately fell from 440 yen a ton during the European war to 50 yen owing to the world-wide post-bellum depression. Under such discouraging conditions, the loss account continued almost to a hopeless extent.

At this juncture Mr. Jotaro Yamamoto, who had assumed the presidency of the Company (1927-29) adopted an aggressive policy on the industrial basis that the annual production should be augmented, while minimizing expenditure as far as possible by cutting the price of coal supplied by the S.M.R. and by other means. As a result of such steps and the erection of a new blast furnace at a cost of ¥4,300,000 the output of pig-iron for the fiscal year 1927 increased to 203,454 tons and in the following year to 224,461 tons. But owing to the ever-falling price of iron, the profit for 1929 fell to ¥540,000 while in 1930 losses amounting to ¥666,000 were incurred. A certain improvement in the business condition of the company has been obtained recently following its reorganization in April 1933 when the name of the

company was changed to the Showa Steel Works. The new company is capitalized at ¥100,000,000. Production of pig iron in 1933 amounted to 317,573 metric tons. It is the project of the Company to increase pig iron production to 400,000 metric tons in 1935. Of this amount the project calls for the conversion of 350,000 metric tons into steel. 200,000 metric tons of this supply are scheduled to be exported to Japan, while the rest amounting to 150,000 metric tons are to be manufactured into finished products for consumption in Manchoukuo. There are further plans for increasing pig iron production at the Company's works to 600,000 metric tons following the consummation of the present project.

Export of Pig-Iron Classified By Destination (Metric Tons)

	Japan	China and Chinese Ports	Others	Total	Value (Haikwan Taels)
1926	168,951	8,730	812	178,493	4,620,655
1927	205,485	17,563	1,242	244,290	6,133,643
1928	233,874	24,653	870	249,397	7,515,097
1929	204,759	24,145	605	229,509	7,179,264
1930	182,617	39,538	756	222,911	8,223,275
1931	248,732	38,777	2,184	289,693	10,139,533
1932	332,632	30,994	5,068	368,694	9,659,951

Pig Iron Production At Anshan

Fiscal	Number Casting	Annual Pig-Iron Production (Metric tons)	Average Daily Production (Metric tons)
1919	1,958	32,128	95.6
1920	2,909	76,482	209.5
1925	2,831	89,676	245.7
1926	4,727	165,054	452.2
1927	5,634	203,445	555.9
1928	5,612	224,461	615.0
1929	5,322	210,443	577.0
1930	4,209	288,433	709.2
1931	4,513	269,494	736.3
1932	—	287,124	786.6
1933	—	317,573	870.0

By-Products At Anshan Iron Works

	Production Capacity (Metric Tons)	Production (Metric Tons)			
		1928	1929	1930	1931
Sulphuric Acid	7,600	5,345	5,466	7,529	7,150
Sulphate of Am- monium	6,000	3,903	4,016	5,692	5,441
Naphthaline	600	404	400	332	430
Benzol	3,500	1,946	2,263	2,619	2,560
Tar Distillation	14,000				

Pig-Iron Production At Penhsihu (Metric Tons)

1921	31,017
1922	(production suspended)
1923	24,388
1924	51,950
1925	50,000
1926	51,000
1927	50,500
1928	63,030
1929	76,300
1930	85,060
1931	65,620
1932	81,057
1933	115,950

Gold

Gold production in Manchoukuo has been at the rate of from seven to ten million yen annually in recent years. The regions along the upper reaches of the Amur River and in certain regions of the Sungari, Nonni, Yalu and Luho rivers have been found to be fairly rich in gold ore. The total gold deposit in Manchoukuo is estimated at 3,779 metric tons according to the investigations Dr. Ahnert. The gold mining industry in North Manchuria is mainly government enterprises, and only a few of them are entrusted to private operation. The largest and most noted are the Moho gold mine, extending for 170 kilometres with its centre at the confluence of the Amur and the Ehrkona rivers; the Tapiengkou gold mine, the Kumaerh and Hsingan placer gold mine in Humalsien.

The Government is considering the establishment of a gold refinery, a fuel research institute, a mineral laboratory, and a mineral products museum, all under State management, to assist and encourage private mining enterprises, secure good markets so that their products may be turned into cash promptly, and in general to contribute to the development of the mining industries.

The foremost gold mining company in Manchoukuo is the Manchuria Gold Mining Company, which is authorized to operate in the gold mining districts designated as State property in Kirin, Heilungkiang and Hsingan provinces. Private interests will be also allowed to operate in those districts by signing special contracts with the above Company. The Manchuria Gold Mining Company was established in May 1934, capitalized at ¥12,000,000, of which ¥3,000,000 is paid-up. It is jointly invested in

by the South Manchuria Railway Company, the Manchoukuo Government and the Oriental Development Company.

Limestone.—The distribution of limestone is very extensive, and as its mining is easy and simple, a large quantity is used for various purposes. Those produced in the Kwantung Leased Territory is used for cement and glass manufacture, and those produced at Penhsihu and Huoliendhai for smelting iron ore. The annual production at principal mines is shown below (in metric tons):—

Year	Choushuitzu	Huoliendhai	Penhsihu	Total
1930	292,068	338,293	58,128	688,489
1931	208,040	299,163	34,800	542,003
1932	264,771	165,405	42,000	472,176

Silica.—The silica found in the neighbourhood of Dairen and Port Arthur is used as fire-proof materials and brick-making materials. The production of silica in Manchoukuo is estimated at about 25,000 metric tons annually. Classified according to districts, the production in the last two years is shown below (in metric tons):—

	1931	1932
Dairen & neighbourhood	3,170	—
Port Arthur & neighbourhood	13,584	19,254
Chinehou & neighbourhood	1,424	5,078
Pulantien & neighbourhood	4,149	2,657
Total	22,327	26,989

Steatite.—This metal is produced in the neighbourhood of Tashichiao and Haicheng. The annual production, which was 25,726 metric tons in 1930 increased to 44,316 metric tons in 1931. Greater part of the product is shipped to Japan proper where it supplies almost the entire demand, it being used for spinning, paper-making and toilet-making purposes. The amount of output and the shipment to Japan proper are as follow (in metric tons):—

Year	Production	Shipment to Japan Proper	
		From Yingkow	From Dairen
1930	25,726	29,036	7,513
1931	42,890	33,654	7,638
1932	44,316	27,609	6,132

Oil Shale

Oil shale covers the main coal seams of the Fushun coal-fields, the thickness ranging from 70 to 120 meters, and the deposits are estimated at 5,400,000,000 metric tons, of which 200,000,000 metric tons can be excavated from the present open-cut mines. This shale must be taken out

in connection with the coal mining operations in the open-cut, and thus this raw material is virtually obtained without involving extra cost. Approximately 1,400,000 metric tons of shale will be used annually in the new plant, which began operations on December 30, 1929. The production of oil shale in recent years has been highly successful and the amount of output has been increasing steadily. In 1933 the production of crude oil from oil shale amounted to approximately 55,000 metric tons and the production of gasoline, 1,500 metric tons. Practically all of the crude oil produced was sold to the Navy and the gasoline marketed in Harbin. The production of oil shale in recent years is given in the following table:

Production of Oil Shale

Year	(in Metric tons)
1930	28,578
1931	40,478
1932	43,275
1933	54,772

Total capital outlay in the production of shale oil has amounted to ¥8,500,000. Beginning with the fiscal year 1934-35 a further ¥5,000,000 will be spent to increase production to 100,000 metric tons in the fiscal year commencing April 1935.

Petroleum

Following investigations in the last few years it has been ascertained that a fair supply of petroleum is to be found in the district about Dalainor, while the petroleum resources in other parts of the country are yet to be ascertained. The Government is considering the enactment of a law pertaining to the control of the petroleum industry, the object of which is to achieve the purpose of control by making the sale of petroleum a Government monopoly. With the purpose of exploiting the petroleum resources of Manchoukuo and in participating in the oil refining business, a joint Manchuria-Japanese concern, known as the Manchuria Petroleum Company, capitalized at ¥5,000,000, of which ¥1,250,000 is paid-up, was established at Hsinking in February, 1934. The chief investors in the new company are the Manchoukuo Government and the South Manchuria Railway Company and several private Japanese concerns, such as the Nippon Oil Company and the Ogura Oil Company. The main office is established at Hsinking and plants at Dairen.

Oil Monopoly. (For full text of Oil Monopoly

Law refer to Supplement II). An outline of how the proposed oil monopoly of Manchoukuo will operate is given below:—

1. Monopoly products will consist of gasoline, kerosene, light oil, heavy oil, benzene and substitutes for fuel oil.

2. The manufacture, importation, and exportation of monopoly products will not be allowed except by those who have received permission or authorization for such from the Government.

Monopoly products manufactured or imported with the permission of the Government will be purchased by the Government:

3. The country will be divided into ten sales zones, with a Government sales office in each. Under each sales office there will be one officially-appointed general wholesale dealer under whom will be a number of wholesale dealers. The latter in turn will sell directly to the retail dealers and consumers.

4. The Government's oil sale price will be determined separately at each place of delivery; the sale price of a general wholesale dealer will be fixed by the Government separately at each place of delivery; the sale price of a wholesale dealer, however, will not be officially fixed, but the Government, when it deems necessary, might order it to be changed.

5. As far as possible, convenience will be given to existing importers. Their present establishments or equipments, upon request, will be bought by the Government. As to crude oil and refined oil, the established importers will be permitted to import on a quota basis within the limits considered necessary by the Government.

6. In respect of existing wholesale dealers, for the protection of their interests, the Government will allow as many as possible to continue in business, either as general wholesale dealers or as wholesale dealers. In the case of the existing wholesale dealers who are unable to continue in business under the new conditions, their business establishments or equipments, like those of importers, will be bought by the Government.

7. In the case of existing manufacturers, in order to minimize the extent of injury to their interests, they will be regarded as having received permission to continue in business, and will be allowed to continue with their manufacture of oil, provided they register with the Government within a certain fixed period.

8. As for the permission or authorization for importation and exportation of oil, and even in the case of officially-appointed general wholesale dealers, equal treatment will be accorded to all, irrespective of nationality.

It is necessary for those engaged in the sale of oils in Manchoukuo, who are desirous of obtaining appointments as wholesale oil dealers under the State oil monopoly system, to file applications containing the following facts to the chief of the Monopoly Bureau of the Manchoukuo Government.

1. Nationality.
2. Permanent domicile.
3. Present address of representative of juridical person.
4. Place of business.
5. Name of firm.
6. Name of juridical person or its representative.
7. Date of birth or date of establishment.
8. Capital.
9. Kind of business.
10. Date of commencement of oil sale business.
11. (a) Name of firm or firms from which oils have been purchased hitherto.
- (b) Relations with them.
12. (a) Place from which oils ordered are despatched.
- (b) Route of transfer.
13. Matters concerning the price of oils purchased and whether future payments will be made in cash or accounts.
14. (a) Name of person or firm to which securities are offered.
- (b) Kinds of securities.
- (c) Value of securities.
- (d) Other necessary matters concerning securities.
15. (a) Place and name of branches.
- (b) Place and name of outpost branches.
- (c) Place and name of agencies.
- (d) Place and name of sub-agencies.
- (e) Place and name of special agencies.
16. Quantity of oils transacted and present wholesale prices as from November 1933 year to October 1934.
 - (a) Kinds—gasoline, kerosene, gas-oil, heavy oil, benzol, and other substitute fuel oils, machine oils, etc.
 - (b) Quantity to be given in boxes. In case quantity can not be given in boxes, it shall be given in tons or gallons.
 - (c) Present wholesale prices per box.

(The prices must be clearly indicated in Manchoukuo Yuan or Japanese Yen, for example, so much yuan or yen per box or ton.)

17. Quantity of different kinds of oils ordered at once hitherto. If there is considerable change by seasons in quantity of oils ordered, it must be mentioned.

(a) Kinds of quantity of oils ordered at once (as for example, one carload of gasoline and kerosene each, and certain number of boxes of gas-oil).

(b) Increase or decrease by seasons.

Lead, Copper, Manganese, etc.

Lead.—The principal deposits of lead in Manchoukuo are to be found at Chingchengtzu, in Fengtien Province, the amount being estimated at over 51,000 metric tons. The nature of the lead mined at Chingchengtzu is said to be of good quality and in 1924 as much as 2,600 metric tons of lead ore and 950 metric tons of crude lead were mined and refined at the site.

Since then the mine has been operating haphazardly as a result of poor business.

Copper.—The Tienpaoshan copper mine in Chientao is well known, but has been suspending production for the last few years. Copper was also mined at Panshihshan copper mine in Kirin Province, Tungkuangling, southwest of Antungshien, and Malukou, east of Penhsihu, and at Panling. The only mine under operation in 1933 was that at Panling, where deposits are estimated at 27,000 metric tons with a copper percentage of 14%.

Magnesite.—Large deposits of magnesite are to be found in South Manchuria in the districts about Tashihchiaio, Fenshui, Taipingshan and Haicheng. Total surface deposits are estimated at 384,000,000 metric tons.

Manganese.—Plans are under way to exploit the manganese resources of the country. Investigations carried on in past years have shown that fair deposits are to be found at Heisunglin and at Hsiao Huangchi. In 1931 production amounted to 270 metric tons.

CHAPTER XVII

MISCELLANEOUS INDUSTRIES

The present state of the industries in Manchoukuo is similar to that obtaining in the United States in the middle of the 19th century. The rich natural resources of the country are yet to be utilized, the progress so far made being limited to a few industries and, with one or two exceptions, on scales of small dimensions. The rate in the industrialization of the country will naturally be dependent on the amount of capital investments that can be made. In this respect, practically the whole of foreign capital which have been invested in Manchoukuo since the establishment of the new government in 1932 have been from Japanese sources. While the country is open to investments from other foreign nations such have not taken place so far due mainly to diplomatic problems involving the recognition issue of the newly born empire and to the prevailing world-wide economic depression. The seeds for the establishment of the present government, were strewn in the latter decades of the 18th century when mostly under Russian initiative enterprises notably in flour and bean oil milling were undertaken on a small scale. The construction of the Chinese Eastern Railway (present North Manchuria Railway) and the North China Railway and other lines either in the closing years of the 19th century or in the beginning of the present century speeded up the establishment of industries along the railway routes. In the four decades that have elapsed since then the turnover from the industrial enterprises have increased from a few million yen to MY 324,389,146 in 1932.

The principal industry of Manchoukuo continues to be bean oil milling. The output value from this industry, amounting to MY105,942,000, comprised roughly one-third of the total industrial output of the country in 1932. The importance of the various industries from the standpoint of value of production is given in the following table:—

Amount of Production of Principal Industries in Manchoukuo (1932) Unit: MY1,000

Bean Oil Milling	105,942	32.7%
Tobacco	29,551	9.1%
Flour Milling	24,378	7.5%
Cotton Textile	23,267	7.2%
Locomotive and Car	20,634	6.3%
Brewery	13,294	4.1%
Iron and Steel	11,558	3.6%
Lumber	7,226	2.2%
Others	88,539	27.3%
Total	324,389	100.0%

The industrial progress achieved prior to the establishment of the present government is to be attributed greatly to the initiative and capital investments of foreign countries since the turning of the century. The chief foreign investors have been Japan and Russia as the following figures show:

Foreign Capital Investments in Manchoukuo

	(In ¥1,000)	Percentage
Japan	1,756,636	72.3%
Russia	590,000	24.3%
Great Britain	33,360	1.4%
United States	26,400	1.0%
France	21,086	1.0%
Sweden and Denmark	1,217	.05%
Total	2,428,699	

By far the greater bulk of such investments have been in the transportation enterprise, notably in railways, as regards Japan and Russia. Japanese investments in Manchoukuo, classified by enterprises, were as follows in 1932:

Enterprises	(in ¥1,000)	Percentage
Transportation	526,270	30.0%
Agriculture, Mining, Forestry	284,545	16.2%
Manufacturing	162,254	9.2%
Commerce	117,753	6.7%
Banking	204,339	11.6%
Others	461,475	26.3%
Total	1,756,636	

The amount of industrial investment of Japan and Manchoukuo as classified by enterprises in 1932 is as follows (in Manchoukuo yuan):

Kinds of enterprise	Amount of Investment (M.Y)				Total
	Japanese	Manchoukuo	Japanese-Manchoukuo	Others	
Mechanical	31,627,955	386,050	2,596,603	—	34,610,608
Machine & Tool ..	20,679,527	5,765,632	325,618	882,905	27,653,682
Ceramic	15,195,638	2,970,334	122,202	—	18,288,174
Spinning	15,897,167	8,019,619	6,000	—	23,922,786
Chemical	31,799,256	25,787,366	2,331,697	100,000	60,018,319
Food & Drink	24,905,818	21,805,610	42,000	2,126,500	48,879,928
Miscellaneous	14,267,904	3,240,706	20,000	11,418,000	28,946,610
Total	154,373,265	67,975,317	5,444,120	13,437,405	54,470,107

Industrial production classified by kinds of enterprise in 1932 is given below:

Production Classified by Kinds of Enterprise (In Manchoukuo Yuan)

1932			
Mechanical	14,666,523	Machine & Tool	28,231,478
		Ceramics	6,483,705
		Spinning	40,403,012
		Chemical	124,350,029
		Food & Drink	61,828,465
		Miscellaneous	48,425,934
		Total	324,389,146

No. of Plants as classified by Enterprises (1932)

Kinds of enterprises	Japanese Management	Manchoukuo Management	Joint Japan-Manchoukuo Management	Others	Total
Mechanical	58	189	1	—	248
Machine & Tool	80	136	3	4	223
Ceramic	85	424	1	—	510
Spinning	22	777	1	—	800
Chemical	62	573	2	4	641
Food & Drink	198	469	1	44	712
Miscellaneous	222	513	4	10	749
Total	727	3,081	12	62	3,887

Amount of Production as classified by Factories (1931)

Factories employing	Japanese Management		Manchoukuo Management		Total	
	Amount (¥1,000)	%	Amount (¥1,000)	%	Amount (¥1,000)	%
Under 10 operatives	3,421	3.8	2,778	2.9	6,199	3.3
10—30	6,969	7.6	4,403	4.6	11,372	6.1
30—100	13,012	14.2	40,178	42.2	53,190	28.5
Over 100	67,976	74.4	47,956	50.3	115,932	62.1
Total	91,378	100.0	95,315	100.0	186,693	100.0
Unknown	964	—	36,671	—	37,635	—
Grand total	92,342	—	131,986	—	224,328	—

No. of Operatives (1932)

Enterprises	Japanese	Koreans	Manchus	Others	Total
Mechanical	116	—	3,598	—	3,714
Machine & Tool	2,579	33	13,407	14	16,033
Ceramic	190	60	14,316	—	14,566
Spinning	74	294	29,393	—	33,324
Chemical	391	822	14,382	—	15,595
Food & Drink	185	450	8,764	21	9,420
Miscellaneous	517	336	15,391	10	16,254
Total	4,052	1,995	102,814	45	108,906

No. of Motors (1932)

	No. of plants using Motors	Electric		Steam	
		No.	H.P.	No.	H.P.
Mechanical	106	328	9,671	11	26,205
Machine & Tool	149	814	13,667	80	4,583
Ceramic	48	375	13,032	3	6,968
Spinning	142	383	12,460	11	944
Chemical	449	745	150,030	433	27,582
Food & Drink	416	581	9,463	46	8,104
Miscellaneous	166	441	4,827	21	2,895

Consumption of Fuel, Gas and Electricity (1932)

Kinds of enterprise	Coal (Metric Ton)	Coke (Metric Ton)	Elec. (1000 KW)	Gas (1000 M3)
Mechanical	39,160	414,209	9,033.4	9.5
Machine & Tool	89,388	13,124	12,808.7	97.7
Ceramic	129,714	7,798	19,408.9	103,257.4
Spinning	28,212	57	26,191.7	55.7
Chemical	189,417	1,432	42,220.9	481,456.2
Food & Drink ..	50,974	209	6,696.0	109.5

Miscellaneous ..	9,771	117	3,215.7	1,169.6
Total	536,636	436,946	119,575.3	586,146.6

The amount of investment and production and the number of plants and operatives in the various industries in 1932 are classified as follows under the following general heads: Mechanical, Machine & Tool, Ceramic, Spinning, Chemical, Food & Drink and Miscellaneous:

	Amount of Investment (M.Y.)	Amount of Production (M.Y.)	No. of plants	No. of operatives
Mechanical Industry:				
Refining	32,756,443	11,558,179	3	805
Foundry	622,305	630,814	52	797
Others	1,231,860	2,447,530	193	2,112
Total	34,610,608	14,666,523	248	3,714
Machine & Tool Industries:				
Machine & Tool	8,146,171	5,792,738	105	4,484
Locomotive & Car	17,393,422	20,634,370	63	9,980
Other Vehicles	310,089	476,890	48	543
Shipbuilding	1,804,000	1,327,480	7	1,026
Total	27,653,682	28,231,478	223	16,033
Ceramic Industry:				
Porcelain	1,697,499	694,056	32	862
Glass	3,209,032	1,112,378	19	1,038
Ordinary Brick	4,042,612	1,819,831	377	10,477
Special Brick	759,336	447,619	17	584
Cement	7,941,835	2,031,614	9	823
Lime Industry	332,200	254,366	47	670
Others	305,660	123,841	9	112
Total	18,288,174	6,483,705	510	14,566
Spinning Industry:				
Silk Yarns & Fabrics	3,222,972	4,370,419	82	12,247
Cotton Yarns & Fabrics	15,858,740	23,266,943	249	13,051
Woolen Fabrics	1,007,100	5,031,667	19	1,576
Hemp Filature	2,653,445	1,549,957	1	1,194
Knitted Goods	480,609	4,055,406	303	3,432
Dyeing	203,640	1,242,054	84	901
Others	496,280	886,566	62	923
Total	23,922,786	40,403,012	800	33,324
Chemical Industry:				
Medical Goods	1,490,344	1,877,907	10	389

	Amount of Investment (M.Y.)	Amount of Production (M.Y.)	No. of plants	No. of operatives
Dyestuff & Paint	558,000	600,749	3	122
Soap & Wax	614,076	932,511	52	570
Oil Milling	29,368,544	105,942,046	470	10,231
Paper Mfg.	7,534,045	2,518,267	18	850
Leather	2,290,000	328,121	45	348
Others	18,163,310	12,150,428	43	3,085
Total	60,018,319	124,350,029	641	15,595
Food & Drink Industries:				
Wines	4,269,350	13,293,198	230	2,746
Bean Paste & Soy	2,061,676	2,104,437	81	685
Beverage	762,070	537,501	18	203
Ice Mfg.	1,288,473	375,333	5	128
Flour Milling	17,006,007	24,378,374	36	834
Confectionery	811,052	1,229,383	58	463
Cereal Refining	5,270,590	18,727,956	249	39,05
Others	17,410,710	1,182,283	35	456
Total	48,879,928	61,828,465	712	9,420
Miscellaneous Industries:				
Printing & Binding	4,162,874	3,811,040	117	2,822
Lumber Mfg.	3,937,569	7,226,471	44	1,299
Wooden goods	784,820	2,034,384	126	1,889
Leather Goods	483,490	1,113,324	144	1,153
Clothes	1,104,218	2,387,554	185	1,869
Match	3,041,188	1,339,479	25	3,334
Tobacco	14,981,250	29,550,569	19	2,549
Others	501,201	963,113	89	1,239
Total	28,946,610	48,425,934	749	16,254
Grand Total	254,470,107	324,389,146	3,883	108,906

BEAN OIL MILLING

The bean oil milling enterprise is Manchoukuo's most important industry viewed from the standpoint of production value. In 1932 the production from this industry was valued at M.Y. 105,942,000, representing 32.7 percent of the value of production of the entire manufacturing industries in the country. The growth of this enterprise is due to the new uses found for bean oil in the last quarter century, and Manchoukuo's exports of this product form the largest item among her total shipments of commodities for the foreign market. Of late, however, several factors have set in to check the activity of the industry, such as the economic depression and the establishment of bean oil mills in countries which constitute Manchoukuo's best customers.

At first the main business of the industry was the extracting of linseed oil. The primitive linseed oil extraction method was applied to soya beans in Tiehling and Changchun (present Hsinking) districts, important market of beans,

some sixty years ago. As the result obtained was satisfactory, the bean oil industry commenced. At that time, the bean oil was directed for local consumption alone, and was used for cooking, lighting, and other domestic purposes.

It was fortunate that this industry began to develop just when the immigration of Chinese from Shantung and other provinces to Manchuria had begun for the coming of these settlers from China proper rapidly increased the demand for bean oil. Thus, gradually, the industry developed to supply oil and bean cakes to local residents and settlers.

Producing only local requirements, the mills were small. They were established at Liaoyang, Tiehling, Mukden, Yingkow and other bean production centers. The method used for the extraction of bean oil was extremely simple. A sort of wooden wedge was operated either by hand or by mules. The beans were thus only crudely pressed to extract oil.

At that time, bean oil was used exclusively for cooking, lighting and waterproofing pur-

pose and bean cakes, or the residue left after extracting oil, were almost worthless excepting as fodder for domestic animals. As the production of bean oil increased, bean cakes were produced in large quantity more than sufficing local needs.

The surplus production of bean cakes after supplying the local needs presented a serious problem to bean oil mill operators. But fortunately, just at that time, it was found that bean cakes could be sold at fair prices to Japan. After the close of the Sino-Japanese war, Manchurian bean cakes began to be shipped to Japan as animal fodder and fertilizer. The shipment of bean cakes to Japan rapidly increased, as it was found that it made an ideal fertilizer for Japanese soils. With this development, the bean oil extraction industry met a revolutionary change. Formerly bean oil was the main product of the industry, and bean cakes were almost a worthless by-product. But with the increased sale of bean cakes to Japan at fair prices, the situation was reversed and bean cake became the main product of the industry and bean oil a by-product.

As bean oil was locally consumed in Manchuria, only a small quantity being shipped to China proper, over-production of the commodity took place because of the increasing demand for bean cakes in Japan. Some ten years later, or after the close of the Russo-Japanese war, Manchurian bean oil found markets in Europe and America. When the export of bean oil to such foreign countries increased, the most favorable situation for this Manchurian industry was realized, as the demand for bean oil and bean cakes came to be balanced. It was since then that the oil milling industry began to show a healthy development.

Thus in the past twenty years or so, Manchurian bean oil has become an important international product. Its field of utilization was expanded, and its value was highly recognized. The demand phenomenally increased, as it was proved that it is an excellent oil for a number of different purposes, and that it is cheaper than many other oils. Both as foodstuff and as industrial oil, its consumption began to surpass many other oils formerly used throughout the country. Manchoukuo has become the greatest bean producing country, supplying more than sixty percent of the entire bean production of the world.

By various scientific studies and discoveries, new fields for the utilization of bean oil have been found. The direct or old uses of bean oil are as food, and as lighting and lubricating purposes. It is now also used as a refined food butter substitutes), for making paints, varnish, and linoleum, for making fatty acids, for making glycerine, and also as a substitute for rubber, and petroleum. It is these new industrial and chemical uses found for bean oil that made the industry so important domestically and internationally.

As mentioned above, the original method of pressing oil out of beans was very simple and primitive, only hand or mule operated wedge or screw systems being used. But with the rapid progress made in the utilization of bean oil and the increased demands abroad, the method of oil abstraction was improved. Hydraulic power came to be used in place of human labor or mule power, in operating the presses. Then a more scientific method of abstraction by means of chemical solvents was discovered by the Central Laboratory of the South Manchuria Railway Company. Under this new abstraction method, benzine, benzol or alcohol is used to abstract and solve oil contained in beans.

These technical and scientific progress made in the industry have brought into existence up-to-date modern bean oil mills. The oil produced at such modern and scientifically operated large mills is superior to that made by the old system. Consequently the oil exported to foreign countries is largely made by such modern establishments. However, such modern bean oil mills exist only at Dairen and Harbin, and numerous mills at other districts which are operated by Manchurians still use the crude method. Such small mills situated at rural districts are not only following the primitive method of extraction, but also are still supplying only the local needs of the immediate neighborhoods.

At present, there are 470 bean oil mills throughout Manchoukuo, with an annual capacity of over 400,000,000 bean cakes and over 160,000 metric tons of bean oil. Dairen is the most promising center of the bean oil industry, producing more than one-half of the total production, being followed by Harbin, Yingkow and Antung. The bean oil milling industry in Manchoukuo in 1932 is shown in the following table:—

(At end of 1932)

	No. of plants	Capital (M.Y.)	Production		No. of Pressing Machines		No. of Employees
			Bean Oil (Metric ton)	Bean Cake (Metric ton)	Hydraulic	Screwing	
Dairen	41	10,510,697	90,026	829,719	1,908	1,279	3,864
Yingkow	17	4,395,000	16,882	155,312	586	182	870
Antung	20	465,000	13,390	123,731	152	1,176	780
Harbin	26	4,184,000	14,697	130,820	948	330	1,933
South Manchuria	172	6,224,127	9,744	88,760	274	2,716	1,713
North Manchuria	194	3,589,720	14,414	122,326	530	1,629	1,070
Total	470	29,368,544	159,153	1,450,668	4,398	7,302	10,230

Export of Bean Oil and Bean Cake by Countries

(1931)

	Bean Oil			Bean Cake		
	Piculs	Hk. Tls.	%	Piculs	Hk. Tls.	%
Japan & Chosen	11,102	151,396	—	13,760,100	39,908,590	49.9
China	1,628,906	19,698,130	53.5	7,793,399	24,324,110	30.4
Russia	142,681	1,143,430	3.5	8,681,582	12,519,688	15.7
Great Britain	446,939	5,363,268	14.6	158,606	455,092	0.6
Germany	21,449	257,388	0.7	208,705	593,370	0.7
Netherlands	786,476	6,437,712	25.6	242,191	680,467	0.9
Norway	—	—	—	177,114	495,919	0.6
U.S.A.	31,505	378,060	1.0	266,834	747,135	0.9
Others	30,473	366,114	1.0	86,602	242,486	0.3
Total	3,099,531	36,795,498	100.0	31,375,133	79,966,857	100.0
Do. for 1930	2,267,286	26,926,579	—	25,102,387	65,961,912	—
Do. for 1929	1,964,750	21,492,545	—	23,390,143	65,228,278	—

(1932)

	Bean Oil			Bean Cake		
	Piculs	Hk. Tls.	%	Piculs	Hk. Tls.	%
Japan & Chosen	6,364	78,764	—	11,841,114	34,436,859	51.0
China	1,508,613	17,932,374	73.0	7,913,170	24,699,803	37.0
Russia	52,056	364,507	1.4	2,121,554	3,063,606	4.5
Great Britain	69,773	776,523	3.0	56,436	165,888	—
Germany	336,720	3,768,369	15.0	724,130	1,780,931	2.3
Netherlands	103,796	1,085,946	4.3	190,872	424,203	—
Norway	1,011	12,132	—	252,713	667,414	—
U.S.A.	16,522	198,264	0.8	202,619	543,191	—
Others	25,647	294,678	1.2	216,154	519,495	—
Total	2,120,502	24,511,557	100.0	23,518,762	66,301,390	100.0

As the foregoing table shows the export of bean oil in 1931 which stood at 3,099,531 piculs fell to 2,120,502 piculs in 1932, while the same trend is also witnessed in the exports of bean cake. In this regard it should be noted that a number of measures towards curtailing such imports by foreign countries have taken place. In September 1932 China imposed a retaliatory high tariff on bean oil and in the same year England also imposed a tariff on bean oil products, while Poland and the Scandinavian

countries commenced the establishment of bean oil milling plants.

As regards the export of bean cakes Manchoukuo has suffered a severe blow in the reduction of such shipments to Japan and Chosen which have been the best customers of the product. In 1932 Japan's imports of bean cakes fell by M.Y. 13,655,467 as compared to 1931. This reduction of exports to Japan is ascribed to no small extent by the competition from the artificial fertilizer industry of Japan which has in recent years grown to mammoth proportions.

FLOUR MILLING

Flour milling is one of the three important industries of Manchoukuo. The value of production in 1932 amounted to over MY24,000,000 and the combined capital invested in the industry stood at MY17,000,000. In the same year there were 53 mills, including 17 suspending operation, located principally in North Manchuria, and the total output aggregated 455,000 metric tons. In 1933 and 1934 the industry suffered heavy setbacks due to severe foreign competition. Imports from Japan were on the increase favored by the fall in the yen exchange, and such inroads by foreign competitors caused a number of the mills to suspend operation. In 1933 imports of wheat flour amounted to over MY58,600,000, representing 8,369,000 piculs, or more than double the amount imported in 1932.

The mills in Manchoukuo may be divided into old fashioned and modern mills. The modern mills equipped with modern machinery was first introduced to the country about 1900 by Russians who established the first modern mill at Harbin.

The old fashioned primitive mills, numbering about 248 in all scattered over the country, form an important factor in the industry. The total daily production of these 296 flour mills, including both the modern mills and the primitive ones, once reached 4,500,000 pounds or an annual capacity of 1,100,000,000 pounds.

Mills opened at Harbin at first by Russians were for supplying the needs of Russian settlers in North Manchuria. With the phenomenal increase of Russian settlers in North Manchuria, the demand for wheat flour rapidly increased, and numerous flour mills at various parts of North Manchuria were established and prospered under the encouragement given by the Chinese Eastern (present North Manchuria) Railway and the Russian authorities.

Later, with these developments, the production of wheat in North Manchuria also gradually increased. Then came the golden period when the European War broke out. The import of foreign flour ceased and on the other hand shipment of Manchurian flour to European Russia rapidly increased. With such a sudden increase in foreign demand and also

with the increased demand at home following the growth in the number of Chinese settlers in North Manchuria, the industry progressed by leaps and bounds, until the Russian revolution of 1917.

Then, a period of depression came to the flour mills in North Manchuria, but about 1927, prosperity was revived. In 1927, there were 25 mills in North Manchuria with a daily capacity of 96,000 poods, but many of them were facing bankruptcy. Later, with the increase of flour consumption caused by the coming of settling farmers from China, the production of wheat in North Manchuria rapidly grew, and the demand for wheat flour so much increased that all mills became able to resume operation. According to the investigation made by the Soviet authorities, during the period from 1920 to 1927, the production of wheat at Harbin and its surrounding districts was 7,000,000 poods a year on an average, but in 1928, it increased to 10,000,000 poods. There were no statistics with regard to wheat flour consumption in North Manchuria, but it was estimated at about 3,670,000 poods.

In South Manchuria, the wheat flour milling industry hardly developed until the outbreak of the World War. Before that time, there existed a few small primitive mills. At that time the demand in South Manchuria was mostly supplied by imports from foreign countries, and particularly from the United States. When the World War broke out, and it became difficult to secure the supply from foreign countries, the industry developed in South Manchuria, as it was also difficult to obtain the supply from North Manchurian mills which had to ship their entire surplus products to European Russia.

The demand of wheat flour in South Manchuria had been rapidly increasing, but due to the lack of wheat production in the immediate neighborhood, the industry did not show rapid progress. Harbin is the center of the flour milling industry in Manchoukuo. The development of the industry in North Manchuria is due to the production of wheat there.

Recent development of flour milling in Manchoukuo is shown in the following summarised table (figures in brackets represent factories suspending operation):—

(1932)

	No. of plants		Amount of Capital (M. ¥)		No. of Milling Machines	Yearly Productive Capacity (Metric Tons)	Output (M.Y.)
	Manchus	Others	Manchus	Others			
South Manchuria ..	3 (3)	(1)*	2,100,000	4,189,107	29	73,575	2,208,355
Hsinking	3 (1)	(1)*	2,100,000	3,339,107	—	73,575	2,208,355
Others	(2)	—	—	850,000	29	—	—
North Manchuria ..	22 (12)	4	9,864,700	750,000	330	358,567	20,856,034
Harbin	8 (9)	4	6,994,000	750,000	284	320,490	13,508,951
Tsitsihar	2	—	203,000	—	6	3,534	202,662
Kirin	1	—	—	—	7	—	—
Others	12 (2)	—	2,337,700	—	33	34,543	7,144,421
Other Districts	7 (1)	—	102,200	—	8	23,178	1,313,935
Grand Total ..	32 (16)	4 (1)	12,066,900	4,939,107	367	455,320	24,378,374

(1)*—Japanese plant. ()—operation suspended.

The amount of wheat flour imported in the last five years is as follows:

Import of Wheat Flour

Year	Quantity (Picul)	Value (HK. T.)
1929	4,540,141	23,348,201
1930	3,412,540	18,432,183
1931	3,081,801	16,178,265
1932	4,085,647	18,866,950
1933	8,369,879	58,678,946 (M.Y.)

DISTILLING AND BREWING

Modern breweries and distilleries are still few in Manchoukuo. The distilling of kaoliang spirit is done by almost all farming households in rural districts for producing spirit for their own consumption. Consequently it is impossible to obtain any information covering the total industry.

Among various distilling industries, kaoliang spirit distilling is the most important. It is said to be in the latter part of the seventeenth

century that the industry of kaoliang spirit distilling started in Manchoukuo, with the introduction of the civilization of South China, through the settlement of Chinese in Manchoukuo. It is made from kaoliang at native distilleries named Chaokuo. As the Chinese settlers in Manchoukuo increased rapidly, the demand for kaoliang spirit steadily increased, and the small Chaokuo operated by Chinese, are found everywhere in Manchoukuo, particularly numerous in the western portion of Kirin Province. Liaoyang is also famous for producing good quality spirit, and that produced at plants in Liaoyang supplies not only local needs but is also shipped to Yingkow, Dairen, Antung and other districts as well as to South China and Chosen. But due to the high tariff levied by the Government of China on the import of spirit, the shipment in recent years to South China has been much reduced. The total amount of spirit produced, the number of plants and their capitalization in 1932 are shown in the following table:

	No. of plants			Amount of Capital (M. ¥)			Output (M. ¥)				
	Japanese	Manchou	Others	Japanese	Manchou	Others	Chinese Liquors	Japanese Sake	Foreign Liquors	Beer	By-Products
South Manchuria	27	85 (1)	1	1,191,600	1,786,500	42,000	3,422,230	676,333	20,000	—	316,423
Dairen	3	4	—	137,000	168,000	—	181,926	156,720	—	—	27,267
Hsinking	1	5	—	10,000	195,000	—	273,643	51,000	20,000	—	23,288
Mukden	3	11	—	162,000	109,900	—	516,724	57,000	—	—	9,810
Fushun	3	1	—	260,000	80,000	—	132,277	99,988	—	—	18,783
Anshan	1	—	—	46,000	—	—	62,328	—	—	—	4,122
Liaoyang	1	8	—	80,000	218,100	—	547,562	—	—	—	94,409
Antung	5	8	—	111,200	27,800	—	119,415	139,500	—	—	—
Others	10	48 (1)	1	385,400	987,800	42,000	1,588,355	183,055	—	—	138,744
North Manchuria	1	60	31	664,150	215,000	1,145,899	—	1,092,000	1,352,000	—	—
Harbin	1	7	20	56,000	215,000	—	—	921,000	1,049,000	—	—
Tsitsihar	—	1	—	18,000	—	—	—	—	—	—	—
Kirin	—	4	—	110,000	—	57,500	—	—	—	—	—

	No. of plants			Account of Capital (M.¥)			Output (M.¥)				
	Japanese	Manchou	Others	Japanese	Manchou	Others	Chinese Liquors	Japanese Sake	Foreign Liquors	Beer	By-Products
Taonan	—	1	—	—	19,500	—	20,385	—	—	—	—
Chengehiatun	—	4	—	—	75,000	—	152,800	—	—	—	—
Others	—	43	11	—	385,650	—	915,214	—	171,000	303,000	—
Other Districts	—	25 (3)	—	—	370,500	—	738,912	—	—	—	—
Total	28	170 (4)	32	1,191,600	2,820,750	257,000	5,307,041	676,333	1,112,000	1,352,000	316,423

()—Operation suspended

The industry was first started by Russians at Harbin and other North Manchuria Railway points. The alcohol manufacturing plants of North Manchuria made rapid progress during the World War. At the end of 1931 there were in North Manchuria 15 alcohol manufacturing plants, most of them being operated by Russians and the rest by Japanese and German. Their combined total production capacity was estimated at about 82,400 litres. The largest plant is the Borodin-Takada Distilling Company at Harbin, established in 1922 with a capital of ¥1,000,000.

For manufacture of Japanese liquor (saké) there were in 1929 3 breweries established by Japanese with a capital of ¥100,000 each. The production made at these breweries does not suffice local needs, for the demand of saké has greatly increased as the number of Japanese settlers in Manchoukuo expanded correspondingly, the annual consumption amounting to over 10,000 koku. The total output for 1932 was valued at ¥676,333.

With a view to merging the more important breweries in North Manchuria a company known as the Daido Brewery Company was established in November 1933, capitalized jointly by Japanese and Manchou parties at ¥1,670,000, fully paid-up. The company is also planning the manufacture of an alcoholic fuel to replace gasoline for motor car use. A company of similar nature is under consideration to rationalize the brewery business in South Manchuria.

For soy or shoyu (bean sauce) and miso (bean paste) manufacture there are several Japanese plants, 44 along the South Manchuria Railway Zone and 5 at Harbin in North Manchuria, the output of miso and soy for 1931 aggregating at about 262,515 gold yen and 692,484 yen respectively.

LEATHER & HIDES

There are abundant supplies of materials for the development of the leather and hide in-

dustry. The number of factories in this enterprise in 1932 numbered 144, consisting of 22 under Japanese and 122 under Manchu management. The capital outlay in the industry aggregated ¥483,490 and the output for 1932 was estimated at ¥1,113,324. The center of the industry is in South Manchuria in the districts of Mukden, Dairen and Antung.

Since the founding of Manchoukuo several plans have been drawn for the establishment of new factories in this line. A tannery concern at Mukden to be known as the Japan-Manchuria Tannery Company, capitalized at ¥3,000,000 is one of the most important projects under way in the country.

Statistics on the leather and hide industry in 1932 is tabulated below:

Leather & Hide Industry 1932

	No. of plants		Amount of Capital (M.Y.)		Output (M.Y.)
	Japa-nese	Man-chus	Japa-nese	Man-chus	
South Manchuria	22	94	359,500	95,790	1,029,239
Dairen	8	2	132,500	6,000	175,554
Hsinking	4	1	55,500	1,200	83,481
Mukden	4	41	103,000	53,750	411,279
Fushun	3	1	17,500	3,000	36,890
Antung	—	43	—	27,040	211,365
Others	3	6	51,000	4,800	110,672
North Manchuria	—	24	—	26,600	78,735
Tsitsihar	—	1	—	500	9,000
Chengehiatun .	—	8	—	11,800	35,590
Others	—	15	—	14,300	34,145
Other Districts	—	4	—	1,600	5,350
Total	22	122	359,500	123,990	1,113,324

Cement

The demand for cement in Manchoukuo has increased more than three folds since the Manchurian Incident and in 1933 consumption aggregated 330,000 metric tons. In 1934 total demand for cement was expected to have been between 450,000 and 500,000 tons. The greater portion of the cement demand in Manchoukuo

in 1933 and 1934 was supplied by Japan. Total exports from Japan to Manchoukuo amounted to approximately 300,000 metric tons in 1933, while a greater shipment was expected for

The cement industry was established in Manchoukuo in 1908 when the Onoda Cement Company of Japan established its branch factory at Coushuitz, near Dairen. Since then factories under the management of Russians and Chinese were established. Following the Manchurian Incident the Russian and Chinese factories suffered a reverse and Japanese interests, on the other hand, rapidly increased their hold on the market. Prior to the founding of Manchoukuo the demand for cement was approximately 100,000 metric tons annually, of which 70 percent were used by the various undertakings of the

South Manchuria Railway Company.

With the founding of Manchoukuo a number of enterprises, including the construction of new railway lines, buildings, roads and other works have been launched bringing about a commensurate increase in the demand for cement. As a result projects for the establishment of several new cement companies have been made and by November, 1934 four companies were already organized while two more were about to be established. When such companies begin manufacturing at capacity their annual output is expected to be 500,000 metric tons in which event they will be able to fully suffice the needs of the country. The newly established companies are the following:—

Names of Cos.	Commencement of Operation	Source of Capital	Capitalization (¥)	Factory Location	Production Capacity (Metric tons)
Onoda Cement (Aushan Factory)	June, 1934	Japan-Manchu	3,000,000	Yungki-hsien	110,000
Daido Cement	In 1934	Japan	2,000,000	Anshan	125,000
Manchuria Cement	In 1934	Japan-Manchu	5,000,000	Liaoyang	144,000
Kangteh Cement	—	Japan-Manchu	5,000,000	Harbin	75,000
Fushun Shale Cement	—	Japan	—	Fushun	100,000

The imports of Japanese cement, amounting to 313,333 metric tons in 1933, classified by uses, were as follow:—

	Metric Tons
Railways	163,328
Electric Power	523
Harbor	60
Roads & Bridges	5,378
Civil Engineering	26,633
Buildings	46,772
Mining	944
Retail & wholesale sales	61,742
Cement Manufactures	936
Miscellaneous	7,017
Total	313,333

Brick and Tile Industry (1932)

	No. of plants	Capital (M.Y.)	No. of operatives	Output	
				Amount (Pieces)	Value (M.Y.)
Ordinary Brick	220	4,042,613	10,477	197,589,340	1,744,573
Tile	32			1,894,900	44,426
Fire Brick	10	759,336	584	23,708 (Metric Tons)	300,413
Other Special Bricks ..	7			—	147,206

Potteries & Porcelain.—The production of potteries and porcelains in Manchoukuo is still comparatively small, and the major portion of the demand is supplied by imports from Japan and China. The demand is annually increasing at a rapid rate. Needless to say since very early days, water jars and other

primitive potteries were manufactured at Mukden, Fushun, Hsinking, and Penhsihu.

The Japanese companies are the Dairen Ceramic Company which succeeded to the ceramic laboratory of the South Manchuria Railway Company, and the Mukden Ceramic Company. The first is established with a

capital of ¥1,200,000 and the latter at ¥395,000.

The Chinese pottery and porcelain factory is the Chaohsing Pottery Co. established in 1923 with a capital of 480,000 yuan, under the encouragement of the former Mukden Government. Since its establishment this company was successfully operated, and although at first it was only equipped with pottery kilns, porcelain kilns were also installed in 1928. The porcelain production of the company particularly increased due to the protection given by increased tariff rates on foreign products. Up to 1931 the company had been producing as much as 10,000,000 porcelain pieces a year. The rapid progress of the company under the protection of the Mukden Government brought quite a pressure upon the Japanese ceramic companies in Manchuria. Besides porcelains, the company also produced Chinese tiles, Japanese tiles and also cement tiles, and gradually extending its fields of activity.

It is believed that before long Manchoukuo will be able to stop the import of potteries and porcelains because of such activities of the kilns and factories operated by the natives.

Pottery & Porcelain Industry (1932)

No. of plants	Capital (M.Y.)	No. of operatives	Output (M.Y.)
32	3,207,030	862	694,056

Glass

The manufacture of sheet glass was worked on a small scale in the last twenty years, but its production on any fair scale is of recent origin. The large glass manufacturers in Manchoukuo are connected with Japanese interests, and plans are under way to increase production. In 1925 the Shoko Glass Company, jointly invested in by the Asahi Glass Company of Japan and the South Manchuria Railway Company was established at Dairen. It is the largest glass manufacturing company in Manchoukuo. The Shoko Glass Company has a production capacity of 500,000 cases, each accommodating 100 square feet, of window and sheet glass annually. The value of production amounts yearly to over one million yen.

The production of sheet glass was first experimented upon in Manchuria by the Ceramic Laboratory of the South Manchuria Railway Company in 1916. Since then the progress made in the manufacture of the product has been rapid. The country, however, still depends on imports to suffice its needs. The imports of

China ware, enamelled ware and glass in 1933 were valued at MY3,619,000. Of this amount glassware claimed MY248,000, and window glass, colored, stained, ribbed, embossed or wired glass comprised MY411,000, and glass bottles, MY260,000.

Glass Industry (1932)

	No. of plants	Capital (M.Y.)	No. of operatives	Output (M.Y.)
Sheet Glass	1	3,209,032	1,038	805,000
Glass Goods	18			307,378

Paper

The paper industry is still in an infantile stage in Manchoukuo. Some eighty percent of the paper needs of the country is supplied from abroad, Japan being the major supplier. The development of the industry in Manchoukuo under present circumstances is beset by economic factors. Under the economic understanding between Manchoukuo and Japan, the paper manufacturing enterprise is one of the industries over which Japan has been advantageously placed as regards import tariff rate. As a result imports of paper from Japan doubled in 1933 over 1932, the total imports of foreign style paper from Japan amounting to some 36,000,000 pounds valued at roughly ¥3,600,000.

Besides the so-called foreign style paper, which includes newsprint, drawing and wrapping paper, the country consumes a goodly amount of native style paper known under the name of "reihashi". In 1933 total consumption of "reihashi" amounted to 18,000,000 pounds, of which Japan supplied 8,000,000 pounds and China 3,000,000 pounds while 7,000,000 pounds were produced in Manchoukuo.

In 1934 there were two large paper manufacturing companies in Manchoukuo, namely, the Yalu Paper Company and the Manchuria Paper Company. The former is capitalized at ¥5,000,000, represented by Japanese investments of the Okura and Ohashi interests, while the latter is capitalized at ¥500,000. Until the establishment of Manchoukuo there were a number of minor paper companies operating in the country, including such concerns as the Matsuura, Ying-kow and the Funing paper companies, which have since been merged or disbanded. Production of factory-made paper in recent years in Manchoukuo has averaged MY1,900,000 and handmade paper MY650,000.

Ammonia Sulphate

Ammonia sulphate is already produced at the Anshan Iron Works and at the Penhsihu Colliery and Iron Works. The Manchuria Chemical Industry Company now proposed is to be established for the sole aim of producing ammonia sulphate and other nitrogen fertilizers with a capital of ¥25,000,000.

The proposed plan is for the production of 180,000 metric tons of ammonia sulphate annually. The plant is expected to be shortly erected near Dairen. A special process of utilizing Fushun coal will be adopted.

With the operation of this plant, ammonia sulphate production in the country will be fairly large. Imports of ammonia sulphate in 1933 were valued at MY8,740.

Soda Ash

The Kwantung Soda Ash Manufacturing Company is under way to be established with a capital of ¥5,500,000 for producing 54,000 metric tons of soda ash annually.

Manchoukuo abounds in salts which can be procured at very low costs, and therefore it is considered advisable to establish a soda ash producing plant. When the proposed plant is perfected, the country will not require any foreign supply of soda ash.

In the Mongolian soda lakes about 1,000 metric tons of natural soda is annually produced. Up to the present no industrial production of soda was attempted in Manchoukuo.

Because of the favorable position it enjoys in the supply of salts, it is believed that the proposed soda ash manufacturing industry has good prospects. Imports of soda ash in 1933 were valued at MY1,522,000.

Soap

The soap industry was stimulated during the Great War when the supply of the foreign product was suspended. The first varieties of soap to be imported into Manchuria were mainly limited to laundry soap, within the last ten years the demand for laundry as well as toilet soap has increased extensively and in 1932 there were 51 soap manufacturing plants with a total capital outlay of MY614,000. The value of output in the same year aggregated MY731,881, the value of toilet soap being MY129,435 and laundry soap MY602,446. The industry is at present practically controlled by the Manchu and Japanese interests. The amount of capital invested in the industry by the Japanese interests in 1932 was almost MY400,000, representing about two-thirds of the entire capital outlay in the industry.

The soap plants are mostly located in South Manchuria which is the largest market for this product. The plants to be found in North Manchuria are mostly located in Harbin, the number of manufactories in 1932 numbering 12. The imports of household, laundry and toilet soap in 1933 was valued at MY1,435,000.

The output of soap classified by regions is as follows for 1932:

Soap Industry (1932)

	Amount (Dozen)	Value (M.Y.)	Amount (Kgs.)	Value (M.Y.)
South Manchuria	170,237	129,435	1,628,828	354,766
Dairen	46,837	35,059	1,012,183	147,941
Hsinking	68,200	44,896	59,100	17,345
Mukden	54,000	48,600	101,765	43,680
Fushun	—	—	7,200	2,000
Liaoyang	—	—	19,620	12,500
Antung	100	—	74,160	24,100
Others	1,100	880	354,800	117,200
North Manchuria	—	—	774,800	237,680
Harbin	—	—	700,000	208,500
Kirin	—	—	57,600	22,700
Taonan	—	—	—	720
Others	—	—	17,280	5,760
Other Districts	—	—	23,400	6,200

The production of candles in 1932 amounted to 681,803 kilograms valued at MY251,178.

The more prominent producing centers are to be found in South Manchuria. The output at

Dairen in 1932 was 151,443 kilograms valued at MY56,519.

Paint

Despite the increasing demand of paints due to building activities and other developments, the country is almost entirely dependent upon imports for the supply of this product. The Manchuria Paint Manufacturing Company established in 1919 capitalized at ¥500,000 is the largest establishment of its kind in Manchoukuo. Its products include common paints, mixed paints, paint oil, aqueous wall paints, varnish, putty, illuminating paints, hydrozincite and other items. The number of paint factories in 1932 numbered 3 and their combined output aggregated 1,697,821 kilograms valued at MY321,909. Imports of paints and varnishes in 1933 were valued at MY638,770.

Glue is produced at Mukden, Chinchow, Chieh-feng, and Harbin in fair quantities, but only sufficient to meet local demands.

Match

The match manufacturing industry commanded production valued at MY1,127,000 in 1932. This particular industry has grown rapidly and the leading companies in 1934 were under the management of Japanese and Manchus. The Swedish match trust lost its firm grip over the market in 1932, and since that year the management of the remaining four Swedish companies in the country has been entrusted to Japanese. There were seventeen match manufacturing companies with twenty-five factories in 1932 and their combined capital was estimated at MY1,339,470. The imports of match in 1933 were valued at MY380,000.

Match manufacturing output is tabulated as follows for 1932:

Match Industry (1932)

	Amount (Cases)	Value (M.Y.)	Sticks (M.Y.)
South Manchuria ..	153,746	897,728	212,188
Dairen	16,247	82,905	—
Hsinking	64,952	368,204	46,500
Mukden	8,949	62,643	—
Antung	11,700	84,006	165,688
Yingkow	51,898	299,970	—
North Manchuria ..	38,635	223,309	—
Tsitsihar	4,346	25,119	—
Kirin	29,340	169,585	—
Others	4,949	28,605	—
Other Districts	1,082	6,254	—
Total	193,463	1,127,291	212,188

Aluminium

Bright prospects are held for manufacturing aluminium in Manchoukuo. The progress in this direction so far has been in the formulation of plans and the establishment of companies for this purpose. The investment in the industry is mostly from Japanese sources, and represents some of the leading Japanese financial concerns. Raw materials for the manufacture of aluminium, particularly, alumina shale, have been found in fairly large quantities at Fuchow, Yentai, Chinchow, Penhsihu and in other districts. The Japan-Manchoukuo Aluminium Company, the only large concern of its kind in existence at present, was established in October 1933, and is capitalized at ¥5,000,000. Another concern under formulation is the Manchuria Aluminium Company.

The annual aluminium output for the future is expected to be 4,000 metric tons.

Munitions

The munitions industry in Manchoukuo has been centered in the Mukden Arsenal, managed by the Chang family prior to the establishment of the new state. In October 1932 it was reorganized and capitalized at ¥2,000,000 fully paid up. The Arsenal was developed to large proportions under Chang Tso-lin and his son, Chang Hsueh-liang and large imports of foreign arms and machineries had been effected by them. Besides the foregoing concern a sprinkling of other companies producing ammunition are to be found in Manchoukuo, the more noted among them being the Fushun Mine Munitions Manufacturing Company, the Anshan Liquefied Acid Manufacturing Company, the Manchuria Mine Munitions Company, the South Manchuria Munitions Company, etc.

Metallic Magnesia

With a view towards the production of metallic magnesia a Japanese concern known as the Japan-Manchoukuo Magnesium Company was established in October 1933, and jointly financed by the South Manchuria Railway Company, the Sumitomo interests and the Rikagaku Kenkyusho (Physical & Chemical Institute) and other organs. The company is capitalized at ¥7,000,000, of which ¥1,750,000 has been paid up. The newly formed company plans to dominate the metallic magnesium industry in Japan by acquiring raw materials from Manchoukuo. As a first step, the Naoetsu plant of the Rikagaku

Kenkyusho, with an annual production capacity of 150 metric tons, was purchased by the company and a new plant is being constructed at Ube, in Yamaguchi prefecture, with an annual production capacity of 350 metric tons.

A large amount of the deposits of magnesite at Tashihchiao is to be found above the ground surface and it is thus easily mined. The importance of this enterprise came to attract attention only in recent years, following its practical and commercial utilization in the manufacture of light metals.

Dyestuffs

The people of Manchuria formerly produced much indigo and other dyestuff made from the bark of pagoda tree or maple tree, and in those days, small dyestuff plants existed in all parts of the country for the production of various dyes for local consumption.

But since the advent of German dyes into the country, the industry had been greatly oppressed. When the supply of German dyes was suspended during the World War, Japanese and American dyes were used as substitutes, and the manufacture of native indigo was revived.

With the increasing demand for various dyes, and also with the supply of coal and salt, the prospect for the dye manufacturing industry in Manchoukuo has become promising. At present the Yamato Dye Manufacturing Company is the only establishment producing dyes. It was established in 1919 with a capital of ¥2,000,000.

Since its establishment the business of the company prospered as its products were not only consumed in Manchoukuo but also exported to the Tientsin district. In 1922 the annual production advanced to 1,650,000 pounds. But with the reappearance of German dyes in the Oriental market and also with the decreased demand in Shantung and Tientsin, the business of the Company fell. In 1930 the company was obliged to reduce its capital to ¥500,000. The total production of sulphuric dyes by the Yamato Dye Manufacturing Company during 1913 was 152,640 kilograms, valued at ¥45,792 and in 1932 517,342 kilograms valued at MY155,203. The imports of aniline dyes and other coal tar dyes in 1933 were valued at MY1,670,000.

Tobacco

The principal producing centers are grouped in the northern and eastern districts of Fengtien Province and the southern and eastern dis-

tricts of Kirin Province. The value of production in 1932 amounted to MY29,551,000, making it the second largest industry in Manchoukuo, surpassed only by the bean oil milling industry as regards value of output. The annual output of tobacco is estimated at over 56,000,000 pounds, distributed as follows:

Fengtien Province	13,000,000 lbs.
Kirin	32,000,000 "
Heilungkiang ..	10,000,000 "

The first cigarette manufacture on any large scale was attempted by the Russians at Harbin. In 1905, the British Tobacco Company came from South China and entered the field. The Japanese cigarette makers appeared in Manchoukuo in 1906. In 1920 another Japanese company was opened at Mukden for making cigarettes. With the increase of factories producing cigarette there naturally developed a keen competition, and that competition has greatly stimulated the progress of tobacco manufacture.

The production of tobacco leaves in Manchoukuo has also been much increased and improved, as the American yellow leaves came to be very successfully planted in South Manchuria in recent years. The tobacco leaves produced in the country reaching the stage of entirely supplying the requirement of the country.

At present, there are 14 factories in Manchoukuo. Those under Japanese management are 6 at Mukden, 2 at Dairen, and 2 at Yingkow, and those under British management number 2, at Mukden and Harbin, and those under Russian management also number 2, at Mukden and Harbin.

The most noted cigarette manufacturing companies are the To-a Tobacco Company, the British-American Tobacco Company, and the Chinese-Russian Tobacco Company. In North Manchuria there are the Robert Brothers, Turin & Co., and other small establishments, which are mainly supplying cigarettes and pipe tobaccos to meet the demand in North Manchuria.

Manchoukuo's imports of tobacco in 1933 was valued at MY11,475,000, the chief suppliers being the United States, Great Britain and Japan.

Several new Japanese tobacco companies are now under contemplation in Manchoukuo, one of the largest of such undertakings being the Manshu Tobacco Kabushiki Kaisha, capitalized at MY5,000,000 which was established in July 1934. Annual production of 60,000 cases, each case containing 25,000 sticks of cigarettes, is

planned by the company. There have also been movements towards rationalizing the industry and in June 1934 a large tobacco-growers' union was organized at Fenghuangcheng, a famous tobacco-producing district in South Manchuria through the cooperation of the Local Administration Office of the S.M.R. at Antung and Mr. Miyazaki, a councillor of Fenghuang-hsien. The new union has been brought into being on the amalgamation of the South Manchuria Yellow Tobacco Growers' Union, the tobacco cultivation union related to the British-American Tobacco Co. and individual growers. Mr. Tung, the prefect of Fenghuang-hsien was elected chairman of the union which is reported to have completed a loan of MY300,000 with the Central Bank of Manchou for a cultivation fund for the season.

Tobacco Tax Law. For the purpose of rationalizing the existing tobacco tax rates and simplifying and unifying the regulations governing the collection of the tobacco tax throughout the country, the Manchoukuo Government promulgated the Cigar and Cigarette Tax Law for enforcement as from July 1st, First year of Kangle (1934).

The new Law makes important changes in the prevailing rates, which were established by the former regime and subsequently adopted in their original form by the new state.

Fair equilibrium among the various grades of cigars and cigarettes is maintained by a more careful classification than hitherto and by a readjustment of the rates according to their respective prices. Instead of the former three grades of cigarettes, seven grades are established by the new ruling. The rates on the more expensive brands have been raised, but the cheaper grades remain practically unaffected by the present revision. Despite its general increase, however, the tobacco tax in this country is still very low as compared with similar taxes in other countries.

Under the new law smuggling and illegal sale of tobacco will be made more difficult, as a provision is made whereby the sale and delivery of cigars or cigarettes bearing no official stamps will be strictly forbidden. All merchandise found without these stamps will be classified as smuggled goods and will be confiscated by the Government, while its owner will be punished by fine ranging from 10 to 1000 yuan.

The present inconvenient system requiring a transportation certificate for conveying tax-paid tobacco products from one place to another is abolished under the new Law.

SPINNING AND WEAVING INDUSTRY

Tussah Silk Industry

Coarse spinning and weaving of tussah silk, cotton, and hemp was an old cottage industry; the modern fabric industry was introduced by a Japanese in 1919. In early days, tussah silk was produced only for local needs and for export to China proper. Soon after the Russo-Japanese war businessmen established tussah silk filatures in Manchoukuo, and while they made quite a progress, Chinese filatures also increased in number. At this juncture Japanese weavers of silk goods in Japan commenced the weaving of pongee with tussah silk imported from Manchoukuo and China, because the demand of pongee silk in various foreign countries had rapidly increased. The utilization of tussah silk by these weavers in Japan suddenly awakened the tussah silk filature industry in Manchoukuo. Antung is the foremost producing center, being followed by Haicheng, Kaiping, Huangfengcheng, Hsiuyen and Hsifeng. Tussah silk is one of the principal staple exports of Manchoukuo, and its shipment to Japan and other countries in 1931 amounted to 6,421,359 lbs. The development of the industry and the amount of exports in 1932 are shown below:—

No. of Plants and Capital of Tussah Silk Industry (1932)

Kwantung Leased Territory	No. of plants	Capital (M.Y.)	No. of operatives	Output (M.Y.)
Antung	54	1,759,150	8,685	2,342,266
Mukden	2	502,000	75	582,500
S.M.R. Zone	25	133,300	3,247	1,236,715
Total	82	3,222,972	12,247	4,370,419

Export of Tussah Silk Yarn (1930-32)

Year	Destination	Metric Tons	Hk. Tls.
1930	Japan	921	5,610,953
	China	619	3,619,349
1931	Japan	1,524	8,460,646
	China	625	3,442,474
1932	Japan	1,336	6,003,609
	China	110	417,750

Cotton Spinning Industry

The cotton spinning and weaving industry has existed in Manchuria since very early days as the people always wore cotton clothes but the modern spinning and weaving industry has only been recently introduced. The ancient spinning and weaving industry was, however,

hand spinning and weaving, and little mills operated by the natives produced only coarse cotton fabrics for local consumption. Those former mills could not even supply the entire demand of the country, and large imports were made from China and other countries.

It was about 1921 that the modern spinning and weaving industry began to be developed in Manchoukuo. The scale at present is still small, although it is anticipated that with the expected progress of the country in the near future, the industry will develop on greater lines.

The vast number of weavers of cotton cloths and the prospect of raising good cotton in the country are assuring a very bright future for the spinning and weaving industry. At present Manchoukuo is producing about 30,000,000 pounds of good cotton, and the production is yearly increasing. In order to assure her cotton supply, the Japanese Government is also trying to increase the cotton production in Manchoukuo. The climate and soil of the territory being suitable for cotton cultivation, it will not be long, with encouragements, for Manchoukuo to produce a sufficient quantity of cotton to supply almost the entire need of Japan and Manchoukuo.

The unprofitable results of a few modern

spinning and weaving mills in Manchoukuo are also due to the fact that small hand operated mills are still holding their positions. These small mills produce only inferior goods, but due to their low production costs and also to their existence in the immediate consuming localities, they are able to compete with modern mills with machinery and up-to-date equipments. Furthermore, Manchoukuo cotton spinning and weaving mills have to compete with the highly developed mills in Japan. It is because of these circumstances that the modern spinning and weaving industry of Manchoukuo has shown but a very slow progress. However, since the establishment of Manchoukuo, a much brighter future is seen for this industry.

The establishment of the cotton spinning and weaving plant at Mukden by Chinese in 1921, was followed by the starting of three Japanese companies, the Manchuria Cotton Spinning Company established in 1923, the Chinchou Factory of the Naigai Spinning Company established in 1924, and the Manchuria Fufang Company established in 1923. The total number of spindles of these companies including other small companies amounted at the end of 1931 to 133,432. The development of this industry in recent years is shown in the following table:—

No. of Plants, Capital and Output of Cotton Spinning & Weaving Industry (1932)

	No. of plants	Capital (M.Y.)	No. of Operatives	Output (M.Y.)	
Dairen	3 (1)	2,284,000	673	2,068,805	(2,060,718)
Kwantung Leased Territory	16 (1)	14,029,260	3,694	4,200,238	(4,065,476)
Hsinking	14	226,500	193	132,160	
Fushun	2	28,000	—	43,512	
Mukden	88 (1)	4,572,920	3,820	8,291,825	(3,800,000)
Liaoyang	5 (1)	3,742,500	1,748	5,585,395	(4,130,246)
Antung	35	166,630	632	894,963	
Yingkow	13 (1)	546,000	1,168	675,000	(150,000)
S.M.R. Zone	16	9,800	89	122,340	
Harbin	5	20,500	218	552,060	
Kirin	12	209,000	525	494,475	
Chenchiatun	9	19,700	87	109,500	
North Manchuria	6	1,350	52	22,450	
Total	249 (1)	15,858,740	13,051	23,266,945	(14,206,440)

()—Cotton Spinning Plants.

As the production of spinning and weaving mills of Manchoukuo is not sufficient to meet

the total needs, the shortage is met by imports as the following figures show:—

Import of Cotton Yarn & Fabric (1930-32)

	Cotton Yarn		Cotton Fabric	
	Metric Tons	Hk. Tls.	Metric Tons	Hk. Tls.
1930	12,706	10,949,807	—	54,388,636
1931	9,354	8,834,606	—	29,992,786
1932	8,050	7,393,407	—	24,572,460
1933	17,385	20,921,686 (M.Y.)	—	69,167,078 (M.Y.)

Hemp.—The producing centers are grouped in the regions along the Sungari River, and along the Yalu, Tatzuho, Hunho, Liao and other rivers. The main companies operating hemp spinning and weaving plants are the Manchuria Hemp Manufacturing Company and the Mukden Hemp Manufacturing Company, both under Japanese management; but the latter had to close operation in 1930 owing to the economic depression and unfavorable condition of trade. Their principal products consisted of gunny bags, hemp yarns, hemp cloths, nets, etc. The production of gunny bags which is only about 1% of the total needs, is estimated at 4,000,000 bags and the shortage annually amounts from 40,000,000 to 50,000,000 bags.

Imports of Gunny Bags

	Metric Tons	Hk. Tls.
1930	38,531	10,086,800
1931	53,957	15,885,126
1932	61,075	15,477,869
1933	60,620	13,232,341

Wool.—In Manchuria and Mongolia, there are abundant supplies of wool, the number of sheep amounting to 2,640,560 heads and the production of wool about 35 million kilograms. But the weaving industry has developed slowly; the Manchuria-Mongolia Wool-weaving Company the largest establishment of its kind in Manchoukuo was organized in December, 1918, at Mukden, with a capital of ¥10,000,000 under joint Sino-Japanese management. The activities of the Company in recent years decreased owing to the unfavorable condition of trade and the economic depression. The annual import which was 7,160,000 Hk. tls. in 1929 increased to 8,711,960 Hk. tls. in 1933.

No. of Plants, Capital, Output of Wool Industry (1932)

No. of plants	Investment (M.Y.)	No. of Operatives	Output (M.Y.)
19	1,007,100	1,576	5,031,667

Amount of Production (1932)

	Amount	Value (M.Y.)
Woolen Yarns (Pounds)	102,317	135,476
Woolen Fabrics ... (Yards)	634,068	1,739,794
Blankets (Pieces)	171,167	2,890,074
Others	—	248,323
Total	—	5,031,667

Import of Woollen Fabrics

	Value (Hk. Tls.)
1930	5,669,488
1931	3,115,005
1932	3,787,692
1933	8,711,960 (13,590,655 M.Y.)

SUGAR

The sugar industry appeared hopeful until a few years ago, but due to the imports of cheap foreign sugar the industry at present is inactive. All of the sugar demands of the country are now supplied by imports, with Japan furnishing the lion's share amounting to 84 percent of the total imports, as regards value, in 1932. Consumption has been increasing of late years and in 1932 the total imports aggregated over 94,000 metric tons.

The sugar industry was first started by Russians in North Manchuria in 1909. The Ashio sugar mill was established by Russians with a capital of 1,000,000 roubles and although manufacturing equipment was fairly complete, it was obliged to stop operation due to the economic depression.

In 1914 the South Manchuria Railway Company saw prospects of starting the sugar industry in Manchuria as it was proved at the Agricultural Experimental Station at Kungchuling, operated by the railway company, that the cultivation of sugar beets was promising. Experimental cultivation of sugar beets met with good results, the percentage of sugar content in beets and also the production area in the country having been found favorable. Encouraged with this experimental result, the South Manchuria Sugar Company was established by Japanese capital in 1916 at Mukden, with plants at Muk-

den and Tieling. Much difficulty was at first experienced in persuading the Chinese farmers as regards the commercial value of growing sugar beets. Furthermore, since Japanese could not lease lands in Manchuria under the rule of the Chang family, the company was unable to have its own sugar plantation. The company further incurred much loss in speculating in Java sugar, and consequently in 1927 it was forced to close down its plants. In its heyday

the company produced as much as 21,319 metric tons of sugar valued at ¥5,715,000 in one year.

Since the failure of the company Manchoukuo has relied entirely upon foreign imports to suffice her needs. Japan's exports of sugar to Manchoukuo in 1933 amounted to roughly 85,000 metric tons. This is an increase of slightly under 3,000 metric tons over the previous year. Figures on sugar imports in recent years are given below:

Quantity and Value of Imported Sugar

	1930		1931		1932	
	Metric Tons	Hk. Tls.	Metric Tons	Hk. Tls.	Metric Tons	Hk. Tls.
Japan	46,574	6,183,742	45,508	5,981,237	83,681	7,621,981
China	45	5,729	147	24,284	452	40,828
Russia	4,787	645,702	4,937	890,332	231	43,057
U.S.	—	—	—	—	1	78
Great Britain ..	—	—	—	—	153	17,210
Germany	66	11,011	—	—	—	—
Netherlands	—	—	12	4,694	73	8,301
Others	30,103	3,494,124	16,163	1,885,783	10,599	1,031,200
Through China ..	650	86,328	280	33,118	—	—
Total	82,225	10,426,636	67,047	8,819,448	94,190	8,762,655

ELECTRIC & GAS INDUSTRIES

ELECTRICITY

The electric industry was first started by Russians as a subsidiary work of the Chinese Railway in 1902, by establishing a generating station at Dairen. After the close of the Russo-Japanese war, the South Manchuria Railway Company took the electric business and supplied electric light and power to the public. Since then the electric industry has developed widely in the country, and its importance is being increasingly appreciated. There appeared several electric plants for supplying light and power, some being under the management of Japanese and some under the management of a joint Sino-Japanese corporation. Later, in 1926, stimulated by the favorable condition of the electric business under Japanese management, the South Manchuria Electric Company started electric enterprises, under separate management from that of the South Manchuria Railway Company, with an authorized capital of ¥25,000,000, of which ¥22,000,000 was paid up.

Electric power supplied in 1932 amounted to over 99,000,000 k.w.h. and electric light, 52,000,000 k.w.h.

Recent Situation

The electric power and light industry of Manchoukuo was formed into a virtual semi-governmental monopoly by the establishment on December 1, 1934 of the Manchuria Electric Corporation, capitalized at ¥90,000,000. With the creation of this new organ the independent electric concerns which had operated for years in Manchuria under what were believed to be wasteful conditions merged their identity. The greatest institution to come under the new scheme is the South Manchuria Electric Company, a subsidiary of the South Manchuria Railway Company, which since the merger has come to be known as the Dairen branch of the Manchuria Electric Corporation. Among the members of the new organization are the South Manchuria Electric Company, the Yinkou Electric & Waterworks Co., the Mukden Electric Co., the Harbin Electric Co., the Kirin Electric Co., the Tsitsihar Electric Co., the North Manchuria Electric Co. of Harbin, the Electric Administration of the Hsinking Special Municipality and the Antung Electric Co.

PRINCIPAL ELECTRIC POWER

	Established	Purpose	
Japanese Government Enterprises	Port Arthur Civil Administration Office	1907 Lighting	
	Chinchow Administration Office	1917 "	
	Pulantien	" " "	
	Pitzuwo	1921 " " "	
South Manchuria Electric Co.	Dairen Main Office	1907 { Lighting Railway	
	Anshan Branch	1919 Lighting	
	Haicheng Branch	1924 "	
	Mukden Branch	1908 "	
	Hsinking Branch	1909 "	
	Antung Branch	1908 "	
	Lienshankuan Branch	1925 "	
	Chikuanshan Branch	1930 "	
	Companies Affiliated to South Manchuria Electric Co.	Wafangtien Electric Co.	1030 "
		Ditto, Hsiungyocheng Branch	1924 "
Tashihichiao Electric Co.		1916 "	
Liaoyang Electric Co.		1912 "	
Tiehling Electric Bureau		1911 "	
Kaiyuan Electric Co.		1914 "	
Ssupingkaï Electric Co.		1917 "	
Kungchuling Electric Co.		1917 "	
S.M.R. Co.	Ditto, Kuochiatien Branch	1929 "	
	Fanchiatun Electric Co.	1929 "	
Fushun Coal Mine Electric Station	Fushun Coal Mine Electric Station	1908 { Lighting Railway	
	Wulungpei Spring	1929 Lighting	
Japanese and Manchurian Joint Management	Yinkow Water Works and Electric Co.	1908 "	
	Penhsihu Coal and Iron Works	1910 "	
Japanese Management	Showa Steel Works	1919 { Lighting Railway	
	Mukden Tram Co.	1926 Railway	
	North Manchuria Electric Co.	1918 Lighting	
Manchurian Management	Mukden Electric Lamp Office	1909 Supply	
	Mukden Tramway Office	1926 Railway	
	Antung Municipal Electric Lamp Office	1931 Supply	
	Taonan Tehchi Electric Lamp Office	1926 "	
	Tungliao-hsien Electric Lamp Office	1922 "	
	Mukden Mining Affairs Bureau Pataohao Electric Office	1924 "	
	Hsinking Electric Lamp Office	1911 "	
	Kirin Electric Lamp Office	1907 "	
	Harbin Electric Lamp Office	1920 { Supply Railway	
	Tsitsihar Electric Lamp Office	1909 "	
	Tsitsihar Electric Lamp Office Angangki Branch	1928 "	

* Reserve. † Tower.

SUPPLIERS IN MANCHOUKUO, 1932

Normal Capital (M.Y.)	No. of Station		Generating Power (K.W.)	Supplied Power (K.V.A.)	Cycle	Maximum Voltage	Amount of Supply in 1932 (K.W.H.)		
	Generat-ing Station	Tranform-ing Station							
—	—	1	2,000	1,800	50	11,000	4,875,239		
—	—	1	—	450	50	11,000	905,141		
—	—	—	—	150	50	3,300	350,572		
—	—	{ 2 } { †3 }	—	600	50	11,000	338,208		
25,000,000	1	{ 7 } { †4 }	47,000	—	50	11,000	86,479,633		
		{ — } { †1 }	—	750	25	5,500	794,446		
		{ 1 } { †1 }	—	250	25	—	549,475		
		{ 1 } { †2 }	—	12,500	60	44,000	25,809,794		
		1	†2	6,000	—	50	22,000	12,890,593	
		1	—	11,075	—	50	33,000	27,267,362	
		1	—	100	—	60	2,200	42,099	
		1	—	75	—	50	3,300	100,366	
		50,000	1	—	—	400	50	11,000	383,225
				—	75	—	50	3,300	81,827
50,000	—	1	—	300	50	3,300	867,513		
300,000	—	1	—	3,750	60	5,500	8,995,489		
300,000	*1	3	180	1,820	60	3,300	1,407,695		
500,000	*1	1	320	1,500	60	44,000	966,173		
350,000	*1	{ 1 } { †2 }	200	1,500	50	44,000	1,859,009		
250,000	*1	{ 1 } { †4 }	150	750	50	22,000	598,445		
		—	1	150	50	22,000	68,083		
500,000	*1	1	150	300	50	22,000	106,196		
—	2	11	60,000	—	60	44,000	180,800,387		
—	1	—	10	—	Direct	—	20,376		
2,000,000	1	3	2,780	—	50	11,000	4,983,453		
—	1	{ 5 } { †1 }	8,500	—	60	—	28,839,285		
—	1	4	10,000	—	25	33,000	71,210,320		
1,500,000	—	—	—	—	Direct	600	—		
1,200,000	1	—	4,545	1,000	50	3,000	4,356,089		
552,298	2	2	9,660	3,500	60	6,600	11,688,408		
1,200,000	—	1	—	1,000	Direct	600	—		
1,000,000	1	—	1,000	1,000	60	2,300	—		
394,184	1	—	500	—	60	2,300	582,804		
406,129	1	—	700	—	60	2,300	578,646		
—	1	1	6,400	1,350	50	35,000	721,948		
746,323	*1	—	800	800	60	2,300	—		
2,307,792	1	—	2,500	—	60	2,300	400,489		
10,769,231	1	—	11,625	—	{ 50 } { 60 }	6,600	10,814,805		
		1	70	—	Direct	—	2,074,149		
821,429	—	1	1,080	400	50	11,000	—		

ELECTRICITY SUPPLIED IN SOUTH MANCHURIA

	Light		Power		Electric Train		Total K.W.H.
	No. of Lamps	K.W.H.	H.P.	K.W.H.	No. of Coaches	K.W.H.	
1924	574,752	34,399,241	2,302	99,217,820	478	12,275,892	145,892,953
1925	616,998	36,402,531	2,609	110,637,855	494	13,262,644	160,303,030
1926	644,204	34,493,109	3,339	153,966,327	496	12,846,416	201,305,852
1927	686,574	41,722,383	3,805	184,257,376	512	17,250,958	243,230,717
1928	751,265	46,646,207	5,856	212,301,335	515	16,535,030	275,482,572
1929	888,629	51,659,636	7,564	270,647,240	511	18,898,405	341,205,281
1930	778,811	47,654,093	115,142	309,927,154	526	18,680,800	376,262,047
1931	886,586	50,765,559	182,805	328,991,466	485	26,335,363	406,092,421
1932	896,551	52,580,879	190,943	385,798,513	241	27,567,101	465,946,493

At present, electric enterprises in South Manchuria number 29, of which 26 are engaged in the supply of electric light and power, and 3 in operating electric railways including 2 which also supply light and power.

In North Manchuria, there are also 10 electric enterprises at Harbin, and 4 along the North Manchuria Railway line. Of these enterprises, the North Manchuria Electric Company at Harbin is the largest, being followed by the electric generating station attached to the Central

Machine Shop of the North Manchuria Railway. There are in all 56 electric undertakings in Manchoukuo including those under private corporations. Besides these, there are also 41 electric undertakings for other various purposes, of which 13 are in Fengtien Province, 17 in Kirin Province, 10 in North Manchuria Special District and 1 in Jehol.

The business results of 56 electric undertakings, classified by provinces, for 1931 were as follow:—

Electric Light

	No. of undertakings	Generating & receiving powers (K.W.H.)	Electric Light		Electric Power	
			Houses supplied	No. of installed lamps	Houses supplied	Horse power
Fengtien Province	Gov. ... 5	G. 17,760 R. 3,500	12,448	159,995	859	9,626
	Pri. ... 14	G. 2,961 R. 1,575				
Kirin	Gov. ... 2	G. 19,188	33,164	187,528	905	4,151
	Pri. ... 14	G. 2,190	5,478	27,021	—	365
Heilungkiang	Gov. ... 7	G. 2,994	1,906	35,092	—	595
	Pri. ... 2	G. 127	244	3,587	—	—
North Manchuria Special Districts	Gov. ... 2	G. 480	712	9,672	—	220
	Pri. ... 7	G. 394	870	9,820	6	895
	Muni. ... 1	G. 387	1,183	5,478	10	92
Jehol	Gov. ... 1	G. 100	712	2,872	—	—
Hsinking Special City	Gov. ... 1	G. 800 R. 800	—	25,751	—	182
Total	56	G. 47,381 R. 5,875	60,934	526,560	1,780	—

The electric enterprises at Port Arthur, Chinchou, Pulantien and Pitzuwo were under the official management of the Kwantung Leased Territory, others being under private corporations. These private corporations include the Mond Gas and Electric Station, Fushun Colliery, and the Electric Generating Station, Anshan Iron

Works, both of them having been under the direct management of the South Manchuria Railway Company, and eight corporations under the management of the South Manchuria Electric Company.

Several projects were launched in 1934 to cope with the increasing demand for electric

GAS WORKS

power. The South Manchuria Electric Company has been putting up 154,000 volt transmission wires from Fushun to supply electric power to Anshan and its completion was expected in October 1934. It is believed that the annual consumption of electricity at the Anshan Works in the future will amount to 25,000 kilowatts. The same company is also putting up 154,000 volt transmission wires between Fushun and Mukden. Following completion of these two projects, the company will lay 44,000 volt transmission wires to Yingkow from Anshan. The Company is also engaged in expanding its power plant in Fushun in order to increase its present capacity of 80,000 kilowatts by 50,000 kilowatts. The project is expected to be completed in 1935. The South Manchuria Electric Company also started the construction of a 54,000 kilowatt power house at Kangchingtsu, opposite Dairen, in the early summer of 1934. The power from this station will be supplied to the Manchuria Chemical Industry Company.

The gas works was first introduced to Manchoukuo by the South Manchuria Railway Company in 1910 when the Company started supplying gas to the public by establishing a furnace producing 300,000 cubic feet daily and also a gas tank of 150,000 cubic feet capacity. In 1925, the Company established branch plants at Mukden, Antung, Anshan and Hsinking, and the gas works of the Company were simultaneously organized into the South Manchuria Gas Company, with a capital of ¥10,000,000. At present, the Company's gas production capacity is about 520,000,000 cubic feet a year.

The Fushun Colliery has its own gas producing plant, and also is supplying gas to the public, and its annual gas producing capacity is 22,500,000,000 cubic feet.

The gas production and supply situation of the South Manchuria Gas Company and of the gas works of the Fushun Colliery in recent years is shown in the following table:

GAS PRODUCTION AND SUPPLY
(Cubic Feet)

	South Manchuria Gas Co.		Fushun Colliery	
	Production	Supply	Production	Supply
1926	495,021,013	467,441,318	18,133,415,709	18,133,415,709
1927	431,253,659	380,919,851	19,366,569,636	19,366,569,636
1928	451,550,698	399,953,973	20,242,261,572	20,242,261,572
1929	495,658,387	446,632,780	20,541,474,538	20,541,474,538
1930	514,896,530	468,634,653	22,222,370,311	22,222,370,311
1931	519,008,616	458,146,727	15,388,359,177	15,387,285,728
1932	581,562,287	523,221,304	14,663,067,978	14,663,067,978

The amount of gas distribution and its consumption by items for 1932 is as follows:—

AMOUNT OF GAS CONSUMPTION AND ITS DISTRIBUTION, 1932

South Manchuria Gas Company	Households		Street Lighting	
	Amount used (Cubic feet)	Receipts (Yen)	Amount used (Cubic feet)	Receipts (Yen)
Dairen	307,484,700	757,250	4,332,600	5,649
Anshan	16,587,000	40,687	—	—
Mukden	69,278,403	208,563	113,101	192
Antung	20,334,812	64,441	258,608	446
Hsinking	26,301,784	83,638	—	—
Total	439,986,699	1,154,579	4,704,309	6,287
Fushun Colliery†	40,712,730	74,184	—	—

MISCELLANEOUS INDUSTRIES

(Continued)

South Manchuria Gas Company	Industry				Total		Number of Households and Factories Supplied	Grand Total	
	For Heat		For Engine		Amount used (Cubic feet)	Receipts (Yen)		Amount used (Cubic feet)	Receipt (Yen)
	Amount used (Cubic feet)	Receipt (Yen)	Amount used (Cubic feet)	Receipts (Yen)					
Dairen ..	64,766,200	96,297	493,700	651	65,259,900	96,948	25,433	377,077,200	859,847
Anshan ..	496,700	591	138,900	187	635,630	778	1,657	17,222,600	41,465
Mukden ..	8,465,152	16,117	169,440	288	8,634,592	16,405	6,830	78,026,096	225,160
Antung ..	3,281,947	5,931	30,570	51	3,312,517	5,982	2,772	23,905,937	70,869
Hsinking ..	687,687	1,170	—	—	687,687	1,171	3,031	26,989,471	84,808
Total ...	77,697,686	120,106	832,610	1,177	78,530,296	121,283	39,723	523,221,304	1,282,149
Fushun Colliery† ...	14,622,355,248	—	—	—	14,622,355,248	—	3,099	14,633,067,973	74,183

† In the receipts from gas supply at Fushun, receipts from the gas supplied to the firm of S.M.R. Co. are not included.

CHAPTER XVIII

FOREIGN TRADE

INTRODUCTORY REMARKS

The history of foreign trade of Manchoukuo may be encompassed within the last three quarters of a century, and the period of greatest growth within the last thirty years. It was with the dawn of the 20th century that Manchoukuo showed anything like the phenomenal role it was to play in this field. In the last three decades the foreign trade of the country has multiplied over forty folds, increasing from 16,033,000 taels in 1903 to 656,600,000 taels (938-

000,000 Manchoukuo yuan) in 1933.

This heavy growth in foreign trade is due to several factors, the more prominent among them being the export in increasing quantities of Manchurian agricultural products and the imports of finished commodities. Facilitating this development were the large immigration of Chinese and the flow of foreign investments into Manchoukuo. The growth in the foreign trade of Manchoukuo may be gleaned from the following figures:—

Foreign Trade* (Haikwan Taels)

Year	Exports	Imports	Total	Excess of Exports or Imports (—)
1907	24,421,617	35,516,802	59,938,419	(-) 11,095,185
1908	55,060,040	60,309,023	115,369,063	(-) 5,248,983
1909	90,917,919	79,014,530	169,932,449	11,903,389
1910	93,555,572	88,857,464	182,413,036	4,698,108
1911	109,005,756	103,945,767	212,951,523	5,059,989
1912	103,347,172	106,193,401	209,540,573	(-) 2,846,229
1913	113,932,815	112,033,168	225,965,983	1,899,647
1914	108,872,936	112,409,981	221,282,917	(-) 3,537,045
1915	130,084,502	108,111,646	238,196,148	21,972,856
1916	130,807,129	129,555,872	260,363,001	1,251,257
1917	161,120,501	158,562,010	319,682,511	2,558,491
1918	166,856,166	177,219,156	344,075,322	(-) 10,362,990
1919	212,008,762	231,303,593	443,312,355	(-) 19,294,831
1920	225,926,429	205,129,451	431,055,880	20,796,978
1921	234,407,892	218,187,074	452,595,566	16,220,218
1922	274,661,906	196,432,072	471,093,978	78,229,834
1923	293,928,940	207,055,228	500,984,168	86,873,712
1924	269,018,082	200,649,470	469,666,552	68,369,612
1925	312,368,194	244,721,505	557,089,699	67,646,689
1926	370,742,398	276,840,619	647,583,017	93,901,779
1927	408,036,179	268,913,586	676,949,765	139,122,593
1928	434,035,424	302,955,904	736,991,328	131,079,520
1929	425,651,491	329,603,869	755,255,360	96,047,622
1930	396,714,056	306,999,437	703,713,493	89,714,619
1931	478,553,787	223,432,118	701,985,905	255,121,699
1932	394,969,070	192,991,900	587,960,970	201,977,170
1933**	448,014,692	514,085,802	962,700,494	(-) 66,671,110

* Figures include internal trade among respective customs houses in Manchoukuo.

** Manchoukuo yuan.

AMOUNT OF GAS CONSUMPTION AND ITS DISTRIBUTION

Year	Production		Supply		Households		Factories	
	Amount used (Cubic feet)	Receipt (Yen)	Amount used (Cubic feet)	Receipts (Yen)	Amount used (Cubic feet)	Receipts (Yen)	Amount used (Cubic feet)	Receipts (Yen)
1907	14,131,412	18,131,412	14,131,412	18,131,412	14,131,412	18,131,412	14,131,412	18,131,412
1908	19,248,900	24,248,900	19,248,900	24,248,900	19,248,900	24,248,900	19,248,900	24,248,900
1909	20,312,517	25,312,517	20,312,517	25,312,517	20,312,517	25,312,517	20,312,517	25,312,517
1910	20,344,572	25,344,572	20,344,572	25,344,572	20,344,572	25,344,572	20,344,572	25,344,572
1911	20,355,756	25,355,756	20,355,756	25,355,756	20,355,756	25,355,756	20,355,756	25,355,756
1912	20,347,172	25,347,172	20,347,172	25,347,172	20,347,172	25,347,172	20,347,172	25,347,172
1913	20,332,815	25,332,815	20,332,815	25,332,815	20,332,815	25,332,815	20,332,815	25,332,815
1914	20,872,936	25,872,936	20,872,936	25,872,936	20,872,936	25,872,936	20,872,936	25,872,936
1915	20,084,502	25,084,502	20,084,502	25,084,502	20,084,502	25,084,502	20,084,502	25,084,502
1916	20,807,129	25,807,129	20,807,129	25,807,129	20,807,129	25,807,129	20,807,129	25,807,129
1917	20,120,501	25,120,501	20,120,501	25,120,501	20,120,501	25,120,501	20,120,501	25,120,501
1918	20,856,166	25,856,166	20,856,166	25,856,166	20,856,166	25,856,166	20,856,166	25,856,166
1919	212,008,762	25,212,008,762	212,008,762	25,212,008,762	212,008,762	25,212,008,762	212,008,762	25,212,008,762
1920	225,926,429	25,225,926,429	225,926,429	25,225,926,429	225,926,429	25,225,926,429	225,926,429	25,225,926,429
1921	234,407,892	25,234,407,892	234,407,892	25,234,407,892	234,407,892	25,234,407,892	234,407,892	25,234,407,892
1922	274,661,906	25,274,661,906	274,661,906	25,274,661,906	274,661,906	25,274,661,906	274,661,906	25,274,661,906
1923	293,928,940	25,293,928,940	293,928,940	25,293,928,940	293,928,940	25,293,928,940	293,928,940	25,293,928,940
1924	269,018,082	25,269,018,082	269,018,082	25,269,018,082	269,018,082	25,269,018,082	269,018,082	25,269,018,082
1925	312,368,194	25,312,368,194	312,368,194	25,312,368,194	312,368,194	25,312,368,194	312,368,194	25,312,368,194
1926	370,742,398	25,370,742,398	370,742,398	25,370,742,398	370,742,398	25,370,742,398	370,742,398	25,370,742,398
1927	408,036,179	25,408,036,179	408,036,179	25,408,036,179	408,036,179	25,408,036,179	408,036,179	25,408,036,179
1928	434,035,424	25,434,035,424	434,035,424	25,434,035,424	434,035,424	25,434,035,424	434,035,424	25,434,035,424
1929	425,651,491	25,425,651,491	425,651,491	25,425,651,491	425,651,491	25,425,651,491	425,651,491	25,425,651,491
1930	396,714,056	25,396,714,056	396,714,056	25,396,714,056	396,714,056	25,396,714,056	396,714,056	25,396,714,056
1931	478,553,787	25,478,553,787	478,553,787	25,478,553,787	478,553,787	25,478,553,787	478,553,787	25,478,553,787
1932	394,969,070	25,394,969,070	394,969,070	25,394,969,070	394,969,070	25,394,969,070	394,969,070	25,394,969,070
1933**	448,014,692	25,448,014,692	448,014,692	25,448,014,692	448,014,692	25,448,014,692	448,014,692	25,448,014,692

MISCELLANEOUS INDUSTRIES

South Manchuria Gas Company	Industry				Total		Number of Households and Factories Supplied	Grand Total	
	For Heat		For Engine		Amount used (Cubic feet)	Receipts (Yen)		Amount used (Cubic feet)	Receipt (Yen)
	Amount used (Cubic feet)	Receipt (Yen)	Amount used (Cubic feet)	Receipts (Yen)					
Dairen ...	64,766,200	96,297	493,700	651	65,259,900	96,948	25,433	377,077,200	859,847
Anshan ..	496,700	591	138,900	187	635,630	778	1,657	17,222,600	41,465
Mukden ..	8,465,152	16,117	169,440	288	8,634,592	16,405	6,830	78,026,096	225,160
Antung ..	3,281,947	5,931	30,570	51	3,312,517	5,982	2,772	23,905,937	70,869
Hsinking ..	687,687	1,170	—	—	687,687	1,171	3,031	26,989,471	84,808
Total ...	77,697,686	120,106	832,610	1,177	78,530,296	121,283	39,723	523,221,304	1,282,149
Fushun Colliery† ...	14,622,355,248	—	—	—	14,622,355,248	—	3,099	14,633,067,973	74,183

† In the receipts from gas supply at Fushun, receipts from the gas supplied to the firm of S.M.R. Co. are not included.

CHAPTER XVIII

FOREIGN TRADE

INTRODUCTORY REMARKS

The history of foreign trade of Manchoukuo may be encompassed within the last three quarters of a century, and the period of greatest growth within the last thirty years. It was with the dawn of the 20th century that Manchoukuo showed anything like the phenomenal role it was to play in this field. In the last three decades the foreign trade of the country has multiplied over forty folds, increasing from 16,033,000 taels in 1903 to 656,600,000 taels (938,-

000,000 Manchoukuo yuan) in 1933.

This heavy growth in foreign trade is due to several factors, the more prominent among them being the export in increasing quantities of Manchurian agricultural products and the imports of finished commodities. Facilitating this development were the large immigration of Chinese and the flow of foreign investments into Manchoukuo. The growth in the foreign trade of Manchoukuo may be gleaned from the following figures:—

Foreign Trade*
(Haikwan Taels)

Year	Exports	Imports	Total	Excess of Exports or Imports (—)
1907	24,421,617	35,516,802	59,938,419	(-) 11,095,185
1908	55,060,040	60,309,023	115,369,063	(-) 5,248,983
1909	90,917,919	79,014,530	169,932,449	11,903,389
1910	93,555,572	88,857,464	182,413,036	4,698,108
1911	109,005,756	103,945,767	212,951,523	5,059,989
1912	103,347,172	106,193,401	209,540,573	(-) 2,846,229
1913	113,932,815	112,033,168	225,965,983	1,899,647
1914	108,872,936	112,409,981	221,282,917	(-) 3,537,045
1915	130,084,502	108,111,646	238,196,148	21,972,856
1916	130,807,129	129,555,872	260,363,001	1,251,257
1917	161,120,501	158,562,010	319,682,511	2,558,491
1918	166,856,166	177,219,156	344,075,322	(-) 10,362,990
1919	212,008,762	231,303,593	443,312,355	(-) 19,294,831
1920	225,926,429	205,129,451	431,055,880	20,796,978
1921	234,407,892	218,187,674	452,595,566	16,220,218
1922	274,661,906	196,432,072	471,093,978	78,229,834
1923	293,928,940	207,055,228	500,984,168	86,873,712
1924	269,018,082	200,648,470	469,666,552	68,369,612
1925	312,368,194	244,721,505	557,089,699	67,646,689
1926	370,742,398	276,840,619	647,583,017	93,901,779
1927	408,036,179	268,913,586	676,949,765	139,122,593
1928	434,035,424	302,955,904	736,991,328	131,079,520
1929	425,651,491	329,603,869	755,255,360	96,047,622
1930	396,714,056	306,999,437	703,713,493	89,714,619
1931	478,553,787	223,432,118	701,985,905	255,121,699
1932	394,969,070	192,991,900	587,960,970	201,977,170
1933**	448,014,692	514,685,802	962,700,494	(-) 66,671,110

*Figures include internal trade among respective customs houses in Manchoukuo.

**Manchoukuo yuan.

RECENT SITUATION

The foreign trade situation since the founding of Manchoukuo indicates that the tendency is towards an excess of imports over exports, a condition which has been hitherto the exception rather than the rule for the country. Thus in 1933 the excess of imports over exports amounted to more than 66,000,000 haikwan taels. This is the first time since 1919 that the trade has been adverse to Manchuria. The heavy imports in 1933 amounting to over 514,000,000 haikwan taels as compared to roughly 193,000,000 haikwan taels in 1932 are due to the far-reaching projects now under foot to industrialize the country. The exports in 1933 amounted to over 448,000,000 haikwan taels and the total foreign trade turnover for the year amounting to 962,700,494 haikwan taels is the greatest that Manchoukuo has witnessed in its history.

The foreign trade figures since 1932 show, moreover, the appearance of another significant current. It is the influence of the so-called economic bloc ideology. Thus, the figures show that Japan in 1933 increased her exports to Manchoukuo by 58% over 1932. In the corresponding period Manchoukuo's exports to China fell by 225%, but her imports from the same country showed a decrease of only 24%.

While Japan's share in the foreign trade of Manchoukuo has been the largest in the years under review, the ratio between exports and imports has been more favorable to the United States as well as India. Manchoukuo's imports from the United States in 1933 amounted to almost MY29,000,000 while her exports to that country were MY7,414,000, taking the ratio of roughly 4 to 1.

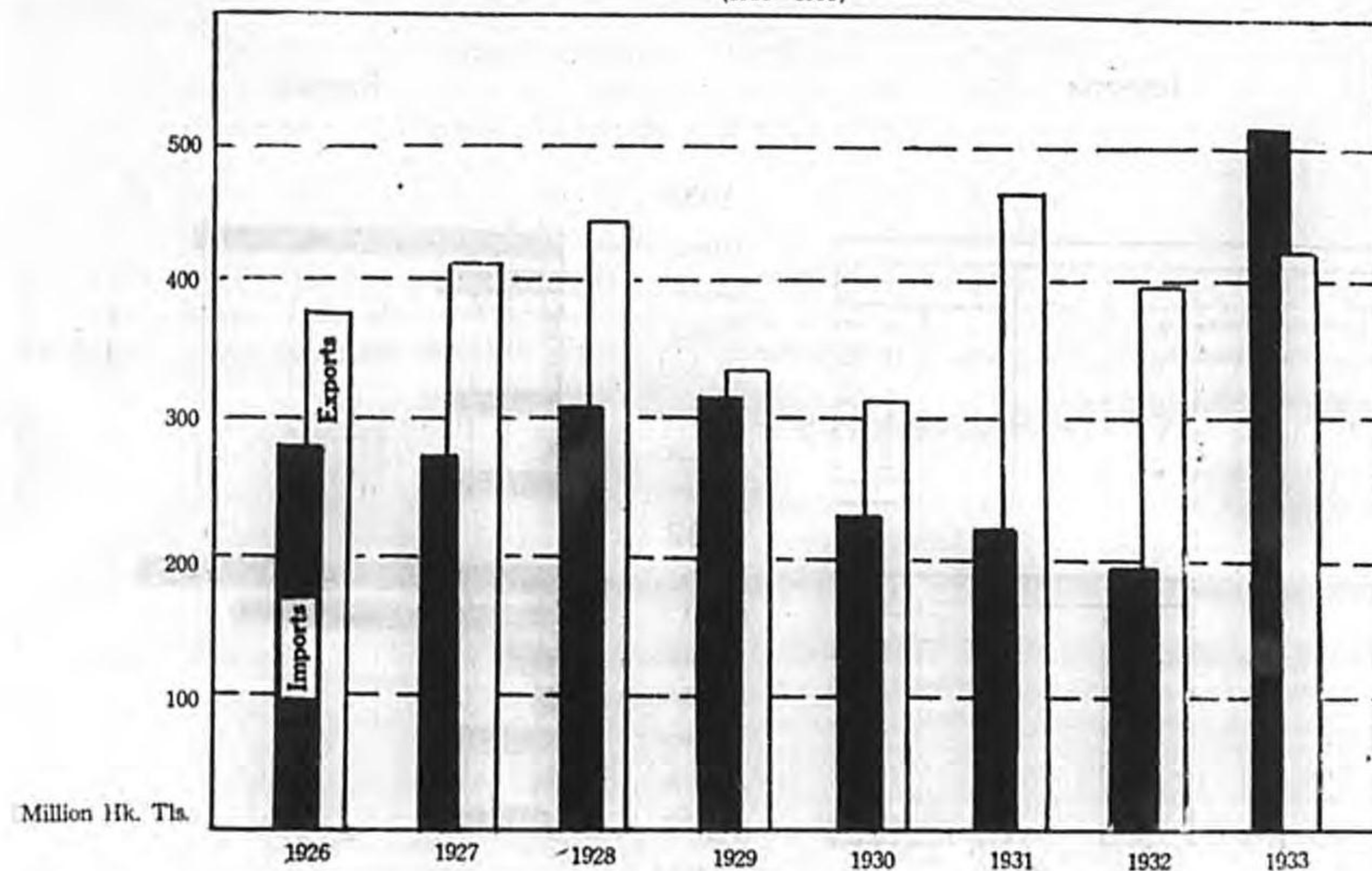
The foreign trade of Manchoukuo for 1932, 1933 and the first half of 1934 is tabulated below, by countries.

Total Value of Exports and Imports (1932)
(Haikwan Taels)

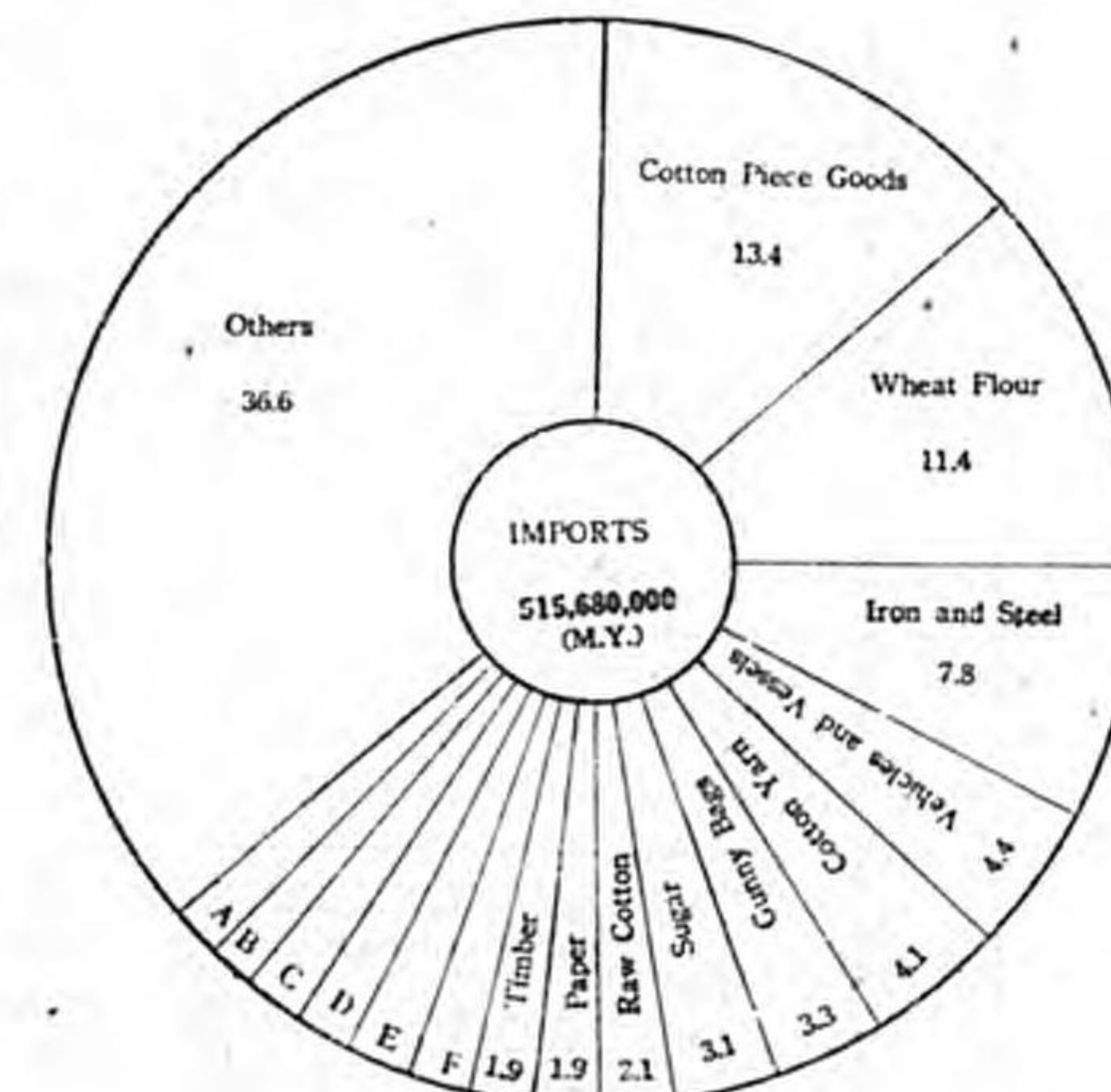
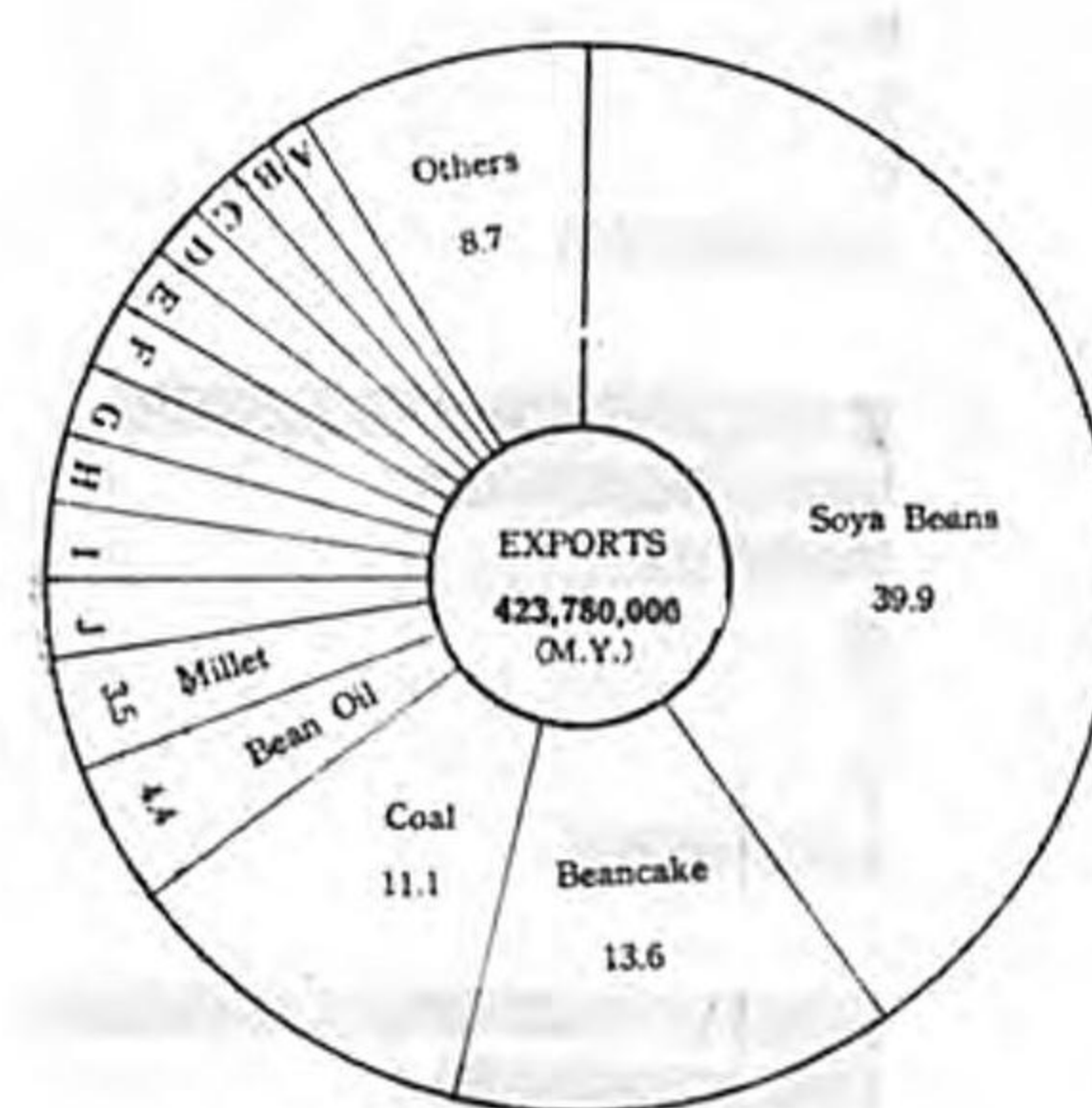
Countries	Exports	Imports	Total
ASIA			
Japan	121,624,486	104,122,632	225,747,118
Korea	27,129,264	8,271,984	35,401,248
China	108,953,415	35,236,097	144,189,512
Russia	21,657,989	4,375,729	26,033,718
Hongkong ...	3,438,690	5,186,289	8,624,979
Macao	10,070	—	10,070
British India	1,361,266	11,850,432	13,211,698
Straits Settlements	545,724	19,680	565,404

Countries	Exports	Imports	Total
ASIA			
Netherlands	—	—	—
India	3,471,753	137,526	3,609,279
British North Borneo	—	911,448	911,448
French Indochina	19,401	34,039	53,440
Philippines ..	1,293,371	21,215	1,314,586
Siam	4,841	11,975	16,816
Turkey	—	185,459	185,459
Palestine	—	55	55
Total	289,510,270	170,364,560	459,874,830
EUROPE			
Great Britain	7,068,537	4,555,559	11,624,096
France	1,940,713	633,199	2,573,912
Germany	47,401,209	3,699,455	51,100,664
Belgium	966,984	518,029	1,485,013
Netherlands ..	4,040,457	206,946	4,247,403
Denmark	1,463,229	18,996	1,482,225
Poland	15	7,390	7,405
Danzig	7,982	—	7,982
Lithuania	—	64	64
Latvia	—	511	511
Estonia	40	188	228
Finland	34	9,767	9,801
Sweden	297,081	67,059	364,140
Norway	758,957	3,049	762,006
Spain	41,254	13,442	54,696
Portugal	38,783	—	38,783
Italy	1,389,329	85,355	1,474,684
Switzerland ..	146	138,524	138,670
Austria	165	1,563	1,728
Hungary	—	1,272	1,272
Czechoslovakia	848	6,156	7,004
Greece	—	6,518	6,518
Rumania	9,672	—	9,672
Total	65,425,435	9,968,042	75,393,477
AMERICA			
U.S. of America	3,211,568	11,376,847	14,588,415
Canada	704,511	27,473	731,984
Cuba	1	—	1
Panama	423,872	—	423,872
Brazil	—	9,233	9,233
Chile	—	34,593	34,593
Total	4,339,952	11,448,146	15,788,098
AFRICA			
Egypt	24,928,308	37,603	24,965,911
Tunis	5,830	—	5,830
Algeria	143,394	—	143,394
Morocco	76,712	—	76,712
French East Coast Colonies	3,120	—	3,120
Union of South Africa	168	—	168

Total Value of Exports and Imports of Manchoukuo (1926-1933)



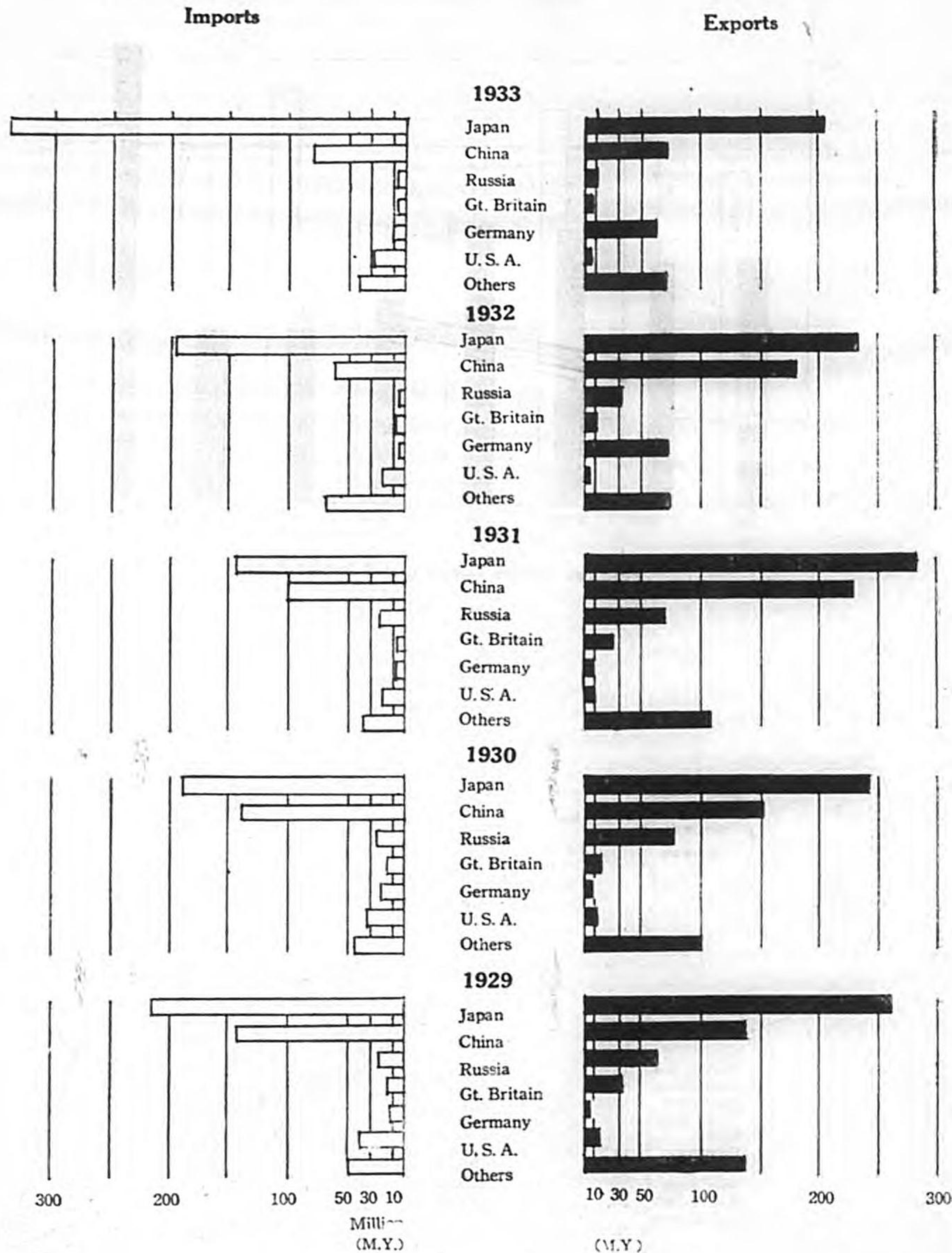
Principal Articles Exported and Imported, 1933



- A. Sesamum Seed 1.1
- B. Waste Cereals 1.5
- C. Cotton Yarn 1.6
- D. Other Cereals 1.7
- E. Kaoliang 1.7
- F. Groundnuts 2.1
- G. Other Seeds 2.1
- H. Other Beans 2.2
- I. Wild Raw Silk 2.3
- J. Pigs, Kentledge Irons 2.5

- A. Kerosene Oil 1.5
- B. Woollen Piece Goods 1.5
- C. Silk Piece Goods 1.6
- D. Gasoline Oil 1.7
- E. Tobacco 1.8
- F. Machines & Tools 1.9

Value of Exports and Imports by Countries, 1929 to 1933



Countries	Exports	Imports	Total	Countries	Exports	Imports	Total
Total	25,157,532	37,603	25,195,135	China	55,210,690	79,811,520	135,022,210
AUSTRALIA				Russia	12,917,628	7,569,400	20,487,028
Australia	3,539	1,173,549	1,177,088	Hongkong	6,213,359	8,004,186	14,217,545
Others	25,450	—	25,450	British India	1,080,464	14,703,180	15,783,644
Total	28,989	1,173,549	1,202,538	Netherlands			
Re-exports				India	4,044,653	3,323,929	7,368,582
(Foreign				Great Britain	8,792,660	7,141,396	15,934,056
Goods)	10,506,892	—	10,506,892	France	2,545,459	778,889	3,324,348
Grand Total	394,969,070	192,991,900	587,960,970	Germany	66,357,043	10,454,971	76,812,014
				Belgium	280,617	1,293,537	1,574,154
				Netherlands	5,910,454	424,913	6,335,367
				Italy	1,847,256	1,737,477	3,584,733
				U.S.	7,414,047	28,995,515	36,409,562
				Others	47,689,335	12,289,542	59,978,877
				Total	423,326,229	514,540,455	937,866,684

Total Value of Exports and Imports (1933)
(In MY)

Japan	172,667,937	312,099,409	484,767,346
Chosen	30,354,627	25,912,591	56,267,218

Total Value of Exports and Imports (1st half 1934 and 1933 Compared)

Countries	Exports		Imports		Total	
	1934	1933	1934	1933	1934	1933
Japan	98,588,324	100,779,996	171,070,817	135,405,322	269,659,103	236,185,318
Chosen	28,907,841	17,956,708	13,113,528	11,610,721	42,021,369	29,567,429
China	30,352,033	28,334,703	21,340,639	34,231,183	51,692,710	62,565,786
Russia	6,617,286	9,959,268	3,146,808	4,654,788	9,764,094	14,614,056
Hongkong	3,313,180	3,183,191	946,548	3,734,160	4,259,728	6,917,351
British India	464,954	587,413	10,143,387	6,713,137	10,609,341	7,300,550
Netherlands India	1,424,603	2,527,493	2,562,650	1,002,405	3,987,253	3,529,898
Great Britain	3,104,580	2,987,172	4,921,440	3,226,704	8,026,020	6,213,876
France	1,984,950	1,385,038	259,007	301,065	2,244,047	1,686,103
Germany	21,736,427	35,543,852	5,271,220	5,100,153	27,007,647	40,644,005
Belgium	755,613	132,506	182,811	571,893	938,424	704,399
Netherlands	4,315,431	2,397,584	139,305	68,967	4,454,736	2,466,551
Italy	1,962,279	783,649	604,442	251,029	2,566,721	1,034,678
U.S.	2,869,210	2,875,227	22,910,120	16,855,320	25,779,330	19,730,547
Others	20,949,657	25,924,786	11,501,244	9,601,677	32,450,901	35,526,463
Total	227,347,368	235,358,586	268,114,056	233,328,424	495,461,424	468,687,010

Early History

Manchuria at the end of 1906 was a comparatively unknown country except to Russians and Japanese, and it was only since the end of the Russo-Japanese war that foreigners, Russians excepted, were proffered opportunities of trading in the interior of the province. The situation in Manchuria was peculiar in this respect. In other parts of China the 'treaty ports'—that is, the cities where foreigners may reside and establish permanent business bases—are situated only on the seacoast or on the bank of a navigable stream. The Chinese had permitted very few cities in the interior to become centers of foreign trade. But in Manchuria there were at this time eighteen open cities of which only two, Newchwang and Antung, were accessible from the sea. Japan was responsible for

the opening up of sixteen of these cities.

The Japanese thus not only contributed to the benefit of all nations generally by opening to all a trade which had heretofore been confined practically exclusively to the Russians, but, through the S.M.R., they furnished facilities for the development of these new markets by providing adequate transportation facilities; by increasing production, partly by assisting the Chinese in building railways which have thrown open to cultivation vast uncultivated regions, and partly by advancing and improving Chinese agricultural methods by improving seeds and live-stock through experiment stations; by finding and developing markets abroad for Manchurian produce; by discovering new uses for Manchurian raw materials; by providing safety in a region where such is not ordinarily found;

by building modern trade and residence areas; and by carrying on works of various kinds for the public benefit through the establishment of schools and hospitals and of a sanitation system which keeps at arm's length such epidemics as plague and cholera which often threaten this part of the world; in fact, by generally creating the conditions necessary for safe residence and the carrying on of trade—and from these conditions the Chinese and the foreigners benefit as well as the Japanese, to the extent that the commerce of South Manchuria has grown from the modest total of 16,029,958 H.K. taels represented by the Newchwang trade in 1903 to the point where among all the ports of China and Manchoukuo, Dairen stood second only to Shanghai in direct trade.

The "Open Door".—In this connection it may not be out of place to take up the matter of the maintenance in Manchuria of the "Open Door" principle. In December, 1899, Japan agreed to the proposal of the United States for an "Open Door" in China. When, after the Russo-Japanese war, Japan entered into her present position in Manchuria, numerous charges were at first made to the effect that the S.M.B. and other Japanese factors were by various underhand methods violating the "Open Door" principle by giving preference to Japanese merchants and goods, thus causing trade operations by other nationals to suffer. As a matter of fact, during the period of cleaning up after the war, while the military were still engaged in the work of withdrawing troops and the authorities generally were occupied with the task of inaugurating an administrative machinery which would bring order out of the chaos left in the region which had been swept by the war, commercial operations generally were unsatisfactory to all. Since the founding of Manchoukuo the situation has undergone great alteration.

Trade According to Countries

When Newchwang was the sole open port in Manchuria, its staple trade was the export of Manchurian beans and beancake to the southern provinces of China, where the beancake was extensively used as fertilizer for the sugar plantations. Beans were consumed in southern mills for oil extraction, the product being used as a substitute for groundnut oil. The imports at this port were cotton goods of low grade—sheeting and drills—chiefly from England. Later on, American cheap sheeting and drills entered in competition. The trade with

Japan was insignificant until after the Sino-Japanese war of 1894-5. Japan gradually became a heavy purchaser of Manchurian beans and beancake, and her purchases in 1898 equalled those of all the Chinese provinces. In 1903, the year before the Russo-Japanese war, Japanese purchases exceeded those of China proper, and ever since Japan has been the largest buyer of Manchurian bean products. European countries also became steady buyers of the Manchurian beans following the war, the Mitsui Firm of Japan having made a trial shipment to Liverpool in 1908.

In spite of the rapid increase of exports of Manchurian products to Japan before the Russo-Japanese war, imports from Japan increased very slowly. In cotton goods, which have always constituted the largest item of Manchurian imports, Japan's share was almost negligible, while the British and American goods enjoyed pre-eminence. In those days, the Japanese infant cotton industry was not in a position to compete with either the British, American, or the Indian mills. Japan's strenuous but constant efforts to develop this industry, especially after the Russo-Japanese war, were gradually crowned with success. Furthermore, Japanese cotton mills have a great geographical advantage, being able to produce a much cheaper staple by mixing raw materials of American higher grade and those of Indian and Chinese lower grades. Again, Japanese products could be landed in the Manchurian market at much less cost. These natural advantages of the Japanese cotton industry, particularly in the Chinese market, could not be offset by the American, English, or even the Indian mills.

Before the outbreak of the European war, the Japanese cotton industry had so successfully competed with its rivals, that almost all cotton goods, except the finest kind, were supplied by Japan. The war in Europe, crippling the cotton mills in Western countries and also ocean transportation, gave Japan the indisputable supremacy in this Far Eastern market. But it should be remembered that the more the importation of Japanese cotton goods in Manchuria, the greater the purchase of American and Indian raw cotton by Japan. China has also become an important manufacturer. Of the total import of cotton piece goods for 1930, amounting 54,000,000 Tls., those manufactured in China proper and imported to Manchuria were valued about 22,000,000 Tls., against 30,370,000 Tls. of Japanese imports and 1,690,000 Tls. of Russian imports. The imports of cotton

yarn amounted to 10,900,000 Tls., of which China proper's share was 8,500,000 and Japan's share 2,300,000 Tls.

It is worthy of note that the decrease of imports of English and American cotton goods did not affect the gross value of British and American trade in Manchuria. Trade was mostly on the increase in other lines. Imports of machinery and other iron manufactures from America and Europe were steadily maintained, particularly when the South Manchuria Railway Company commenced its varied undertakings in railway, harbour, coal-mine and iron-works developments, involving heavy investments in rails, rolling stock, and machinery. The value of material purchased by the Company during the twenty-two years ending March 31, 1929, aggregated over 501,852,000 yen, of which goods to the value 120,094,000 yen were imported direct from the United States, 28,400,000 yen from Great Britain, 13,384,000 yen from Germany, 193,337,000 yen from Japan and 43,000,000 yen from other countries, including China, France and Belgium.

The total imports of American and European products are actually greater than the Customs returns, because machinery and railway materials, other steel manufactures, oil, woolen and other goods of American or European origin shipped to Kobe and Shanghai and reshipped to Manchuria, are not generally recorded in the Customs returns. The United States Consular authority at Dairen estimated that such indirect imports of American origin into Manchuria for 1928 were valued at 3,000,000 American dollars.

Trade According to Ports

In the commercial history of Manchuria, the growth of Dairen as a world port, and the creation of a great export trade in beans, are the outstanding features.

In 1907, when Dairen was opened to trade, its position in the returns of the Chinese Maritime Customs was tenth, its total trade amounting to 12,542,883 Tls. Newchwang was ninth in the same year. Dairen soon passed Newchwang, and rose to fifth rank in 1910, third in 1912, and has been second since 1917; that is, next to Shanghai, which has always been first, and is apparently unsurpassable by any other port in China.

In the trade of Manchoukuo, Dairen has occupied the supreme position since 1910, and its share has been more than 55% of the total for

many years. The returns for 1933 aggregated MY26,776,000, the Dairen share being 75%. Antung, being the junction of the Antung-Mukden line and the Korean railways, has increased in importance year after year and in 1933 amounted to MY107,841,000 while Yinkow's trade was MY80,307,000.

In North Manchuria, i.e., at Harbin, Manchuli, and Suifeiho, on the Chinese Eastern Railway, and at Aigun, near the Amur River, commerce was slowly increasing before the European war. Their aggregate trade amounted to 34,715,000 Tls. in 1913. But as a result of the war, and later the Russian political disturbances, trade gradually decreased until it was only 20,000,000 Tls. in 1922. After peace and order were restored in North Manchuria, conditions in this region improved. The returns for Harbin, in 1933 aggregated MY21,203,000.

The importance of the eight customs districts of Manchoukuo classified by customs returns, is shown in the following figures for 1933 (in Manchoukuo yuan):—

	Exports	Imports	Total
Dairen	337,544,843	389,231,516	726,776,359
Antung	46,393,484	61,448,399	107,841,883
Yinkow	43,215,348	37,091,739	80,307,087
Shanhai-kwan	3,695,698	5,424,251	9,119,949
Harbin	12,088,700	8,214,506	21,203,206
Lungehington	2,376,388	7,243,291	9,619,674
Tumen	1,453,212	4,842,563	6,295,775
Johol	809,937	2,336,160	3,146,097
Total	448,477,605	515,832,425	946,310,030

Trade According to Principal Commodities

Exports. The exports of Manchuria are chiefly agricultural produce. Beans and their products, beancake and bean-oil, to-day command the world's markets. For many years these exports constituted more than half of the total exports of Manchuria. Total exports in 1933 amounted in value to MY423,326,000 Tls. of which MY241,326,000 or over 56% of the amount represented the value of beans, beancake and bean-oil. Japan became the heaviest purchaser of beans and beancake after the Sino-Japanese war. Since the Mitsui Firm made the first considerable trial shipment to England in 1908, the consumption of Manchurian beans and bean-oil has increased in European countries as well and to some extent in America. Great Britain, Netherlands, Italy, Germany, France, Denmark, and other purchasers consume in the aggregate as much as Japan. But while Europe has

bought more beans, more beancake is exported to Japan. The growth of this remarkable trade

Year	Beans U.S. Tons	Beancake U.S. Tons	Bean-Oil U.S. Tons	Total U.S. Tons
1909	977,431	717,222	38,056	1,732,709
1913	672,400	804,846	49,077	1,526,323
1919	771,931	1,504,596	153,350	2,429,933
1923	1,509,560	1,879,708	152,036	3,541,304
1925	1,614,111	1,747,422	168,786	3,530,269
1926	1,577,471	2,159,225	199,285	3,905,981
1927	2,034,645	2,192,317	180,597	4,407,550
1928	2,681,402	1,813,169	142,159	4,636,730
1929	3,041,932	1,548,897	130,221	4,721,050
1930	2,155,699	1,662,051	147,485	3,965,235
1931	3,125,120	2,167,935	206,544	5,499,599
1932	2,825,361	1,567,218	134,218	5,127,514
1933	2,703,213	3,840,954	86,845	6,631,012
1934 (1st half)	1,346,529	971,181	62,971	2,380,681

The important export next to beans is millet. For 1933 this trade was valued at MY14,745,000, of which MY13,465,000 was purchased by Korea, and the balance shipped to Japan and to the Maritime Province of Asiatic Russia, where numbers of Koreans have settled, and to China proper. Of the export of kaoliang, valued in 1933 at MY7,215,000, approximately MY3,812,000 in value goes to China proper, MY3,236,000 to Japan, MY166,000 to Korea, and the rest to other countries. The export of maize was valued at MY1,162,000, buckwheat MY3,222,000 and wheat MY18,500, Japan and Korea being leading purchasers.

With regard to mineral products, the export value of coal was MY40,226,000 in 1933, of which MY25,852,000 represented the value of exports to Japan, MY5,159,000 to Korea, and MY5,662,000 to China. The exports of iron ore amounted to MY2,586, while old and remelted copper totalled MY455,619. The exports of pig iron and kentledge claimed MY10,446,000, of which exports to Japan totalled MY9,745,000.

Imports. Cotton goods are still the most important items of import. Including greys, white or dyed, printed and other miscellaneous piece goods the total imports in 1933 amounted to MY69,300,000 comparing with MY42,000,000 for 1932. Japan's share in the exports of the above items in 1933 amounted to MY57,924,000, or 83 percent.

The value of imports of machinery and tools amounted to MY9,543,000 in 1933, Japan furnishing such products valued at MY7,647,000. Compared with 1932 the value of machinery and tool imports were MY 3,500,000 larger in 1933. Miscellaneous metal manufactures were import-

ed to the amount of MY15,712,000, of which Japan supplied MY13,770,000, Germany MY592,000, and the United States MY238,000.

Tobacco to the amount of MY11,476,000 was imported in 1933, the major suppliers being the United States with MY6,000,000, China with MY3,000,000 and Japan with MY1,327,000. Kerosene oil valued at MY7,582,000 was imported in the same year, of which the United States supplied a volume at MY4,239,000 and Soviet Russia, MY1,483,000. Wool and manufactures thereof were imported to the extent of MY14,000,000, silk and rayon, MY17,441,000 and wool, ramie, hemp, jute and manufactures thereof to the

to the amount of MY20,376,000.

ed to the amount of MY15,712,000, of which Japan supplied MY13,770,000, Germany MY592,000, and the United States MY238,000.

Principal Exports and Imports for 1933

Exports		(M.Y.)
Soya Beans	165,607,844	
Beancake	57,614,313	
Bean Oil	17,932,531	
Shale Oil	1,295,718	
Coal and Coke	47,379,303	
Millet	14,745,699	
Kaoliang	6,948,417	
Seeds	22,652,603	
Raw Silk (Wild)	9,471,126	
Salt	3,582,315	
Pig Iron & Kentledge	10,446,543	
Leather, Hides & Skins	3,157,444	
Wood, Lumber, and Sleeper	2,871,092	
Animals & Animal Products	5,637,561	
Others	53,933,920	
Total	423,326,229	
Imports		(M.Y.)
Raw Cotton	11,046,028	

	(M.Y.)
Cotton Goods	78,019,141
Cotton Yarn	21,649,077
Wool & Woollen Goods	13,903,758
Silk Yarn & Silk Goods	3,913,956
Artificial Silk and Goods	12,553,271
Gunny Bags for Grain Packing	16,991,772
Iron, Steel-bars & Other Metals	12,262,554
Building Construction Materials	3,057,702
Machinery & Tools	9,515,064
Rails	8,997,741
Locomotives & Tramcar Motors	10,306,022
Motor-cars and Accessories	6,751,214
Electric Wires & Other Copper Goods	5,652,716
Kerosene Oil	7,582,478
Gasoline, Benzine etc.	9,009,428
Lumber and Railway Sleepers	9,258,765
Cement	6,328,133
Books, Paper and Paperware	19,139,618
Sugar	16,955,804
Wheat Flour	58,678,946
Fruit and Vegetables	10,010,748
Tobacco-Cigarettes, Cigars, Leaves	11,475,994
Wine, Beer, Saké etc.	6,631,193
Others	144,849,932
Total	514,540,455

	(M.Y.)
Ammonia Sulphate	1,148,409
Salt	2,026,259

Imports

Cotton Goods	27,718,075
Raw Cotton	6,725,706
Cotton Yarn	4,173,275
Gunny Bags	6,325,581
Woollen Goods	3,805,285
Silk Goods	4,284,257
Iron & Steel	30,894,630
Machinery & Tool	9,800,188
Locomotives & Car	13,109,437
Tea	818,003
Rice	3,024,546
Wheat Flour	24,662,897
Sugar	5,349,254
Cigarette, Cigar & Leaves	4,425,432
Benzine Oil	6,866,799
Lightning Oil	6,235,655
Paper	5,214,497
Wood	8,880,133
Cement	3,966,340

SHIPPING

Shipping at the ports of Manchoukuo continued active in 1933 and the first half of 1934 in spite of the world depression. In 1913 shipping entered and cleared amounted to roughly 7,000,000 tons; in 1933 it had increased to 17,047,902 tons. Figures on shipping entered and cleared from 1929 to 1933 are tabulated as follows:—

Year	Entered		Cleared	
	No.	Tons	No.	Tons
1929	6,422	8,271,819	6,312	8,172,118
1930	5,071	7,445,225	5,205	7,362,571
1931	6,633	8,082,898	6,089	7,999,269
1932	5,569	8,208,749	5,518	8,065,985
1933	5,394	8,456,400	5,437	8,591,502

Shipping, entered and cleared, for the year 1933 as classified by flag is as follows:

Vessels Entered from and Cleared (1933)

Flag	Entered		Cleared	
	No.	Tons	No.	Tons
Manchoukuo	119	75,588	117	73,218
Kwantung	1,173	1,697,356	1,224	1,778,166
Japanese	1,942	3,519,776	1,961	3,624,254
Chinese	1,492	1,138,919	1,495	1,158,466
Russian	9	10,904	8	9,879
British	394	990,973	368	940,544
French	—	—	—	—

Principal Exports and Imports for 1st half of 1934

Exports		(M.Y.)
Bristles	1,111,850	
Leather & Hides	357,997	
Skins	1,464,812	
Soya Beans	69,380,462	
Other Beans	4,187,401	
Buckwheat	1,799,003	
Kaoliang	3,001,060	
Maize	3,006,598	
Millet	12,862,111	
Bean Cake	37,001,515	
Ginseng	716,558	
Bean Oil	8,337,734	
Raw Wax	509,764	
Groundnut	9,220,056	
Hemp Seed	3,385,965	
Perilla Seed	2,734,595	
Sesamum Seed	3,276,559	
Mixed Fodder	4,662,598	
Coal	19,357,687	
Shale Oil	681,686	
Wood	761,616	
Raw Silk (Wild)	4,461,298	
Wool	81,721	
Cotton Yarn	3,015,336	
Pig Iron	5,294,249	

Flag	Entered		Cleared		Flag	Entered		Cleared	
	No.	Tons	No.	Tons		No.	Tons	No.	Tons
German	73	299,795	74	295,969	Norwegian	49	140,892	47	131,509
Belgian	—	—	—	—	Italian	12	40,890	12	40,446
Dutch	37	165,208	39	168,608	Greek	6	18,739	6	18,739
Danish	22	94,500	23	100,753	American	52	212,121	51	207,626
Finnish	—	—	—	—	Panamanian	1	4,154	1	4,154
Swedish	13	46,585	11	39,171	Total	5,394	8,450,400	5,437	8,591,502

The foreign trade of Manchoukuo as classified by items for the first half of 1933 and 1934 is tabulated as follows:—

EXPORTS ABROAD

Description of Goods	1st half, 1934		1st half, 1933	
	Quantity	Value (M¥)	Quantity	Value (M¥)
Animals and Animal Products (not including Hides, Leather, and Skins (Furs), and Fishery and Sea Products)		2,280,430		2,191,053
Animals, Living:—				
Cattle	No. 1,030	27,252	67	7,962
Horses, Mules and Asses	" 901	27,854	6,584	361,924
Pigs	" 213	1,392	105	514
Poultry	" 2,074	1,047	535	232
Sheep and Goats	" 2,815	11,099	234	1,021
Others	Value —	3,659	—	6,210
Bristles	Piculs 19,967	1,111,850	8,649	729,501
Eggs and Egg Products:—				
Dried	Catties 5	2	1,300	25
Moist and Frozen (not including Glycerised Egg Products)	" —	—	—	—
Eggs, Poultry:				
Fresh (including Chilled Eggs), in Shell	Pieces 19,624	177	912	24
Preserved and Salted	" —	—	—	—
Hair, Horse	Piculs 3,417	284,437	2,857	218,373
Intestines:—				
Goat and Sheep	Value —	48,986	—	39,737
Pig	" —	12,901	—	2,272
Meats, Fresh or Frozen:—				
Beef, Mutton, Pork, etc.	Catties 1,276,035	223,922	1,811,000	336,602
Game and Poultry	" 618,556	141,967	1,000	162
Meats, Preserved and Prepared:—				
Hams, Whole, in bulk	Catties 19	16	185	113
Other kinds	Value —	175	—	526
Bones	Piculs 33,033	45,882	39,902	82,744
Bone Dust and Refuse	" 100,962	184,001	75,321	198,363
Glue, Cow	Catties 291,840	38,777	149,415	21,575
Horns, Deer, Young	Pairs 9	1,102	190	19,263
" " Old	Value —	178	—	72,152
Musk	Catties —	—	2	936
Tallow, Animal	" 83,615	6,457	91,200	6,677
Lard, in bulk	" 96	12	200	37
Butter	Value —	1,335	—	12,110
Wax, White and Yellow	Catties 884	371	2,346	1,102
Animal Products, n.o.r.	Value —	105,579	—	70,896

Description of Goods	1st half, 1934		1st half, 1933	
	Quantity	Value (M¥)	Quantity	Value (M¥)
Hides, Leather, and Skins (Furs)		1,822,809		1,705,691
Hides, Cow (including Calf), Dry or Wet, Salted or Unsalted	Piculs 1,013	33,086	1,861	67,480
Leather, Cow, simply Tanned (including Chrome Sole Leather)	" —	—	2	95
Hides and Leather, n.o.r.:—				
Hides, Ass, Horse, and Mule	Piculs 6,806	323,587	8,092	476,914
" Others	" —	—	4	135
Leather	" 38	1,324	61	1,393
Skins, Dressed or Undressed, not made up:—				
Dog	Pieces 29,836	62,256	147,085	263,773
Fox	" 12,606	135,935	12,148	98,890
Goat	" 41,002	25,470	1,981	1,262
Hare and Rabbit	" 2,194	482	30,385	3,289
Kid	" 10,907	5,751	880	2,540
Kolinsky	" 477,781	650,263	259,555	391,508
Lamb	" 13,623	10,629	3,289	4,395
Marmot	" 31,538	15,779	14,384	9,699
Raccoon	" 11,391	73,109	5,102	30,080
Sheep	" 13,997	15,213	1,748	1,153
Squirrel	" 173,711	77,493	106,895	76,635
Weasel	" 1,043	610	26,981	34,385
Wolf	" 1,921	32,657	1,748	27,924
Pony	" 16,064	38,347	18,324	44,286
Badger	" 27,721	83,133	20,711	63,791
Others	Value —	237,426	—	105,824
Skins, Made up or Mounted:				
Mats and Rugs	Pieces 2	20	40	240
Others	" 146	239	—	—
Fishery and Sea Products		182,074		228,808
Fish, Cuttle	Catties —	—	1,800	363
" Dried and Salted	" 357,864	21,286	1,633,400	93,777
" Fresh	" 427,225	59,034	72,200	4,517
Sea Shell and Oyster Shell	Piculs 22,408	20,565	52,462	53,352
Fishery and Sea Products n.o.r.	Value —	81,189	—	76,799
Beans and Peas		73,567,863		100,564,735
Beans, Black	Piculs 200,460	723,976	207,209	989,121
" Green	" 111,978	399,267	101,909	560,943
" White	" 20,233	63,317	84,262	331,909
" Yellow	" 19,865,260	68,193,902	21,103,738	93,474,644
" Green, Small	" 234,049	1,158,966	47,223	299,138
" Red	" 527,458	2,247,503	573,580	3,805,488
" other kinds	" 189,166	702,891	166,270	974,337
Peas, White	" 16,192	70,654	18,000	112,834
" other kinds	" 1,515	7,387	3,843	16,321
Cereals and Cereal Products		58,750,337		55,020,894
Bran, Wheat	Piculs 68,697	143,034	2,706	5,854
" other kinds	" 56,056	25,482	35,800	20,922
Flour, Wheat (Machine milled) (including Semolina)	" 216	2,021	1,245	10,810
Flour, n.o.r.	" 246	1,683	332	1,650

Description of Goods	1st half, 1934		1st half, 1933	
	Quantity	Value (MY)	Quantity	Value (MY)
Barley.....	<i>Piculs</i> 9,980	83,851	7,966	52,968
Buckwheat	" 441,651	1,799,003	250,201	1,587,776
Kaoliang (Sorghum)	" 1,673,807	3,601,060	1,097,700	3,450,320
Maize	" 1,197,500	3,006,598	374,558	1,147,978
Millet.....	" 2,593,223	12,862,111	1,678,189	9,031,982
Rice and Paddy	" 12,583	86,186	23,880	226,287
Wheat	" 587	2,241	22	87
Cereals, other kinds	" 9,171	32,408	6,189	23,873
Seed-cake (including Crushed and Powdered):—				
Bean cake	<i>Piculs</i> 14,567,711	37,001,515	11,636,850	39,313,054
Groundnut Cake	" 6,707	17,590	1,858	5,017
Perilla Cake	" 56,292	71,064	78,633	142,078
Seed-cake, other kinds (including Oil-cake)	" 13,467	14,490	71	238
Fruits, Fresh, Dried, and Preserved.		8,958		7,617
Dates, Black and Red, Dried	<i>Catties</i> 77	11	—	—
Apples, Fresh	<i>Piculs</i> 756	6,638	926	6,989
Pears	" 335	1,567	53	413
Fruits, Canned and/or Preserved	<i>Value</i> —	34	—	28
Fruits other, Dried.....	<i>Catties</i> 303	57	—	—
" " Fresh	" 7,094	651	1,600	187
Medicinal Substances and Spices (not including Chemicals.)		1,146,223		1,165,855
Ginseng	<i>Catties</i> 283,053	716,558	258,465	777,252
Liquorice (including Scraped Liquorice Root)	<i>Piculs</i> 16,197	217,469	11,398	203,341
Medicinal Preparations.....	<i>Value</i> —	1,241	—	2,836
Medicinal Substances & Spices, n.o.r.:—				
Medicinal Substances	<i>Value</i> —	208,541	—	182,325
Spices	" —	2,414	—	101
Oil, Tallow, and Wax.		9,264,134		12,668,746
Oil Bean	<i>Piculs</i> 919,519	7,961,912	784,994	10,955,894
" " Hydrogenated.....	" 25,045	375,822	21,418	267,557
" Groundnut.....	" 4,943	69,217	49	1,091
" Perilla.....	" 32,180	326,967	50,301	959,712
" Vegetable, n.o.r.	" 1,831	20,452	6,132	16,593
Tallow and wax, Vegetable	" —	—	—	—
Wax, Paraffine.....	" 161,045	509,764	134,213	467,899
Seeds		20,021,177		10,930,610
Groundnuts:—				
In Shell	<i>Piculs</i> 410,723	2,984,046	185,686	1,478,232
Shelled (including Blanched Peanuts).....	" 623,601	6,236,010	296,018	3,295,990
Seed, Apricot	" 334	7,106	108	3,310
" Castor.....	" 143,375	730,610	67,245	453,178
" Cotton.....	" 137,751	258,493	71,391	202,318
" Hemp.....	" 813,780	3,385,965	294,241	1,563,408

Description of Goods	1st half, 1934		1st half, 1933	
	Quantity	Value (MY)	Quantity	Value (MY)
" Melon.....	<i>Piculs</i> 42,813	353,442	17,125	269,534
" Perilla.....	" 342,760	2,734,595	362,443	2,400,488
Seed, Sesamum (not including Sesamum-seed Pulp)	" 324,239	3,276,559	86,434	1,239,564
" n.o.r. (including Sesamum-seed Pulp)	" 6,806	54,351	3,538	24,588
Spirituos Beverages.		164,321		44,210
Samshu	<i>Catties</i> 1,310,561	160,130	243,052	40,609
" Medicated	" 47	52	—	—
Sake	<i>Value</i> —	2,604	—	2,367
Beer, Wines, Spirits, etc.	" —	1,535	—	1,234
Tobacco.		199,896		405,202
Cigarettes	<i>Catties</i> 1,554	2,772	184,700	163,719
Tobacco Leaf	" 586,065	180,448	588,800	237,939
" Prepared	" 1,226	1,953	300	493
" other kinds	" 145,946	14,723	30,500	3,051
Vegetables.		48,399		22,117
Fungus, Black	<i>Catties</i> 61,186	27,266	18,814	9,717
Garlic	" 58,198	2,016	17,700	715
Mushrooms, Dried	" 17,464	8,834	4,680	6,285
Vegetables, Dried, Fresh, or Salted, n.o.r.:—				
Ginger, Fresh	<i>Catties</i> —	—	—	—
Potatoes.....	" 27,435	463	184,700	2,513
Vegetables, Dried and Preserved, other kinds.....	" 59,203	4,364	1,900	187
Vegetables, Fresh, other kinds...	" 10,081	293	14,100	456
Vegetables, Salted, other kinds	" 48,345	5,163	28,800	2,062
Vegetables, in Tins	<i>Value</i> —	—	—	141
Others.....	" —	—	—	41
Other Vegetable Products.		4,834,742		3,031,166
Sugar of all kinds	<i>Catties</i> 451	89	451	61
Tea of all kinds	" 1,416	641	98	61
Dyestuffs, Vegetable	<i>Value</i> —	327	—	—
Fodder (Grass and Hay, and Beetroot used for Fodder) ...	<i>Piculs</i> 4,136	7,049	1,052	1,092
Soy and Sauce.....	<i>Catties</i> 225,140	10,894	213,900	14,427
Vermicelli and Macaroni	" 363,543	54,524	326,100	57,839
Vegetable Products, n.o.r.:—				
Gourmet Powder	<i>Value</i> —	32,557	—	9,014
Sweeping Cereals	<i>Piculs</i> 2,262,681	4,662,598	928,954	2,889,239
Other kinds	<i>Value</i> —	66,063	—	59,433
Fuel.		20,133,543		24,766,854
Charcoal.....	<i>Piculs</i> 1,665	4,215	770	2,557
Coal.....	<i>Tons</i> 1,664,277	16,435,680	1,906,493	20,505,724
" for ships use	" 297,481	2,922,007	292,850	3,530,632
Coke	" 4,418	88,719	3,100	85,999
Firewood	<i>Piculs</i> 1,413	1,236	5,972	5,494
Shale Oil	<i>Tons</i> 28,625	681,686	2,4152	636,447
Other Mineral Fuel	<i>Value</i> —	—	—	1

Description of Goods	1st half, 1934		1st half, 1933	
	Quantity	Value (MY)	Quantity	Value (MY)
Timber, Wood, and Manufactures thereof.		764,586		686,994
Timber, Hardwood	Value	148,948	—	128,542
" Softwood	"	507,017	—	390,229
Piles, Poles, and Joists (not including Softwood Poles exceeding 42 ins. in circumference at 5 ft. from the large end)	"	28,693	—	155,693
Wood:—				
Coffin	Value	246	—	381
Other kinds	"	76,712	—	6,971
Wood Furniture and Wood-ware, n.o.r.	"	2,970	—	5,178
Paper.		367,454		255,200
Paper, 1st Quality	Catties	3	775	280
" 2nd "	"	901	4,382	799
" 3rd "	"	1,575	200	18
" Joss (including Joss-paper Dollars).....	"	9	—	—
" Writing	"	1,271,893	1,760,400	230,173
" n.o.r.	Value	199,450	—	23,930
Textile Fibres.		5,268,759		5,558,465
Silk Cocoons	Catties	—	—	—
" " Refuse (including Pierced) and Wild	"	813,241	149,943	26,262
Cotton, Raw	"	3,143	1,200	384
" Fly	"	260,050	356,500	25,656
" Waste	"	129,250	87,100	20,014
Hair, Goats'	"	197,532	35,700	7,442
Hemp	"	9,164	5,400	1,189
Jute	"	1,235,697	406,700	39,900
Ramie.....	"	30,372	800	164
Silk, Raw, Reeled from Doupions				
" " White (including Re-reeled and Steam Filature). ...	"	6,024	6,870	50,035
" " Wild, Filature	"	1,395,066	1,347,263	5,279,994
" " " not Filature.....	"	35,403	1,224	4,506
" " Yellow (including Re-reeled and Steam Filature). ...	"	—	—	—
Silk, Raw, Wild Waste	"	1,188,098	67,576	35,645
" " " Yarn Waste	"	—	4,596	370
Wool, Camels'	"	14,992	—	—
" Goat's.....	"	19,590	11,965	11,474
" Sheep's	"	219,853	152,733	42,240
Textile Fibres, n.o.r.	Value	4,391	—	13,190
Yarn, Thread, and Plaited Goods.		3,102,856		3,598,323
Cordage and Twine	Piculs	598	554	6,704
Cotton Yarn	"	39,754	46,854	3,508,384
Drawn-thread Work and Cross-stitch Work	Value	—	—	181
Yarn and Thread and Plaited Goods, n.o.r.	"	75,951	—	83,054

Description of Goods	1st half, 1934		1st half, 1933	
	Quantity	Value (MY)	Quantity	Value (MY)
Piece Goods		98,126		137,483
Cotton Piece Goods	Value	5	—	1,244
Grasscloth	Catties	2,622	4,300	4,009
Silk Pogeas	"	13,208	18,800	131,874
Silk Piece Goods, n.o.r.	"	196	—	—
Silk Piece Goods, Mixtures of Natural and/or Artificial Silk and other fibres	"	—	—	—
Piece Goods, n.o.r.	Value	12,636	—	353
Other Textile Products		375,653		420,053
Gunny Bags	Piculs	15,786	20,689	342,697
Woollen Carpets (including Wool and Cotton Carpets and Floor Rugs)	Catties	18,160	249	199
Clothing and Articles of Personal Wear:—				
Boots and Shoes, India-rubber	Pairs	210	—	—
Boots and Shoes, Others	"	159	3,683	16,084
Socks and Stockings, n.o.r.	Dozens	1	—	—
Others	Value	37,140	—	37,862
Textile Products, n.o.r.:—				
Bags, other kinds (not including Leather).....	Value	19	—	426
Cotton Rags	Catties	99,391	117,300	3,649
Cotton Products, n.o.r.	Value	8,947	—	309
Silk Products, n.o.r.	"	357	—	16
Others	"	37,958	—	18,811
Ores, Metals, and Metallic Products.		6,089,436		6,430,664
Ores, Iron	Piculs	5,071	1,523	1,346
" Lead.....	"	18,509	75	70
" Others	"	1,634	35	17
Brass and Manufactures thereof	Value	78,186	—	38,134
Copper Ingots and Slabs	Piculs	—	3,941	148,061
" Old and Remelted	"	46,634	26,436	227,721
" other Manufactures	Value	14,282	—	3,445
Iron, Pigs and Kentledge.....	Piculs	3,706,489	4,815,637	5,660,114
Iron and Steel, Old or Scrap	Value	171,821	—	230,761
Iron and Steel, other Manufactures	"	52,575	—	68,766
Lead and Manufacture thereof...	"	2,634	—	23,954
Zinc " " "	"	3,037	—	2,476
Goldware and Silverware.....	"	8	—	90
Metals and Metallic Products, n.o.r.	Value	22,381	—	25,709
Glass and Glassware.		438,481		858,029
Glass, Window, Common, Unsilvered	100 sq. ft	68,820	128,567	816,270
Glass, and Glass or Vitrified Ware, n.o.r.	Value	45,533	—	41,759

Description of Goods	1st half, 1934		1st half, 1933	
	Quantity	Value (M¥)	Quantity	Value (M¥)
Stone, Earth, Sand, and Manufactures thereof		1,059,290		1,366,119
Bricks and Tiles (including Floor Tiles and Fire-bricks)	<i>Value</i>	—	—	189,549
Cement (Hydraulic, as Portland)...	<i>Piculs</i>	67,101	215,479	337,282
Chinaware.....	<i>Catties</i>	121,050	270,200	8,453
Pottery and Earthenware	"	10,198	100,300	1,678
Asbestos	"	59,300	42,100	8,554
Soapstone and Talc	<i>Piculs</i>	473,098	283,060	172,995
" " " Powder.....	"	9,877	13,371	21,035
Magnesite	"	278,775	305,960	226,916
" Powder	"	5,240	5,860	8,618
Dolomite	"	202,105	394,193	60,361
" Powder	"	43,961	57,383	42,767
Earth, Sand, and Stone, and Manufactures thereof, n.o.r. ...	<i>Value</i>	—	—	287,911
Chemicals and Chemical Products.		1,284,472		1,223,395
Benzol	<i>Am. galls.</i>	90,380	235,056	102,253
Soap, Household and Laundry...	<i>Catties</i>	8,475	10,800	955
Varnish or Crude Lacquer	"	4,563	9,600	1,383
Soda	"	2,860	500	20
Ammonia, Sulphate of	<i>Piculs</i>	309,635	358,363	984,196
Medical Preparations, Chemical...	<i>Value</i>	—	—	4,285
Perfumery and Cosmetics	"	—	—	235
Paints.....	"	—	—	17,427
Chemicals and Chemical Compounds, n.o.r.	"	—	—	112,641
Sundry.		2,556,517		2,070,303
Books, Printed	<i>Piculs</i>	177	131	10,830
Printed Matter, n.o.r.	<i>Value</i>	—	—	1,356
Candles	<i>Catties</i>	288	35	23
Confectionery, Preserves, and Sweetmeats	<i>Value</i>	—	—	6,923
Containers and Packing Requisites.....	"	—	—	824
Mats, Straw and Rush.....	<i>Pieces</i>	24,994	41,842	7,169
" n.o.r. (incl. Mattings)	<i>Value</i>	—	—	3,265
Salt, Crude	<i>Piculs</i>	1,519,050	981,737	820,667
" Semi-refined	"	96,821	68,880	75,768
" Refined.....	"	510,140	154,855	364,694
Building Materials, n.o.r.	<i>Value</i>	—	—	4,857
Leatherware	"	—	—	403
Machinery and Parts thereof.....	"	—	—	3,312
Stationery, n.o.r.	"	—	—	108
Toilet Requisites, n.o.r.	"	—	—	975
Toys and Games.....	"	—	—	14
India-rubber Goods, n.o.r.	"	—	—	563
Wood Pulp	"	—	—	544,295
Match making materials, n.o.r....	"	—	—	21,508
Personal Effects	"	—	—	82,763
Postal Parcels, n.o.r.	"	—	—	—
Others.	"	—	—	119,986
Grand Total.....		213,830,536		235,358,586

IMPORTS FROM ABROAD

Description of Goods	1st half, 1934		1st half, 1933	
	Quantity	Value (M¥)	Quantity	Value (M¥)
Cotton Piece Goods, Grey		7,773,826		14,263,743
Shirtings and Sheetings, Grey ...	<i>Pieces</i>	439,333	1,193,650	8,254,235
Drills and Jeans, Grey (3 or 4 shaft only)	"	16,189	160,025	970,585
T-Cloths, Grey.....	"	5,958	2 101	11,102
Imitation Native Cotton Cloth, Grey (including Nankeens, Grey, White, Dyed, and Yarn-dyed) ...	<i>Piculs</i>	32,520	69,121	4,310,547
Cotton Flannel, or Flannelette, Grey	<i>Pieces</i>	6,966	720	4,962
Cotton Canvas and Duck, Grey (including White or Dyed)	<i>Yards</i>	1,350,984	880,837	316,114
Satteen Drills, Grey	"	53,400	132	33
Cotton Piece Goods, Grey, n.o.r....	<i>Value</i>	—	—	396,165
Cotton Piece Goods, White or Dyed		10,349,236		13,722,444
Shirtings, Sheetings, and Irishes, White, Plain (not including over 41 ins. wide).....	<i>Pieces</i>	194,679	281,594	2,277,617
Drills and Jeans, White (3 or 4 shaft only)	"	6,184	2,784	15,616
T-Cloths, White, and Mexicans	"	3,451	7,537	35,695
Cambrics, Lawns, Muslins, Nainsooks, Mulls, Jaconets, Victoria Checks, Swiss Checks, Lappets, and Limbrics, White or Dyed:—				
Not over 37 ins. wide	"	4,850	3,779	23,891
Over 37 ins. wide	<i>Yards</i>	620,434	173,726	32,020
Brocades, and Shirtings, Striped, Spotted, Corded, and Figured, White or Dyed (not including over 37 ins. wide)	<i>Pieces</i>	412	450	3,868
Lenos and Leno Brocades, White or Dyed.....	<i>Value</i>	—	—	8,816
Shirtings and Sheetings, Dyed, Plain	<i>Pieces</i>	88,787	136,819	1,254,255
Pongees, Dyed, Plain	"	1,541	3,571	17,127
Drills and Jeans (3 or 4 shaft only), Dyed, Plain	"	137,614	130,939	725,306
Dyed T-Cloths, Embossed Cartoons, Alpacianos, and Real and Imitation Turkey Reds.....	"	18,305	54,286	239,777
Oatmeal Crape, White or Dyed...	"	190	102	1,650
Cotton Crape, White or Dyed (including Grey, Printed, and Yarn-dyed)	<i>Yards</i>	476,630	269,694	39,696
Lastings, White or Dyed	<i>Pieces</i>	436	785	6,758
Satteens and Italians (Imitation Venetians, Tientsin Twills, and Beatrice Twills), White or Dyed	"	3,336	3,499	36,641

Description of Goods	1st half, 1934		1st half, 1933	
	Quantity	Value (M¥)	Quantity	Value (M¥)
Diagonal Twills and Serges (Herringbone Twills and Gabardines), White or Dyed	441,922	2,933,509	495,481	4,016,160
Coatings Suitings, Tweeds and Trouserings, White or Dyed	Yards 4,369,009	1,005,919	3,219,562	875,136
Satteen Drills, White or Dyed	Pieces 81,849	578,208	250,323	2,069,581
Warp-faced Sateens, White or Dyed	Pieces 638	4,353	67	616
Poplins and Poplin Taffetas, White or Dyed.....	" 35,765	300,958	24,167	230,539
Venetians, White or Dyed	" 120	1,140	7,070	78,124
Cotton Flannel, or Flannelette, White or Dyed	" 16,583	81,750	8,540	62,214
Cotton Velvets, Velveteens, and all other Pile Cloths, White or Dyed (including Printed)	Yards 1,042,237	473,954	600,993	337,298
Cotton Piece Goods, White or Dyed, n.o.r.	Value —	1,811,464	—	1,334,193
Cotton Piece Goods, Printed.....		5,178,953		4,487,979
Printed Cambrics, Lawns, and Muslins, over 20 ins. wide	Pieces 11,483	40,351	22,400	62,400
Printed Shirtings, Sheetings and T-Cloths (including those known as Blue and White T-Cloth), over 20 ins. wide.	" 44,484	199,468	66,597	421,727
Printed Drills and Jeans	" 37,387	194,334	103,684	713,351
Printed Sateens, Drills	" 6,528	54,286	19,656	178,273
Printed Sateens, Satinets, Italians, Damasks, Venetians, Lastings, Beatrice Twills, Cords, Poplins, Moreens, Gabardines, and Serges	" 24,884	197,821	50,962	545,520
Printed Cotton Piece Goods, n.o.r.	Value —	4,492,693	—	2,566,708
Cotton Piece Goods, Miscellaneous		4,416,060		2,089,229
Shirtings, Yarn-dyed	Yards 7,645,385	1,365,484	31,066	6,046
Oatmeal Crapes, Serges, Coatings, Suitings, Tweeds, and Gabardines, Yarn-dyed.....	" 1,211,192	283,536	550,711	133,883
Poplins, Yarn-dyed.....	" 1,874,657	426,607	565,846	148,788
Cotton Flannel, or Flannelette, of Plain or Twill Weave, Yarn-dyed	Pieces 40	356	1,085	5,025
Cotton Piece Goods, Yarn-dyed n.o.r.	Yards 13,642,546	2,218,861	8,616,997	1,703,798
Cotton Piece Goods, n.o.r.	Value —	121,216	—	91,689
Raw Cotton, Cotton Yarn, and Cotton Thread.....		11,528,458		14,106,061
Cotton, Raw	Piculs 157,122	6,725,706	129,566	6,435,949
" Waste, Yarn Waste, and and Wadding	" 7,407	201,151	6,557	128,236
Cotton Yarn, Grey.....	Catties 3,679,659	2,556,515	8,271,593	5,823,220
" " Bleached, Dyed, Gassed, Mercerised, etc.	" 1,629,659	1,616,760	1,340,469	1,400,413

Description of Goods	1st half, 1934		1st half 1933	
	Quantity	Value (M¥)	Quantity	Value (M¥)
Cotton Thread, Sewing, on Spools or Cops	Gross 82,658	252,842	31,020	124,968
Cotton Thread, Crochet or Embroidery, in skeins or balls.....	Catties 19,877	61,939	14,063	29,559
Cotton Thread, n.o.r.....	Value —	113,545	—	163,716
Cotton Manufactures, Sundry ...		4,492,935		3,161,665
Stockinet or Knitted Tissue	Catties 42,526	36,064	15,267	16,580
Knitted Clothing, Raised	" 79,819	121,334	51,351	73,245
Singlets or Drawers, not Raised...	Dozen 235,589	508,042	205,048	417,243
Socks and Stockings.....	Catties 269,178	459,817	503,724	873,047
Blankets, Plain, Printed, or Jacquard, and Blanket Cloth	" 214,850	161,694	163,142	129,177
Handkerchiefs (not including Embroidered or Initialled).....	Dozen 150,750	83,089	57,575	38,824
Clothing, and all articles of personal wear and parts or accessories thereof, n.o.r.....	Value —	1,145,577	—	456,668
Towels, Turkish.....	Catties 262,810	253,486	—	1,156,881
Cotton Goods, n.o.r.	Value —	1,723,832	—	—
Flax, Ramie, Hemp, Jute and Manufactures thereof		8,216,079		9,906,598
Jute, Raw	Catties 5,218,373	772,740	2,278,000	437,590
Flax, Ramie, and Hemp, Raw...	" 1,148,457	223,645	732,400	154,527
Cordage, Twine, and Rope	" 1,647,546	493,816	1,601,200	518,645
Linen, and Linen and Cotton Unions	Yards 25,718	10,581	25,225	13,269
Hessian Cloth	Piculs 1,400	66,789	2,013	62,670
Gunny Bags, New	" 157,937	3,727,951	226,599	6,259,545
" " Old	" 225,710	2,597,630	144,573	2,142,962
Clothing, and all articles of personal wear and parts or accessories thereof, n.o.r.	Value —	16,806	—	4,197
Flax, Ramie, Hemp, Jute Goods, etc. (including those mixed with Cotton), n.o.r.	" —	306,121	—	313,193
Wool and Manufactures thereof.		5,592,315		5,223,158
Wool, Carded or Combed Wool...	Catties 145,181	224,410	63,704	59,858
Waste Wool (including Waste Wool mixed with any other Fibres except Silk).....	" 100,938	42,899	94,723	33,662
Artificial Woolen Yarn.....	" 257	254	11,423	7,673
Yarn and Cord (including Berlin Wool)	" 241,040	331,307	151,578	300,906
Plushes, Velvets, and all other Pile Clothes	Yards 15,701	34,405	19,395	61,261
Alpacas, Lustres, Orleans, Sicilians, and Florentiness	Catties 3,019	14,094	1,539	10,371
Serges, Twills and Imperials	" 337,379	1,461,489	107,475	706,721
Gabardines	" 3,564	17,445	1,746	17,742
Venetians	" 27,968	125,111	44,695	284,898
Overcoatings, Tweeds, and Home-spuns	" 2,530	10,730	2,627	10,024

Description of Goods		1st half, 1934		1st half, 1933	
		Quantity	Value (M¥)	Quantity	Value (M¥)
Waterproof Cloth, Rubbered	<i>Yards</i>	1,235	2,989	2,525	6,630
Worsted Suitings	<i>Catties</i>	1,057	7,973	353	2,204
Woollen Piece Goods, n.o.r.	<i>Value</i>	—	17,043	—	14,270
Woollen Piece Goods mixed with any other Fibres except S lk, n.o.r.	<i>Catties</i>	538,933	2,107,166	493,991	2,657,276
Felt and Felt Sheathing	<i>Value</i>	—	32,952	—	33,571
Blankets and Rugs	<i>Pounds</i>	42,253	82,268	80,061	162,846
Carpets, Carpeting and all other Floor Coverings	<i>Value</i>	—	42,957	—	19,096
Hats and Caps of Felt	<i>Pieces</i>	811,257	563,417	544,356	635,727
Clothing, and all articles of per- sonal wear and parts or acces- sories thereof, n.o.r.	<i>Value</i>	—	378,964	—	170,488
Woollen Goods (including those mixed with any other Fibres except Silk), n.o.r.	"	—	94,437	—	27,934
Silk (including Artificial Silk) and Manufactures thereof			12,139,391		5,826,619
Artificial Silk Floss and Yarn ...	<i>Catties</i>	4,428,433	7,253,948	717,384	1,249,656
Silk and Cotton Mixtures	"	2,386	13,872	1,143	9,416
Silk Piece Goods, Natural, mixed with any other Fibres except Wool	"	140,810	566,142	188,728	1,119,830
Silk Piece Goods (all Silk)	"	90,773	746,614	123,421	1,073,923
Artificial Silk Piece Goods	<i>Value</i>	—	1,303,656	—	1,271,384
" " and Cotton Piece Goods	"	—	1,653,973	—	622,209
" " and Wool Piece Goods	<i>Yards</i>	7,337	9,824	19,975	36,140
Clothing, and all articles of per- sonal wear and parts or acces- sories thereof, n.o.r.	<i>Value</i>	—	288,385	—	91,145
Silk and Silk Goods (including those mixed with any other Fibres), n.o.r.	"	—	302,977	—	352,916
Metals and Ores			36,639,842		18,397,744
Ores	<i>Piculs</i>	282,007	179,471	160,719	223,771
Aluminium (not including Foil)	<i>Catties</i>	221,990	180,941	33,000	21,607
" Foil	"	116,737	224,599	393,200	864,562
Brass and Yellow Metal :—					
Sheets and Plates	<i>Piculs</i>	1,877	93,105	1,475	81,397
N.o.r.	<i>Value</i>	—	213,410	—	1 6,966
Copper :					
Ingots and Slabs (including Old and Scrap remelted)	<i>Piculs</i>	3,204	118,548	2,113	136,694
Sheets and Plates	"	2,451	148,180	1,738	124,318
Wire	"	21,356	1,344,546	29,823	1,680,712
N.o.r.	<i>Value</i>	—	731,177	—	70,006
Foil, Tin and/or Lead	<i>Catties</i>	5,858	7,343	19,286	27,114
" n.o.r.	<i>Value</i>	—	1,946	—	14,405
Iron and Steel, Ungalvanized (not including Bamboo, Spring, Tool, or Alloy Steel) —					

Description of Goods		1st half, 1934		1st half, 1933	
		Quantity	Value (M¥)	Quantity	Value (M¥)
Angles	<i>Piculs</i>	105,168	590,253	46,792	282,430
Joists, Girders, Tees, and Chan- nels	"	85,808	633,801	34,954	224,070
Bars	"	798,275	4,928,260	357,010	2,318,680
Nail-roads	"	25,127	153,669	12,603	79,011
Bolts, Nuts, Washers, Rivets, and Screws	"	44,006	597,719	16,678	290,329
Hoops	"	2,229	19,700	13,726	156,107
Ingots, Billets, Blooms, Slabs, Sheet-bars, Pig, and Kentledge	<i>Piculs</i>	3,740	27,010	9,103	29,054
Nails, Wire and Cut	"	33,439	278,659	31,606	345,588
Pipes, Tubes, and their Fittings	"	241,721	2,492,177	63,582	906,233
Rails	"	1,350,112	8,988,940	193,674	1,854,020
Sheets and Plates, under 1/8 in. thick	"	70,589	601,733	23,615	215,538
Sheets and Plates, 1/8 in. thick and over	"	120,827	777,009	62,237	414,094
Terne-plates	"	93	1,703	25	965
Tinned Plates	"	102,702	1,702,173	24,225	554,946
Wire	"	16,811	172,028	4,684	60,050
Wire Rope, New	"	4,251	93,262	6,992	232,153
N.o.r.	<i>Value</i>	—	888,187	—	212,196
Iron and Steel, Galvanized :—					
Pipes, Tubes, and their Fittings	<i>Piculs</i>	37,918	476,515	9,886	177,158
Sheets	"	145,732	1,701,748	124,083	2,322,836
Wire	"	179,984	2,095,986	76,023	906,661
Wire Rope, New	"	11,853	264,794	9,523	270,243
N.o.r.	<i>Value</i>	—	330,173	—	880,021
Iron and Steel, Galvanized or Un- galvanized :					
Bar Croppings and Bar Ends ...	<i>Piculs</i>	2,238	13,192	14,061	70,171
Cobbles	"	95	579	115	713
Plate Cuttings	"	31,805	187,766	4,517	23,793
Old or Scrap, n.o.r.	<i>Value</i>	—	118,867	—	121,849
Wire Shorts	<i>Piculs</i>	—	—	543	2,569
N.o.r.	<i>Value</i>	—	8,167	—	5,758
Steel, Bamboo	<i>Piculs</i>	1,171	23,502	1,165	14,986
Steel, Spring and Tool (including Alloy or Special Steel)	"	27,732	415,114	5,739	158,589
Structural Sections or Building Forms of Iron or Steel, fabricated for use	"	250,710	2,311,944	124,203	1,066,228
Lead, Pigs or Bars	"	9,351	146,797	9,668	125,103
" n.o.r.	<i>Value</i>	—	545,349	—	110,752
Tin, Ingots and Slabs	<i>Catties</i>	271,394	413,583	69,400	99,069
Zinc	<i>Piculs</i>	10,363	178,690	3,142	56,144
Metals, n.o.r.	<i>Value</i>	—	1,217,527	—	448,085
Machinery and Tools			9,800,188		3,428,375
Machinery, Agricultural and parts thereof	<i>Value</i>	—	56,901	—	48,402
Machinery, Electrical :—					
Dynamos or Generators	<i>Pieces</i>	381	35,795	—	38,407
Motors	"	2,824	574,420	—	161,723
Transformers	"	3,221	221,722	—	90,176

Description of Goods		1st half, 1934		1st half, 1933	
		Quantity	Value (MY)	Quantity	Value (MY)
Others, and parts thereof	Value	—	915,193	—	35,300
Machinery, Pumping, and Pumps, and parts thereof	"	—	308,830	—	192,439
Machinery, Sewing, Knitting, and Embroidery, and parts thereof	"	—	125,722	—	175,756
Machinery, Textile, and parts thereof	Value	—	162,760	—	122,894
Machine y, Printing, Book-binding, Paper-cutting, and parts thereof	"	—	142,303	—	113,038
Office or Sales Machines, and parts thereof, n.o.r.	"	—	96,566	—	190,666
Prime Movers, and parts thereof.	"	—	505,984	—	298,877
Typewriters	Pieces	1,294	182,382	—	93,853
Machinery for Cigar and Cigarettes manufacturing, and parts thereof	Value	—	11,416	—	44,380
Machinery, and parts thereof, n.o.r.	"	—	5,037,814	—	1,186,614
Files	Dozens	25,849	99,285	7,200	32,049
Hand Tools, other kinds	Value	—	873,554	—	387,155
Machine Shop Tools (including Pneumatic and Electrically Operated Tools)	"	—	52,706	—	56,378
Machine Tools	"	—	396,835	—	160,268
Vehicles and Vessels			13,109,437		10,221,631
Air-craft, and accessories thereof (including those for use of Army, Navy etc.)	Value	—	292,962	—	989,447
Fire Engines and Appliances of all kinds	"	—	46,330	—	34,363
Locomotives and Tenders	"	—	2,370,912	—	211,326
Railway and Tramway Carriages and Wagons	"	—	1,800,445	—	188,164
Railway and Tramway Materials, n.o.r.	"	—	3,141,643	—	3,067,227
Motor-cars:—					
Motor Trucks and Buses (including Chassis)	Pieces	688	1,586,157	887	2,409,802
Passenger Cars (including Chassis)	"	717	1,870,740	474	1,302,205
Parts and Accessories of Motor-cars (not including Tires and Tubes)	Value	—	746,869	—	595,138
Bicycles, complete	Pieces	3,709	84,878	2,955	50,958
Bicycles parts and accessories	Value	—	684,378	—	535,663
Motor-cycles	Pieces	118	73,476	—	130,977
Vehicles, and parts thereof	Value	—	152,759	—	—
Ships and Boats, and Materials thereof (not including those under Metals and Timber)	"	—	257,888	—	706,361
Miscellaneous Metal Manufactures			10,889,566		5,605,703
Aluminiumware	Value	—	240,903	—	187,653
Arms and Ammunition	"	—	426,950	—	401,577

Description of Goods		1st half, 1934		1st half, 1933	
		Quantity	Value (MY)	Quantity	Value (MY)
Barometers, Thermometers, Drawing, Surveying, Medical, Nautical, Optical, Surgical, Dental, and all other Scientific Instruments or Apparatus, and parts or accessories thereof, n.o.r.	Value	—	538,077	—	399,352
Scales and Balances	"	—	68,996	—	19,502
Bedsteads and Furniture made of Metal	Value	—	97,462	—	38,779
Casements, Sashes, etc., Steel and Bronze	"	—	22,538	—	167
Clocks, and parts thereof	"	—	250,777	—	217,719
Coal, oil, and Spirit Burning Appliances, and part thereof	"	—	237,674	—	84,524
Gas-burning Appliances and parts thereof	"	—	46,220	—	19,174
Cutlery	"	—	131,412	—	51,690
Electrical Fittings, Fixtures, and Materials:—					
Bulbs	Value	—	312,507	—	259,901
Cables	"	—	408,158	—	119,870
Accumulators and Dry Cells	"	—	299,650	—	234,267
Insulated Wire (including Vulcanised Wire and Flexible Cord)	"	—	1,951,618	—	886,564
N.o.r.	"	—	1,561,662	—	527,557
Electrical Appliances:—					
Lamps and Lampware	Value	—	129,597	—	46,293
Fans and Accessories	"	—	64,316	—	17,192
Flash-lights and Torch Cases	"	—	20,108	—	3,366
Meters, and parts of	"	—	145,179	—	44,647
N.o.r.	"	—	198,700	—	159,894
Locks and Padlocks	"	—	68,758	—	6,910
Metalware, n.o.r.	"	—	1,228,831	—	708,750
Needles, Hand-sewing	Mille	140,819	53,030	291,051	119,764
" Others	"	9,852	9,647	8,889	4,882
Safes, Cash Boxes, and Strong-room Doors	Value	—	137,782	—	86,384
Telephonic and Telegraphic Instruments and Materials, n.o.r. (not including Radio Sets and parts)	"	—	1,165,941	—	422,847
Rrdio Sets and parts	"	—	235,439	—	129,113
Watches, and parts thereof	"	—	39,816	—	4,542
Wire Netting and Gauze	Piculs	3,190	123,740	1,154	47,853
Meters, Gas and Water, and other Similar measuring instruments (not including Electrical meters)	Value	—	129,704	—	103,182
Oil Tanks and Fittings	"	—	4,773	—	20,893
Metal Manufactures, n.o.r.	"	—	539,601	—	230,895
Fishery and Sea Products			3,239,247		3,330,518
Seaweed, Long	Catties	2,369,858	142,758	3,288,600	165,088
" other kinds, and Agar-agar	"	280,339	53,443	329,441	110,727

Description of Goods		1st half, 1934		1st half, 1933	
		Quantity	Value (M¥)	Quantity	Value (M¥)
Awabi, in bulk	<i>Catties</i>	682	793	1,525	1,762
Bicho de Mar	"	258,899	337,142	246,554	260,382
Compoy	"	163,161	136,476	88,702	82,710
Fish, Cuttle	"	99,685	78,357	51,100	27,053
Fish, Cod, Dried (including Boneless)	"	56,185	6,263	72,955	5,872
Fish, Dried and Smoked (not including Dried Cod-fish and Cuttle-fish)	<i>Piculs</i>	7,339	133,032	7,419	168,643
Fish, Fresh	<i>Piculs</i>	45,461	685,328	33,835	616,169
" Herring, Salt	"	26,550	182,836	28,469	200,266
" Salt, n.o.r.	"	38,784	328,331	79,324	543,690
Mussels, Oysters, and Clams, Dried, in bulk	<i>Catties</i>	2,513	2,619	4,056	3,476
Prawns and Shrimps, Dried, in bulk	"	326,780	81,884	269,416	223,807
Sharks' Fins	"	44,017	70,244	51,392	129,611
Fishery and Sea Products, n.o.r.	<i>Value</i>	—	999,741	—	791,262
Animal Products, Canned Goods, and Groceries			3,571,341		4,054,219
Birds' Nests	<i>Taels</i>	4,737	9,443	15,637	21,305
Butter	<i>Catties</i>	89,884	98,170	50,100	50,815
Milk, Condensed	"	351,507	150,355	327,794	137,737
Cream and Milk, Evaporated of Sterilised	"	67,513	22,458	45,575	17,105
Milk Food	<i>Value</i>	—	138,387	—	158,256
Biscuits	"	—	26,498	—	24,777
Foodstuffs, in cans and bottles, n.o.r.	"	—	400,631	—	546,749
Chocolate and Cocoa (not including Confectionery)	"	—	37,415	—	35,276
Coffee	<i>Catties</i>	71,206	48,376	61,649	50,451
Confectionery	<i>Value</i>	—	458,507	—	343,955
Salt	"	—	6,450	—	4,232
Macaroni, Vermicelli, etc., in bulk	<i>Catties</i>	150,774	20,708	109,583	21,350
Margarine	"	16,065	10,292	10,265	4,580
Soy	<i>Piculs</i>	25,429	292,342	—	350,385
Sauce, and other Products for Flavouring Food, n.o.r.	<i>Value</i>	—	151,723	—	—
Tea	<i>Piculs</i>	24,291	818,003	36,810	1,313,890
Animal Products and Groceries, n.o.r.	<i>Value</i>	—	881,883	—	973,256
Cereals and Flour			27,852,508		37,367,368
Bran	<i>Piculs</i>	3,680	11,762	151	310
Rice and Paddy	"	549,017	2,024,546	139,857	1,155,639
Barley, Pressed or Cracked	"	2,639	19,020	40,415	212,748
Cereals, n.o.r.	"	10,706	56,377	—	—
Flour, Tapioca	"	125	1,164	1,165	8,943
" Wheat	"	3,658,070	24,662,897	4,411,746	33,888,060
" n.o.r.	<i>Value</i>	—	76,742	—	101,668
Fruits, Seeds, and Vegetables			5,293,756		4,480,023
Apples, Fresh	<i>Piculs</i>	10,987	77,604	13,156	112,372

Description of Goods		1st half, 1934		1st half, 1933	
		Quantity	Value (M¥)	Quantity	Value (M¥)
Currant and Raisins	<i>Catties</i>	292,697	83,945	332,700	113,175
Oranges, Fresh	<i>Piculs</i>	314,114	1,982,439	238,658	1,716,080
Fruits, Fresh, Dried, or Preserved n.o.r.	<i>Value</i>	—	1,151,082	—	818,020
Beans and Peas	<i>Piculs</i>	14,202	96,141	26,151	193,912
Groundnuts	"	771	7,758	3,606	33,676
Seeds	"	10,241	168,115	9,231	183,536
Isinglass, Vegetable	<i>Catties</i>	29,522	35,504	176	25,821
Mushrooms	<i>Catties</i>	53,984	60,175	35,322	38,112
Vegetables, Fresh, Dried, Prepared and Salted, n.o.r.	<i>Value</i>	—	1,630,993	—	1,245,319
Medicinal Substances and Spices			1,824,395		2,954,791
Aniseed Star	<i>Catties</i>	13,428	5,220	53,266	20,803
Betelnuts, Dried	"	33,797	6,302	27,352	4,629
Cardamoms	"	34,928	32,121	36,700	32,718
Ginseng, Clarified or not Clarified (including Beard, Roots, and Cuttings)	<i>Taels</i>	34,851	19,043	1,480,767	520,703
Opium	<i>Catties</i>	26,880	788,854	73,142	1,636,120
Pepper	"	52,810	26,437	112,694	55,623
Putchuck	"	6,424	15,520	6,544	19,463
Medicinal Substances and Spices, n.o.r.	<i>Value</i>	—	930,898	—	664,732
Sugar			5,589,641		5,941,812
Molasses	<i>Piculs</i>	7,698	48,365	22,198	119,190
Sugar, under Dutch Standard No. 11	"	42,059	284,146	22,873	177,364
" Dutch standard No. 11 and over, but under No. 18	"	2,830	17,547	35,052	249,790
" Dutch Standard No. 18 and over	"	640,331	4,702,336	532,372	4,863,987
" Candy	"	29,365	345,225	30,113	343,649
" n.o.r.	<i>Value</i>	—	191,922	—	187,832
Wines, Beer, Spirits, Table Waters, etc.			3,192,263		3,163,196
Champagne and other Wine sold under the label "Champagne"	<i>Quarts</i>	2,158	8,570	775	3,660
Still Wines, Red or White, exclusively the produce of the natural fermentation of Grapes (not including Vins de Liqueur):—					
In bottles	<i>Bottles</i>	7,567	19,172	5,828	12,144
" bulk	<i>Imp. galls.</i>	2,360	8,233	1,579	13,297
Sake, in bottles	<i>Sho</i>	80,726	101,223	156,359	215,378
" " barrels	<i>Catties</i>	1,616,970	558,204	1,788,739	722,217
Beer, in bottles	<i>Doz. qts.</i>	1,668,233	1,789,916	701,159	1,410,142
Brandy and Cognac, in bottles	<i>Reputed qt.</i>	8,854	25,721	22,461	77,000
Whisky, in bottles	"	81,061	317,532	112,893	340,342
Gin, in bottles	"	8,787	13,791	29,642	58,490
Waters, Table, Aerated and Mineral	<i>Dozens</i>	113,055	150,022	86,901	123,122

Description of Goods	1st half, 1934		1st half, 1933	
	Quantity	Value (M¥)	Quantity	Value (M¥)
Wines, Spirits, and Beer, n.o.r. (not including Spirits of Wine, Rectified Spirits or Alcohol, and Rum for industrial purposes)...	Value	199,879	—	187,404
Tobacco		4,578,528		7,660,623
Cigarettes.....	Hundred	3,471,747	2,465,690	822,607
Cigars.....	Pieces	243,520	161,800	12,731
Tobacco, Leaf.....	Catties	10,055,110	16,614,104	6,732,206
" Prepared.....	"	67,403	15,327	11,380
" n.o.r.....	Value	—	—	81,699
Chemicals and Pharmaceuticals...		5,134,400		4,155,700
Acid, Acetic.....	Catties	294,527	85,566	34,312
" Hydrochloric (i.e., Muriatic).....	"	172,643	317,936	17,047
" Nitric.....	"	193,183	138,120	14,418
" Sulphuric.....	"	1,104,566	669,174	31,817
" n.o.r.....	"	403,647	189,208	99,391
Ammonia, Sulphate of.....	"	976,863	20,191	1,959
Bleaching Powder (i.e., Chloride of Lime).....	"	325,625	533,738	70,171
Calcium, Carbide of.....	"	2,308,126	1,360,315	107,670
Explosives for industrial purposes.	Value	—	—	74,736
Glycerine.....	Catties	150,579	166,311	37,617
Fertilisers, Chemical or Artificial, n.o.r.....	Piculs	78,778	46,861	137,749
Phosphorus.....	"	5	8	666
Potash, Chlorate of.....	Catties	267,679	297,300	104,729
Rum for industrial purposes.....	Imp. galls.	9,114	1,075	1,324
Saltpetre.....	Catties	16,543	78,566	14,869
Sulphur.....	"	539,359	462,224	36,554
Soda Ash.....	Piculs	151,132	105,612	668,542
" Caustic.....	Catties	929,334	1,846,800	288,773
" Nitrate of (Chile Saltpetre). ..	"	1,335,417	1,063,100	71,615
" Silicate of.....	"	149,979	95,200	8,537
" Sulphide of.....	"	336,954	524,500	36,196
" n.o.r.....	"	687,634	1,796,400	105,286
Spirits of Wine and Rectified Spirits or Alcohol (including Unsweetened Arrack, Methylat- ed Spirits, Wood Alcohol, and Fusel Oil).....	Imp. galls.	211,782	319,961	245,219
Chemicals and Chemical Com- pounds, n.o.r.....	Value	—	—	960,810
Medicines, Drugs, and Medicinal Substances, Compounds, and Preparations, n.o.r.....	"	—	—	985,693
Dyes, Pigments, Paints, and Var- nishes		2,621,447		2,447,526
Aniline Dyes, and other Coal Tar Dyes, n.o.r.....	Value	—	—	536,976
Bark, Mangrove.....	Piculs	237	361	2,367
Bronze Powder.....	Catties	11,594	13,032	10,590

Description of Goods	1st half, 1934		1st half, 1933	
	Quantity	Value (M¥)	Quantity	Value (M¥)
Cobalt, Oxide of.....	Value	5,406	—	1,551
Cunao or False Gambier.....	Piculs	—	—	—
Dyes, n.o.r.....	Value	121,004	—	99,929
Indigo, Artificial:—				
Liquid or Paste.....	Piculs	6,043	7,622	850,103
Grains or Dried.....	"	—	—	—
Ink, Printing.....	Value	128,407	—	85,965
" other kinds.....	"	126,221	—	116,105
Lead, Red, White, and Yellow ...	Catties	208,251	203,343	50,647
Paints: Varnishes.....	Value	118,475	—	66,735
" n.o.r.....	"	337,761	—	232,942
Paint Materials and Polishes, n.o.r.....	"	138,414	—	109,485
Pigments, n.o.r.....	"	148,130	—	96,986
Tans and Tanning Materials, n.o.r.....	"	36,955	—	39,566
Sulphur Black.....	Catties	212,168	435,200	96,888
Vermilion.....	"	17,561	7,789	13,108
White Zinc.....	"	154,709	211,775	36,583
Candles, Soap, Oils, Fats, Waxes, Gums, and Resins		18,185,113		14,189,029
Gasolene, Naphtha, and Benzine, Mineral.....	Am. galls.	13,403,616	7,072,564	5,550,218
Grease, Lubricating, wholly or partly mineral.....	Piculs	6,789	6,606	105,795
Gums and Resins:—				
Resin.....	Catties	396,000	342,400	37,748
Shellac and Button Lac.....	"	24,040	26,100	16,446
N.o.r.....	Value	—	—	35,456
Liquid Fuel.....	Tons	10,761	7,438	325,695
Oil, Coconut.....	Catties	145,886	60,888	15,828
" Cod-liver.....	Value	—	—	55,975
" Essential.....	"	—	—	57,243
" Kerosene.....	Am. galls.	12,215,384	5,654,330	3,956,219
" Linseed.....	Imp. galls.	17,299	19,868	33,568
" Lubricating.....	Am. galls.	2,436,406	1,873,375	1,696,719
" Petroleum, Refined.....	"	1,105,208	—	—
" and Fats, Vegetable, n.o.r. ...	Value	—	—	777,774
Other Oils and Fats (not including Vegetable Oils and Fats).....	"	—	219,344	—
Stearine.....	Catties	181,655	61,123	30,353
Wax, Paraffin.....	"	3,874,272	2,751,575	583,778
" n.o.r.....	Value	—	—	11,922
Soap, Household and Laundry (including Blue Mottled).....	"	—	—	181,913
Soap, Toilet and Fancy.....	"	—	—	709,131
Candles.....	Catties	17,334	19,038	7,248
Books, Maps, Paper, and Wood Pulp		9,919,127		8,768,225
Books and Music, Printed, En- graved, or Manuscript.....	Value	—	—	1,041,276

Description of Goods	1st half, 1934		1st half, 1933	
	Quantity	Value (MY)	Quantity	Value (MY)
China ware, Enamelled ware, Glass, etc.		2,091,160		1,652,006
China ware	Value	910,324	—	504,649
Enamelled Ironware	"	367,871	—	441,498
Bottles, Glass, Empty	"	154,526	—	94,673
Glassware	"	228,943	—	138,468
Glass, Plates, Silvered	Sq. ft.	10,297	8,233	22,379
" " Unsilvered	"	26,058	25,394	54,998
Glass, Window, Common, not over 20 oz. in weight per square foot	"	1,797,150	1,562,800	144,051
Glass, Window, Coloured, Stained, Ribbed, Embossed, or Wired ...	Value	17,168	—	28,463
Glass, Plate or Sheet, n.o.r.	"	65,131	—	24,507
Mirrors	"	169,060	—	198,320
Stone, Earth, and Manufactures thereof		5,386,235		2,441,619
Cement	Piculs	2,546,193	988,443	1,961,841
Emery-cloth and Sand-paper	Value	29,094	—	17,051
Tiles and Floor Tiles	"	209,348	—	46,501
Stone, Earth, and Manufactures thereof, n.o.r.	"	1,181,453	—	416,226
Sundry		13,790,216		12,845,237
Animals, Living	Value	101,592	—	33,121
Asbestos	"	184,334	—	98,649
Building Materials, n.o.r.	Value	178,749	—	103,696
Buttons	Gross	640,851	693,164	137,502
Celluloid	Value	25,335	—	18,819
Flasks and Thermostatic Containers, and parts or accessories thereof	"	63,204	—	59,021
Glue	Catties	198,500	157,329	53,185
Gramophones	Pieces	11,758	—	550,479
Haberdashery, n.o.r.	Value	6,052	—	4,033
India-rubber and Gutta-percha, and Manufactures thereof:—				
Crude, including Scrap	Piculs	9,639	10,800	126,000
Boots and Shoes as also Foot-gear made wholly or partly of Rubber	Value	3,730,633	—	4,934,588
Sheets and Crêpe	Piculs	1,209	449	17,287
Pneumatic Tires and Tubes:				
For Motor-cars and Motor Trucks	Pieces	11,532	14,909	431,362
For Bicycles, Ricshas, etc. ...	"	89,805	114,397	99,934
Solid Tires:				
For Motor cars and Motor Trucks	"	189	367	9,460
For Bicycles, Ricshas, etc. ...	"	1,701	710	1,157
N.o.r.	Value	250,800	—	162,531
Instruments, Musical, and parts or accessories thereof, n.o.r.	"	539,579	—	73,164

Description of Goods	1st half, 1934		1st half, 1933	
	Quantity	Value (MY)	Quantity	Value (MY)
Jewellery, Real or Imitation (including those made of Pearls, Precious Metals, and Precious or Semi-Precious Stones)	Value	144,051	—	42,153
Lace, Trimmings, Embroidered Goods, and all other materials used for Decorative or Ornamental purposes; and all products made wholly thereof	"	133,075	—	120,764
Lamps and Lampware (not including Electric Lamps and Lampware)	"	57,663	—	41,261
Lanterns	Pieces	30,888	18,666	35,805
Leather, Imitation, and Oilcloth (not for Flooring)	Value	148,955	—	118,187
Linoleum and similar Floor Covering	"	50,833	—	57,540
Matches	Gross	168,950	284,984	142,500
Office Requisites, n.o.r.	Value	536,960	—	346,553
Perfumery and Cosmetics:—				
Face Powder and Cream	"	432,803	—	431,400
Tooth Powder and Paste	"	134,100	—	160,211
Others	"	334,479	—	265,574
Photographic Materials:—				
Cameras, Lenses, and Accessories	"	161,634	—	111,049
Cinematographic Films	"	23,348	—	261,881
Plates, Paper, and Films	"	297,691	—	337,426
Others	"	97,099	—	10,733
Printing and Lithographic Materials (not including Ink), n.o.r.	"	69,468	—	35,998
Stores, Household, n.o.r.	"	18,623	—	146,793
Tobacconists' Sundries (including Pipes) and Cigarette-making Materials (not including Tobacco, Rum, and Paper)	"	109,758	—	64,515
Toilet Equipment (Combs, Brushes, Manicure Sets, etc.)	"	336,547	—	216,815
Toys and Games	"	487,662	—	470,513
Trunks, Suit-cases, Satchels, etc., and Traversing Bags or Boxes of all kinds	"	178,752	—	106,394
Sporting Requisites	"	162,607	—	89,277
Umbrellas and Sunshades	Pieces	182,949	164,710	104,174
Miscellaneous Goods and Sundries	Value	3,279,540	—	2,214,733
Postal Parcel, n.o.r.	"	145,220	—	—
Grand Total		268,050,918		233,328,424

CHAPTER XIX

THE SOUTH MANCHURIA RAILWAY COMPANY

Introductory Remarks

The South Manchuria Railway Company, which has been the bulwark of Japanese political and economic interests in Manchuria for the past quarter century, has played a role in Manchuria similar in many respects to that which the East India Company took in the development of India. In tracing the development of Manchuria, therefore, it is impossible to disregard the activities of this Japanese organ which embodies by far the largest capital investment Japan has made in any concern within or without the Japanese Empire. The influence of this organ in recent months is the more to be appreciated when it is recalled that since March, 1933 it has been entrusted with the management of all the state railways in Manchoukuo. With its other undertakings combined, including vast enterprises in the field of mining, industry, agriculture, harbor works and public utilities, the total investment of which was estimated at over ¥758,000,000 in 1934, the South Manchuria Railway has become a medium through which the contributions of Japan in Manchoukuo may be best disclosed in concrete form.

Early History

An epoch-making incident occurred in the earlier days of Manchuria's railway history when, in 1896, the Li-Lobanoff secret agreement was concluded between China and Russia. The latter, by this undisclosed pact, secured the major portion of the rights covering the building and management of the Chinese Eastern Railway (present North Manchuria Railway). It was evident then that Russia had been planning that railway as the main artery for carrying out her Far Eastern policy. The program progressed with remarkable steadiness, until at last it became an open secret that Russia was about to extend her grip to Manchuria and Chosen.

Such a situation became an increasingly serious menace to the maintenance of Japan's independence, threatening the peace of the Far East. Dark clouds swiftly thickened and finally Japan, her national existence at stake, rose in arms against Russia.

Japan won the war at a high price, and as the result of the Portsmouth Treaty signed in 1905, Russia agreed to cede to Japan the southern branch of the Chinese Eastern Railway, which is the present South Manchuria line. Doubtlessly the defeat of Russia in the war and her subsequent concession of the railway checked the growth of her influence in South Manchuria. Russia thus left the stage, and Japan entered upon the policy of establishing peace in the Far East.

It was the late Count Shimpei Goto who laboured during the first stage of this continental plan, using the South Manchuria Railway as a lever. The Count had courage and foresight enough to make the railway a gigantic enterprise.

Later, Japan's Manchurian and Mongolian policy came to have a firmer foundation as the results of diplomatic negotiations with Russia and Britain. The work initiated by Count Goto was then taken over by his able right-hand man and successor Korekimi Nakamura. The business of the railway further showed signs of greater development in 1915 when the Sino-Japanese Treaty was concluded, but not long after Japan's Manchurian policy tended to be negative at times due to the change in the political situation at home and abroad. It was at this juncture that the late General Chang Tso-lin, representing the military clique of the Three Northeastern Provinces, vigorously began to widen his sphere of influence, meanwhile scheming to drive Japan out of Manchuria gradually.

The challenge of the Mukden warlord became more pronounced when he planned the construction of railways parallel to the South Manchuria line in contravention to the stipulations of the Sino-Japanese pact. The business of the S.M.R., which was once prosperous, steadily waned, and Japan's vested rights in Manchuria were trampled upon by the Chinese on many occasions.

The climax came on September 18, 1931 when a squad of soldiers under the command of General Chang Hsueh-liang, the son of the late General Chang Tso-lin, dynamited the S.M.R.

track near Mukden. This incident proved to be the spark that set off the Manchurian powder keg and when the smoke had cleared away, the new state had risen.

With the founding of the new state Manchoukuo the Japanese interests were now securely assured, and the mission of the South Manchuria Railway from the economic and cultural angle has become more important than ever. The activities of the S.M.R. are now quite free and the management, since being entrusted with the supervision of the Manchoukuo state railways in March 1933 is showing excellent business results. The success achieved by the management will be perceived from the mere fact that the railway is daily realizing a profit of ¥376 to ¥380 per kilometre and that when the entire mileage is taken into account the daily gain amounts to ¥400,000. These figures are four times larger than those of all the railways in Japan combined, and six times greater as compared with the railways of Chosen.

Establishment of the Company

The South Manchuria Railway Company was formed under Imperial Ordinance No. 142 of June, 7, 1906, and a Government order dated August 1, 1906. The articles of association were passed at the general meeting of shareholders on November 22, 1906, in which were prescribed the status of the corporation, its business functions, etc. The Imperial ordinance relating to the establishment of the concern provided:

(1) that a joint stock corporation named the Minami Manshu Tetsudo Kabushiki Kaisha (South Manchuria Railway Joint Stock Company) should be organized for the purpose of engaging in railway transportation business in Manchuria; (2) that the shares of the Company should be registered and owned only by the Japanese and Chinese Governments or by their nationals; (3) that the Japanese Government may offer as part of the capital its railways in Manchuria, coal mines and appurtenances obtained in 1905 from Russia by the Treaty of Portsmouth and approved by China in virtue of the Peking Treaty concluded the same year; (4) that the President and Vice-President should be appointed by the Government, and that the directors should be elected from among shareholders at the general meetings of shareholders; (5) that matters relating to the Company not provided for by this ordinance the provisions of commercial law should be applied.

Thus the South Manchuria Railway Company came into existence under special charter of the Government, but essentially as a joint stock company organized in conformity with the provisions of the Commercial Law of Japan. Baron (late Count) Goto who was appointed first President of the newly established corporation, speaking on the mission of the South Manchuria Railway at the first general meeting of shareholders declared, that though the total length of the railways to be operated by the Company was a little less than 700 miles, their position constituted a link in world communications, and provided international business facilities, not only for the Orient but also for the world at large. The policy of the Company should be in conformity with the will of the Government and the shareholders, and should make it a principle to respect the general wishes of business men at home and abroad. More particularly should a spirit of co-operation with the Chinese authorities and people be cultivated.

Organization

Especial attention was paid to the selection of the personnel of the governing board of the Company. President Baron Goto, who had exhibited an unusual organizing and executive ability in the civil administration and industrial development of Formosa, selected the directors of the Board from among men having ability and experience in banking, trading, railway operation, in legal profession, and in civil administration. The efforts of Baron Goto during his tenure of office, though it was of a short duration not extending more than two years, placed the Company on a sound basis. The term of office of the President and Vice-President was fixed at five years, and that of directors at four years, but it was a matter for regret that frequent political changes in Japan often compelled a change in the occupants of presidency of the Company, so that thirteen Presidents have functioned during the last 24 years. During these years, however, the Company has made great progress, and its investments have increased from 101,800,000 yen to 759,000,000 yen.

The present President of the Company is Count Hirota Hayashi, who was appointed in 1932, upon the resignation of former President Count Yasuya Uchida. The names of the successive Presidents of the Company are listed below:—

- 1st Baron (later Count) Shimpei Goto
- 2nd Korekimi Nakamura
- 3rd Ryutaro Nomura, Dr. Eng.
- 4th Lieut.-General Yujiro Nakamura
- 5th Shimbei Kunisawa
- 6th Ryutaro Nomura, Dr. Eng.
- 7th Senkichiro Hayakawa
- 8th Takeji Kawamura
- 9th Ban-ichiro Yasuhiro
- 10th Jotaro Yamamoto
- 11th Mitsugu Sengoku, Dr. Eng.
- 12th Count Yasuya Uchida
- 13th Count Hirota Hayashi

Reconstruction and Improvement

The railway system that the Company first took over from the Japanese Government in April, 1907, was rather in a depleted state. During the Russo-Japanese war, most of the rolling stock was withdrawn by the Russians, or destroyed in their retreat, and the bridges were blown up. With the advance of the Japanese armies to the north, the track was changed from the five-foot Russian gauge to the narrow gauge used by the railways in Japan so that Japanese rolling stock might be more readily utilized in the Manchurian campaign. Before the Company came into existence, however, the standard gauge of 4.8 1/2 feet had been already adopted in Korea and China. In order to serve international trade on the Asiatic continent more efficiently, the South Manchuria Railway Company promptly adopted the standard gauge and proceeded to lay a double track as ordered by the Government.

In adopting the standard gauge, it was necessary to import rails and rolling stock from abroad so that the work of reconstruction might be quickly carried out without much interruption of traffic. Immediately after the railways were transferred from Government control on April 1, 1907, a comprehensive program of reconstruction was started. The work of widening the gauge on the Dairen-Port Arthur branch line, (31.6) was completed by Decem-

ber 1, 1907; that on the Dairen-Changchun via Mukden main line, (438.5), by April 30, 1908, and that on two other branch lines, one to Yingkou and the other to Fushun Mine by May 30. The doubling of the track between Dairen and Suchiatun (near Mukden), a distance of 238 1/3 miles, was begun at the same time and was completed on October 27, 1909. The doubling of the track between Suchiatun and Mukden, a distance of ten miles, begun in June, 1915, was completed in November, 1918. The work on the line between Mukden and Hsinking was begun in 1919, and is now nearly completed. The original Russian 65 lb. rails were first replaced with 80 lb. and later with 100 lb. rails. The roadbed being constantly improved, the steepest grade on the trunk line between Dairen and Hsinking is now only one percent., while the shortest radius of any curve is 15 chains.

The line between Antung and Mukden was originally built as a light military railway by the Japanese during the Russo-Japanese war. As already stated, Japan obtained from China the right to reconstruct the railway on standard gauge and operate and maintain the same for the purpose of international railway traffic. When this railway was transferred to the charge of the Company, it was decided to substitute the standard gauge within three years. But, owing to the controversy which arose on the subject between China and Japan, and to the line traversing mountainous regions, the reconstruction work was delayed until August 7, 1909, when the tunneling work at Fuchinling was begun. The whole work, including 24 tunnels, 205 bridges, and 213 culverts, was completed in two years and three months, and on November 1, 1911, the opening of this 161-mile railway was held with appropriate ceremonies. The cost amounted to about 25,000,000 yen. This line is still a single track, and 80 lb. rails are used, but these are now being replaced by 100 lb. rails.

The lines owned and operated by the South Manchuria Railway Company are as follow:—

(At end of March, 1933)

Lines	Distance	Working mileage (kilometer)	Gauge (Feet)	No. of stations
Dairen Line	Dairen-Hsinking	704.3	4.85	74
Antung "	Antung-Suchiatun	260.2	4.85	27
Port Arthur "	Choushuitzu-Port Arthur	50.8	4.85	5
Fushun "	Suchiatun-Fushun	52.9	4.85	6
Yingkow "	Tashihchiao-Yingkow	22.4	4.85	1
Yentai Colliery branch line	Yentai—coal mines	15.6	4.85	—
Other branch lines		22.9	4.85	2
Total		1,129.1	—	115

Finance

The South Manchuria Railway Company was established in 1906 with an authorized capital of ¥200,000,000, and in accordance with the stipulations regarding its establishment as entered in the Government Order, subscription was open only to the Japanese and Chinese governments and their respective peoples. The Chinese, however, desisted from subscribing and the entire lot was taken up by the Japanese, the government subscribing one-half of the amount or ¥100,000,000, the equivalent for which were represented in its assets in railways, mining and appurtenances which it turned over to the Company. The other half was subscribed for by the public. The authorized and paid-up capitalization of the Company is tabulated as follows:

Year	Authorized Capital	Paid-up Capital	No. of Shares Represented
1906	¥200,000,000	¥2,000,000	2,000,000
1920	¥440,000,000	¥80,000,000	4,400,000
1931	¥440,000,000	¥334,312,000	8,800,000*
1932	¥440,000,000	¥387,156,000	8,800,000
1933	¥800,000,000	¥512,208,000	16,000,000

*The face value of the shares was reduced by one-half i.e. from ¥100 to ¥50 in June 1929.

The Company has floated five external loans in the form of debentures aggregating ¥18,000,000 (¥175,734,000) between 1907 and 1923, while 33 internal issues aggregate ¥769,700,000. All of the foreign debentures have been taken over by the Government in payment for its

holdings of share capital.

The total amount of internal and external debentures issued, redeemed and outstanding as on March 31, 1934 was as follows:

Debentures Issued	Debentures Redeemed	Debentures Outstanding
¥945,434,000	¥567,584,000	¥377,850,000

The Company was originally authorized to issue debentures to the amount of the unpaid share capital belonging to other than Government holders. By Imperial ordinance No. 4 of 1910 this amount could be expanded to twice the amount of all paid-up share capital, but could not exceed the amount of the authorized capital. The Government may guarantee the payment of interest necessary, but the debentures issued with the Government guarantee must be redeemed within twenty-five years.

Investment and Accounting

The Company started its undertakings in 1907 with an estimated fund of 100,000,000 yen, of which 80,000,000 yen was raised by floating a loan in England and 20,000,000 yen by calls on shares. The funds thus raised have been invested in various enterprises. The investment in direct undertakings, including the appraised value of properties taken over by the Company from the Japanese Government in 1906, aggregated ¥758,000,000 as on March 31, 1933. The investments of the S.M.R. Company in its various branches of undertakings are tabulated as follow:

Investments in Undertakings of S.M.R. Company

(in yen)

	1907-8	1917-8	1922-3	1932-3	1933-4
Railways	34,542,910	105,530,752	189,616,304	273,663,240	274,247,805
Workshops	763,906	7,569,359	11,068,325	—	—
Steamships	—	2,680,317	3,559,874	—	—
Harbours	6,640,837	24,099,384	37,064,308	87,837,479	90,122,085
Coal Mines	46,396,043	71,097,985	121,056,784	108,911,044	109,064,490
Shale Oil Plants	—	—	—	7,922,554	7,507,667
Iron Works	—	4,447,760	34,541,803	29,359,840	—
Chemical Fertilizer Plant	—	—	—	50,940	—
Electricity	474,695	5,738,182	15,237,405	—	—
Gas	3,592	1,554,778	5,434,140	—	—
Hotels	216,302	2,075,006	2,370,222	4,862,405	5,146,391
Public Works	3,374,494	17,786,171	40,863,288	180,171,521	185,910,448
Others	9,459,178	21,782,973	46,074,005	65,649,594	65,942,885
Total	101,871,957	263,362,667	506,886,548	758,428,620	737,941,773

The profits of the Company which was returned as 2,000,000 yen in 1907 increased to 45,000,000 yen twenty-three years later, namely in 1929 but fell to 21,000,000 yen in 1930 and rose to 42,920,000 yen for the fiscal year 1933-34. The railway business furnish the most important item of revenue, followed by the coal mines, harbor undertakings and oil shale enterprise. Other enterprises of the Company to date are conducted at a loss or nominal profit, but these are intended mainly for the public benefit and to develop traffic for the railway. The expenditures for local public works such as schools, hospitals, street and road-building, industrial experiment institutes, agricultural model farms, etc., amount to over ¥14,600,000, and the receipts less than ¥5,800,000 according to the latest report.

The receipts, expenditures and profits of the S.M.R. Company are tabulated as follows:

Receipts, Expenditures, Profits of S.M.R. Company
(in yen)

Fiscal year Ending March 31	Receipts	Expenditures	Profits
1907-8	12,543,116	10,526,531	2,016,585
1917-8	69,429,252	54,503,610	14,925,643
1922-3	169,956,649	134,876,402	35,080,244
1929-30	240,998,062	195,492,205	45,505,857
1930-1	188,104,062	166,430,600	21,673,462
1931-2	187,054,402	174,455,782	12,598,620
1932-3	245,940,674	184,652,950	61,287,725
1933-4	248,001,717	205,081,163	42,920,554

The receipts and expenditures of the Company classified by items as on March 31, 1934 are as follow (in yen):

	Receipts	Expenditures	Profits & Loss
Railways	119,676,471	43,910,386	75,766,354
Hotels	2,536,151	2,549,986	-13,835
Harbours	13,033,596	9,816,594	3,217,001
Coal Mines	70,976,032	65,959,679	5,016,352
Shale Oil Plant	5,277,105	4,451,609	825,496
Iron Works	3,039,624	3,583,945	-544,321
Local Public Works	6,184,586	16,854,740	-10,670,154
Interest on Deposits and Loans	16,411,895	—	16,411,895
Interest on Debentures	—	28,557,966	-28,557,966
Overhead Charges	10,865,983	29,396,251	-18,530,267
Sundry Profit & Loss	—	—	—
Total	248,001,717	185,599,488	42,920,554

In the matter of dividends on the net profits of the Company, the Japanese Government guaranteed payment up to 6 percent on the publicly held shares, this in case the rate of dividend should fall below that percentage; but the Company's enterprises, especially the railways, were so successful that a 6 percent dividend on the publicly held shares was paid from the first fiscal year, it being gradually increased to 11 percent as in 1928, though reduced to 8 percent in 1930. The Government shares in the profit, but only after payment has been made of all charges and of the 6 percent dividend on the public shares. The Government received such dividends from the fiscal year 1909, and received 4.3 percent on its holding from 1921 to 1927. The dividend was increased to 5 percent in 1928, but fell to 4.3 percent in 1930. In the Company's balance sheet at the end of the fiscal year 1933, its assets were computed at ¥1,612,707,821.70.

The assets of the Company as on March 31, 1934 are tabulated below (in yen):

Capital Stock Uncalled	287,792,000
Fixed Investments	737,941,773
Merchandise	3,368,855
Stores and Supplies	9,959,865
Bonds and Shares	133,365,085
Cash on Hand	306,027
Deposits	41,525,457
Loans	158,604,018
Securities Received in Pledge	7,207,670
Due from other Concerns	329,376
Guaranty Fund	14,455
Bills receivable	5,486,501
Miscellaneous Accounts Receivable	52,581,320
Miscellaneous Accounts paid in advance	167,998,875
Discounts on Bonds and Charges	6,207,559
Exchange Accounts	18,380
Total Assets	1,612,707,821

The liabilities of the Company as on March 31, 1934 are tabulated below (in yen):—

Capital Stock Authorized	800,000,000
Legal Reserve	28,900,000
Special Reserve	179,900,000
Bills Payable	15,950,000
Bonds	377,850,000
Due to other Concerns	3,196,102
Securities given in Pledge	12,350
Guaranty Funds	4,480,624
Exchange Accounts	103,278
Savings Deposits of Employees	9,611,290
Surety Deposits of Employees	47,716,552

Mutual Relief Society Fund	4,113,039
Subsidiary Companies' Deposits	49,276,426
Miscellaneous Accounts payable	22,411,571
Matured unpaid Bonds	643,100
Sundry Receipts Unadjusted	18,274,210
Balance brought from Previous Term	7,348,721
Net Profit	42,920,554
Total Liabilities	1,612,707,821
Net profit for the Year ended March	42,920,554
Balance brought from Previous Term	7,348,721
Total	50,269,275

The disposal of profit of the Company for the fiscal years 1932 and 1933 is tabulated as follows (in yen):

	1932	1933
Legal Reserve	3,100,000	8,060,000
Dividends on Government Stock	9,337,708	10,765,618
Dividends to Shareholders other than Government (6% per annum)	11,200,000	14,146,123
Supplementary Dividends to share holders (2% per annum)	3,733,333	4,715,374
Special Reserve	30,200,000	3,000,000
Retirement Allowance Fund for Employees	—	—
Bonuses to Officials	400,000	400,000
Balance carried forward	7,348,721	9,182,159
Total	67,119,762	50,269,275

International Through Traffic

International through routes for passengers and freight have been gradually established in co-operation with the various railways and sea lines to Chinese and Japanese ports and inland destinations, and to Europe and America. Supplementing international traffic being an important undertaking, the Company made constant efforts to this end, particularly in co-operation with Russia. When Baron Goto, the then President of the Company, went to Petrograd in May, 1908, he made preliminary arrangements with Mr. Wentzel, Vice-President of the Chinese Eastern Railway (present North Manchuria Railway), for direct through traffic between the South Manchuria and the Chinese Eastern Railways. In October the same year, the Company inaugurated an express service between Dairen and Changchun, consisting of sleeping and dining cars of Pullman type, and connecting at Changchun with the Trans-Siberian trains of the International Sleeping Car and Express Train Co. and the Russian State Express. An efficient steamship service was operated be-

tween Dairen and Shanghai, and another similar service was arranged between Dairen and Japan. By the rebuilding of the railway line from Mukden to Antung, and the completion of the great bridge across the Yalu in 1911, thus connecting the Manchuria and Chosen lines, which connect with the Imperial Government Railways of Japan through the channel-steam-er service between Fusan and Shimonoseki, a new world high-way system between Japan and Europe was established. In January, 1913, more detailed arrangements for through-traffic service of freight were made at Petrograd between the Japanese Government Railways, the Korean Government Railways, the South Manchuria Railways, the Osaka Shosen Kaisha, the Chinese Eastern Railway, and the Russian Volunteer Fleet. There was also a through-traffic arrangement for tourists between the Far East and Europe via the Trans-Siberian Railway and returning via the Suez Canal or vice versa. In this round trip the North German Lloyd, Peninsular and Oriental Steam Navigation Co., and Messageries Maritimes participated. Round-the-world through-traffic was also arranged by the participation of the Canadian Pacific Railway Co., and other companies with regular services on the Atlantic and Pacific. But the World War, and later the Russian political disorders, caused all these international through-traffic arrangements to be suspended.

Subsequently, the International Through-traffic Railway Convention was concluded by the Second General Conference on Transportation of the League of Nations, held at Geneva in November, 1923, to which the South Manchuria Railway Company adhered. Japan made persistent efforts to re-establish through-traffic between the Far East and European Russia; the Soviet Government recognized this necessity, but negotiations did not reach a practical stage until the preliminary arrangement was made in December, 1926.

Today, travellers between Europe and Japan or China, by taking the South Manchuria route, can economise both expenses and time. The first-class fare from Tokyo to London is 743 yen, the time 15 days by rail, as against 1,200 yen and 30 days via America by steamer. From Shanghai to London, the fare is 600 yen; the time 15 days by rail, while the fare is 1,050 yen and passage 41 days by sea-route via Suez.

In order to avoid the cut-throat competition in transporting agricultural products in North Manchuria, the South Manchuria Railway

and the Ussuri Railway in September, 1925, made an agreement fixing the respective proportions of cargoes to be transported to Dairen and Vladivostok. Through-traffic arrangement was also made with the Ssuping-kai-Taonan Railway in 1929.

Railway Rates

The Company, in fixing railway rates, discarded the mileage system and adopted the metric system in April, 1930. Rates for passengers at present are:—

1st class (per km.)	4.4 sen
2nd class (")	2.8 " "
3rd class (")	1.55 " "

N.B.—Charges exempted for children under 4 years; over 4 years to 12 years half of the above mentioned.

Express (Special)

	1st class (Yen)	2nd class (Yen)	3rd class (Yen)
Up to 500 kms.	2.50	1.50	0.75
" " 800 "	3.00	2.00	1.00
" " 1,300 "	3.75	2.50	1.25
Over 1,300 kms.	4.50	3.00	1.50

Semi-express

Up to 500 kms.	1.50	1.00	0.50
" " 800 "	2.25	1.50	0.75

Charges for Sleeping Cars

Charges for sleeping cars per person per one night are as follow (in yen):—

1st class	5.00—7.00
2nd " "	3.00—4.50
3rd " "	1.00—1.80

Freight tariff has undergone frequent changes. At present the American ton is used together with the metric system in calculation, of freight, one ton being equal to 907.2 kilograms. Commodities are divided into four classes as follow:

1st class	medicines, silk goods, musical instruments, toys, etc.
2nd class	cotton goods, leather and furniture.
3rd class	sugar, flour, bean-cake, kaoliang, etc.
4th class	coal, brick, lumber, etc.

Special goods, such as dangerous articles and the like are subjected to special rates ranging from 30 to 100 percent higher than the usual rate per ton of ordinary second-class consignments. The rates for piece and carload consignments now in force are as follow:—

Charges for Piece Consignments (per 100 kilograms)

	1st class (Sen)	2nd class (Sen)	3rd class (Sen)	4th class (Sen)
1—150 kms.	.650	.520	.390	.260
151—300 "	.625	.500	.375	.250
301—600 "	.600	.480	.360	.240
601 kms. & over	.575	.460	.345	.230

Charges for Carload Consignments (Per 1 kilogram)

	1st class (Sen)	2nd class (Sen)	3rd class (Sen)	4th class (Sen)
1—150 kms.	4.300	3.440	2.580	1.720
151—300 "	4.125	3.300	2.475	1.650
301—600 "	3.950	3.100	2.370	1.580
601 kms. & over	3.775	3.020	2.265	1.510

The Growth of Traffic

During the last twenty-four years, there has been a remarkable growth of traffic on the South Manchuria Railway, despite all obstacles to progress, the constant activities of Manchurian bandits, and the frequent threats of civil war. The number of passengers carried in 1929 was a record. The stupendous increase of freight, though augmented each year by shipments of coal mined by the Company itself, is due to the ever-increasing agricultural produce, especially the Manchurian bean. The increase of passenger traffic is principally due to the third-class passengers. On the other hand, first and second class passengers show a decrease. The Express train service, including Pullman cars and American dining and observation cars, is maintained for the international traffic, and is run at a loss. Figures for passengers and freight in 1929 were records, but in subsequent years there has been a falling-off.

The following table shows in detail the activities of the Company in regard to capital investment, passengers and freight, gross receipts and expenditures, and net receipts during the past twenty-four years:

Fiscal year	Working mileage (Kms.)	Amount of investment (Yen)	No. of Passengers carried	Goods hauled (Metric tons)	Passenger traffic receipts (Yen)
1907-08	1,135.1	9,099,301	1,512,231	1,348,493	3,564,239
1912-13	1,116.3	70,299,781	3,844,929	4,247,236	5,008,633
1917-18	1,105.7	78,583,598	5,844,929	6,599,133	8,136,707
1922-23	1,103.8	189,615,304	7,645,068	10,926,199	12,389,464
1927-28	1,111.8	239,517,926	8,263,089	16,717,677	16,102,953
1928-29	1,111.8	249,703,229	9,703,119	17,530,324	17,619,293
1929-30	1,111.8	261,882,378	10,410,579	18,592,959	17,451,585
1930-31	1,125.1	270,230,961	8,115,808	15,193,272	11,461,175
1931-32	1,125.1	—	6,231,846	15,180,586	8,540,103
1932-33	1,129.1	—	7,900,106	15,723,677	13,171,388

Fiscal year	Freight receipts (Yen)	Total receipts (Yen)	Expenditures (Yen)	Profit (Yen)	per km. Profit (Yen)
1907-08	6,160,274	9,768,887	6,101,615	3,667,272	3,228
1912-13	13,913,341	19,907,456	7,846,923	12,060,533	10,804
1917-18	23,793,056	34,457,923	10,858,734	23,599,189	21,343
1922-23	69,518,111	87,813,029	34,169,285	53,643,744	48,600
1927-28	94,040,819	113,244,180	45,235,835	68,008,345	61,186
1928-29	97,738,147	118,639,090	44,358,065	74,281,024	66,830
1929-30	101,089,474	122,103,743	47,213,508	74,890,235	67,378
1930-31	77,936,688	95,330,730	36,768,576	58,562,154	52,190
1931-32	73,368,040	87,933,219	37,290,815	48,185,482	—
1932-33	78,876,664	98,754,135	—	—	—

The figures in "Profit" of the Railway Account alone much exceed the net profit of the Company, which bears overhead charges, interest on heavy liabilities in the form of debentures, and expenses for education and sanitation undertakings and other public works in the Railway Zone.

Rolling Stock and Workshop

With the steady growth of traffic, rolling stock—locomotives, passenger and freight cars—has increased almost fourfold during the past twenty-four years. There are now in use 466 locomotives, 545 passenger cars and 8,172 freight cars, the total cars numbering 9,224 including other cars.

These shops have the capacity of executing repairs simultaneously on 27 locomotives, 36 passenger cars, and 130 freight cars, while at the same time constructing or repairing other railway material, mining machinery, etc. The Shakako shops are among the largest not only in the Orient, but in the whole Pacific area. Rolling-stock to-day is practically all supplied by this great shop. In addition, important orders have been filled for the Chosen Government Railways and the Chinese Government Railways. The Company has invested more than 6,500,000 yen in these works, where 1,499 Japanese and 1,476 Manchu are employed. The

total expenditure of this workshop amounted to 1,753,000 yen in the fiscal year ending March 31, 1931.

Varied Undertakings

The scale of business of the South Manchuria Railway Company is very extensive and its field is vast and varied. Besides the railway business, the concern is engaged in the construction and reconstruction of railways, harbour construction, and the improvement of the Dairen and Yingkow ports. The Dairen Steamship Company represents the marine side of the activities.

Next to railway, mining is one of its most essential lines of business. The Company has under its control the Fushun Coal Mine, the production of oil from shale, the Showa Iron Works, etc.

As to the cultural institutions, the South Manchuria Railway has made a striking achievement, introducing manifold facilities inseparable to modern city life in the cities along its tracks, viz. in Mukden, Changchun (former name of Hsinking), Antung, and about 20 other towns.

It may be said that the company is directing the administration in those regions, with the exception of the police. It has under its management many hospitals, schools, and hotels.

Prominent among the cultural institutions are the Central Research Institute in Dairen, which conducts scientific investigations of Manchurian and Mongolian products; the Geological Institute in Dairen; and the Agricultural experiment stations at Kungchuling and elsewhere, all of which are making valuable contributions to the study of the abundant national resources in the fertile land.

Much has been done by the Company for the economic development of the forestry, mining and marine industries. In brief, the Company has always been the leader of cultural development undertakings in Manchuria and Mongolia.

Thus the Company is doing a highly remunerative business in its proper line of business on the one hand, while, on the other, doing remarkable achievements in economic and cultural lines covering the wide field of Manchoukuo.

At the end of 1933 the number of concerns in which the S.M.R. was affiliated totalled sixty-one, while subsidiaries in which the Company has furnished the entire capital stock aggregated twelve in number. The Company has since 1916 adopted the policy of dividing its various enterprises under separate management. Among such enterprises may be mentioned the Dairen Steamship Company and concerns involved in public utilities.

The number of concerns in which the Company has put up the entire capital stock were the following at the end of 1933:

Company	Date of Establishment	Authorized Capital (in yen)	Main Office
Showa Steel Works ..	1929	100,000,000	Keijo
Nippon Seiro (Nippon Refined Wax Co.) ..	1929	2,000,000	Dairen
Dairen Yogyo (Dairen Ceramic Co.)	1925	600,000	Dairen
Mansen Koboku (Mau-chu-Chosen Mining Woodwork Co.) ...	1919	1,500,000	Antung
Dairen Noji (Dairen Farming Co.)	1929	10,000,000	Dairen
Toa Kangyo (East Asia Industry Encouragement Co.) ..	1922	10,000,000	Mukden
Dairen Steamship Co.	1915	25,700,000	Dairen
Fukusho Kwako (Fuchang Native Labor Employment Co.) ..	1926	1,800,000	Dairen
Nichiman Soko Japan-Manchu Warehouse Co.)	1929	5,000,000	Tokyo

Company	Date of Establishment	Authorized Capital (in yen)	Main Office
Minami Manshu Denki (South Manchuria Electric Co.)	1926	25,000,000	Dairen
Minami Manshu Gasu (South Manchuria Gas Co.)	1925	10,000,000	Dairen
Harbin Tochi Tate-mono (Harbin Real Estate & Building Co.)	1920	500,000	Harbin

Management of State Railway

The contract arranged between the Manchoukuo Government and the Company entrusting to the latter the management of all the Government railways will be profitable to both Manchoukuo and the South Manchuria Railway in the future progress of the state lines in connecting and unifying the Manchurian railway network, and incidentally in the settlement of the colossal debts that the Manchurian railways owe to the Company, which of course, had no particular reason for objecting to the proposal. The attitude of the Company may be distinctly seen in the statement issued on March 1 by President Count Hirota Hayashi, who stated:

"Upon taking up the business entrusted to it by the Manchoukuo Government, the Company pledges itself to make use of its many years' experience for the readjustment and thorough connection of the various Manchurian railways and their harmonious operation. The Company will not only endeavour to satisfy the expectation of the Manchoukuo Government by making the traffic control perfect, but also will make every effort for the promotion of the welfare of Manchoukuo and Japan as well as of the whole world."

The South Manchurian Railway Company immediately opened the Railway Bureau in Mukden as an organ to supervise the mandatory business of managing the Manchoukuo state railways. All the members of the staff were chosen from among the South Manchuria Railway men.

It was decided then that the South Manchuria Railway Co. should also control as a side-line business the traffic at Hopio and Hulutao ports and on the main and branch streams of the River Sungari. Besides, the construction of new railways is also provided in the contract signed between the Company and the Manchoukuo Government. As the result of this expansion

sion of general business, the Company's capital of ¥440,000,000 was considered insufficient to enable it to carry on all the activities called for in such an extended field. It was decided to increase the capitalization to ¥800,000,000, the proposal being approved in the 1933 session of the Imperial Diet. The total amount of loans advanced to Manchoukuo in connection with these railways reached ¥130,000,000 including the interest thereon.

The statement of the Communications Department of Manchoukuo on entrusting the state railways to the management of the S.M.R. reads as follows:

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

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

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

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

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

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

CHAPTER XX

KWANTUNG LEASED TERRITORY

Position—120° 58' & 123° 13' E.L. and 39° 01' and 39° 34' N.L.
Area—3,462 square miles, including 40 adjoining islands.
Lease—To extend till 1997 by Sino-Japanese Treaty of May, 1915.

The Kwantung Leased Territory comprises that region in Manchuria over which Russia obtained jurisdiction from China prior to the Russo-Japanese war. Following the war and by virtue of the Portsmouth Treaty Russia transferred and assigned to Japan, with the consent of China, the lease of the region and her vested rights therein. Finally, by virtue of a treaty concluded in May, 1915 between Japan and China, the former secured the right to have the lease of the Kwantung Territory and the South Manchuria Railway Zone extended to 99 years (until 1997).

Administration

Following the Manchurian Incident a general reorganization of the administrative system was effected. The four separate Japanese administrative organs, namely, the Kwantung Government, Kwantung Army, the Consulates and the South Manchuria Railway Company were united in the so-called Four Head Administration (Shitō Seiji). The first administrator of the new system was Marshal Nobuyoshi Muto, in his capacity as Commander of the Kwantung Army, Governor of Kwantung Leased Territory and Ambassador Extraordinary and Plenipotentiary to Manchoukuo. Upon his death in July 1933 he was succeeded to the post by General Takashi Hishikari.

The Kwantung Government Office consists of the Governor's Secretariat and the Bureaux of Internal Affairs, Police, Finance, Maritime Affairs, Communications and Monopoly. For administrative purpose, the whole territory is divided into five districts, i.e. Ryojun, Dairen, Kinchow, Pulantien and Pitzuwo, and at each of those districts are established local civil administration offices. Municipal offices are established at Ryojun and Dairen, these attending to education, sanitation and other administrative business of the respective municipalities.

Garrison and Railway Guards

One army division is stationed in South Man-

churia as garrison and railway guards. The garrison service is taken up in turn by the army divisions in Japan for the term of two years. The army division to which the garrison duty assigned is to proceed to the seat of the garrison in October of the same year and the division which has served out the term is to return home in November. In conformity with the provisions of the Portsmouth Treaty, Japan stationed 16 independent battalions of guards along the South Manchuria Railway lines, each being composed of 21 officers and 671 rank and file. The battalions were organized with time-expired non-commissioned officers and men up to 1916 when they were displaced by those in active service, the garrison being now called the Kwantung Army.

The Commander of the Kwantung Army appointed by the Emperor, commands all troops stationed in South Manchuria including those in Kwantung leased territory and is responsible for the defence of the leased territory and the protection of the Japanese railways and other interests in South Manchuria, under direct control of the Emperor, while as regards military administration and personnel he is subordinate to the Minister of War and as regards matters relating to military operation and mobilization scheme to the Chief of General Staff.

Police

The Japanese police administration in South Manchuria was inaugurated when the region was under military occupation during and after the Russo-Japanese war. But simultaneously with the establishment of the Government of Kwantung Leased Territory in 1906, the police administration was limited to the Leased Territory and the Japanese railway zone. A police director-general acted under the control of the Governor. During the European war, the need for more effective maintenance of peace and order in Manchuria being felt, gendarme officers of the Army corps acted ex-officio in important police posts. When the Governor-General in

1919 was replaced by the Civil Governor of Kwantung, all important police officials again became civil appointees.

Courts of Justice

By Imperial Ordinance No. 198, promulgated on July 31, 1906, the courts of justice were established under the direct control of the Governor-General to handle all civil and criminal cases, irrespective of nationality in the peninsula. This was a two-trial system, which was later modified to the three-trial system, the same as in Japan proper. Although the courts consists of a High Court and a Local Court, the High Court is divided into the Cassation Department and Appeal Department. At first the administration of justice was based partly upon local laws and usages, but since 1909, the laws of Japan have been applied in general. Chinese usages, however, are often observed in cases relating to the family, succession, bankruptcy, criminal and other actions.

Judicial cases within the South Manchuria Railway Zone are under consular jurisdiction in accordance with the provisions of extraterritoriality of the Sino-Japanese Treaty. But appeal or cassation cases come before the High Court in the Kwantung Territory.

FINANCE

The expenditures of the Kwantung Govern-

ment were from the time of the occupation of the province by Japanese forces in 1905 defrayed out of the extraordinary war fund. Upon the closing of the special account for that fund at the end of March, 1908, however, the annual expenditure of the Government was placed under a special account, the principle of which is to defray the expenses of the Government with its revenue and at first to make good any deficit that may occur by means of a subvention from the National Treasury, with the object of ultimately placing the local finance on an independent footing.

Further, the administrative expenses required for the local organizations of the provinces, which make it their object directly to promote the peace, welfare, and happiness of the local population, are to be directly defrayed out of the local revenue so as to impress vividly upon the local population the close connection existing between the benefits they enjoy and the burden they must bear therefor. With this end in view, regulations respecting the local expenses of Kwantung Province, apart from the special account for the Kwantung Government, were issued, whereby the expenses for the keeping of accounts, education, sanitation, encouragement of industry, building and engineering, relief work, and constructions are to be paid directly with the local revenue accruing from business and miscellaneous taxes.

Annual Revenue and Expenditure

	Revenue (in unit of yen)				
	1930-31 (Settled)	1931-32 (Settled)	1932-33 (Settled)	1933-34 (Budget)	1934-35 (Budget)
Ordinary:					
Taxes	4,427,824	3,475,387	2,344,976	2,775,137	4,233,970
Receipts from Government undertakings and properties	9,506,383	10,217,122	14,405,988	12,535,630	10,585,545
Stamp receipts	602,117	490,180	651,172	490,180	715,014
Miscellaneous receipts	477,353	483,942	525,306	520,577	544,521
Total	15,013,677	14,666,631	17,927,442	16,321,524	16,079,050
Extraordinary:					
Proceeds of sale of State property	306,331	5,290,264	3,729,526	1,116,576	2,464,780
Surplus of the preceding year transferred	5,367,576	3,700,000	4,000,000	5,000,000	
National Treasury grants	4,000,000				4,000,000
Receipts from the issue of public loans	461,546	548,121	4,027,796	3,226,643	—
Total	10,147,463	9,961,431	12,185,607	9,703,390	6,832,008
Grand total	25,161,141	24,628,062	30,113,049	26,024,914	22,911,058

Expenditure

(in unit of yen)

	1930-31 (Settled)	1931-32 (Settled)	1932-33 (Settled)	1933-34 (Budget)	1934-35 (Budget)
Ordinary:					
Kwantung Adm. Office.	1,590,317	1,534,423	1,460,912	1,447,191	1,497,877
Courts and Prisons	526,343	483,238	476,915	485,922	506,987
Police	4,112,618	4,197,662	4,035,169	4,076,618	4,180,555
Education	2,261,732	2,148,941	1,915,637	2,031,359	2,097,431
Communications	4,802,492	5,007,747	5,075,076	5,201,379	2,778,288
Marine Bureau	156,984	146,188	150,388	162,631	186,314
Hospitals	443,745	391,433	108,760	108,867	134,828
Other expenses	1,842,484	2,615,478	2,948,672	3,816,092	4,343,075
Reserves	—	—	—	300,000	300,000
Total	15,736,715	16,525,110	16,171,528	17,630,089	16,025,355
Extraordinary:					
Undertakings	2,450,824	2,139,408	1,471,832	2,195,762	1,565,077
Special guards	219,572	237,031	213,293	226,823	226,823
Subsidies	1,244,759	1,234,936	1,796,946	2,435,321	1,561,172
Others	219,007	762,051	3,284,059	3,536,919	3,532,631
Total	4,134,162	4,373,426	6,766,122	8,394,825	6,885,703
Grand total	19,870,876	20,898,536	22,937,649	26,024,914	22,911,058

EDUCATION

The Administration Office maintains primary schools and some higher organs of education, i.e. Technical College, Normal School, Middle Schools and Girl's High Schools in Port Arthur, Dairen, etc. The South Manchuria Railway Company also keeps a number of primary and higher schools in the Railway zone, including the South Manchuria Medical College and the South Manchuria Technical School at Mukden. Dairen and Port Arthur are each provided with a middle and a girls' high school. Besides, there are a good many private schools of elementary grade, technical schools and girls' schools, and supplementary schools run by both Japanese and Chinese.

AGRICULTURE

Maize, groundnuts, pulse and kaoliang are the principal farm products in Kwantung Province. The output of groundnuts which in recent years has made great progress amounted to 1,000,000 koku in 1931, the staple being annually exported to Europe, China and Japan. The total area of land under cultivation at the end of the same year was 197,830 hectares. Of the vegetable production, the Chinese rape, turnips, sweet potatoes, cucumber and stone-leek took the largest percentage of the total yields.

Dairen Customs of Manchoukuo

In accordance with an Agreement concluded in June, 1907, between Japan and China regard-

ing the establishment of a maritime custom-house at Dairen, it was decided to make the whole of the leased province of Kwantung a free zone, that is to say, goods brought by sea to Dairen are subject to import duties only when they cross the boundary of the leased territory into China, and those coming from China into the leased territory pay export duties only when they are exported from Dairen. For the collection of these import and export duties a custom-house under the control of the Chinese Government was established at Dairen and opened on July 1st, 1907.

In March, 1932, however, Manchoukuo became an independent state and was formally recognized by Japan on September 15, 1932. Since the foundation of the new state, it has had charge of the collection of the customs duties and dues at the Dairen Customs. Generally speaking, the manner of levying rates and charges is practically the same now as at the time of the Chinese Customs except that the Chinese trade is treated as foreign trade.

COMMUNICATION SYSTEM IN KWANTUNG LEASED TERRITORY

The communications system, post and telegraph, in the Kwantung Leased Territory is under the control of the Manchuria Telegraph and Telephone Company, a joint Manchoukuo-Japan corporation established in 1933. The communication system in South Manchuria, wherein is located the Kwantung Leased Terri-

tory, was first established by the Japanese military authorities during the Russo-Japanese war (1904-5). Soon after the establishment of the Government-General of Kwantung, the system was transferred to its Communications Bureau established in Dairen, the Chief of Bureau taking charge of affairs relating to post, telegraph, the telephone principally in the Leased Territory and the South Manchuria Railway Zone.

Mails between Manchuria and Japan were originally carried by steamer twice a week, but this was increased to a daily service by land route, when the Antung-Mukden Railway was brought into connection with the Chosen Government Railway in June, 1912. This was further increased to twice a day service in August, 1918. The international mail conveying service between South Manchuria and Europe

table:—

by Siberian route was inaugurated in 1908, but was suspended for several years after September, 1919, owing to political disturbances in Russia; again suspended for six months in 1919 during the Sino-Soviet dispute over the Chinese Eastern Railway question, and for a third time during the Harbin disturbance in 1932 (from January to February).

The postal services conducted by the Communications Bureau outside the Railway Zone, in Hsinmintun, Kirin and other districts, were transferred in 1922 to the postal system of the Chinese Government as a result of the Washington Conference.

The progress made in the postal and other communication system in the Kwantung Leased Territory and the Railway Zone under Japanese rule may be seen from the following table:—

No. of Post, Telegraph and Telephone Offices, etc.

	Communica- tions offices	Post offices	Post branch offices	Post station	Wireless telegraph stations	Telephone exchange offices	Post agencies	Telegraph agencies	Wireless telegraph agencies	Telephone agencies	Aero- dromes	Total
1922-23	1	42	11	6	3	2	72	83	—	10	—	230
1923-24	1	42	11	7	3	2	145	84	1	13	—	309
1924-25	1	40	7	12	3	2	141	85	5	17	—	313
1925-26	1	40	8	16	3	2	140	88	8	18	—	324
1926-27	1	40	8	16	3	2	146	90	11	20	—	337
1927-28	1	41	8	17	3	3	150	97	16	19	—	335
1928-29	1	42	9	18	4	3	149	97	21	22	—	366
1929-30	1	42	8	20	4	3	150	100	34	22	—	384
1930-31	1	43	7	22	4	3	151	100	34	22	1	388
1931-32	1	43	9	22	4	3	149	100	37	22	1	391

Statistics on Post, Telegraph and Telephone

Mail Line

Fiscal year	Road		Railway		Waterway	
	Length (Kms.)	Extension length (Kms.)	Length (Kms.)	Extension length (Kms.)	Length (Kms.)	Extension length (Kms.)
1927-28	78.8	429.4	2,198	9,446	1,875	2,899
1928-29	78.1	437.2	2,198	9,446	1,875	2,899
1929-30	83.3	442.2	2,201	9,467	1,875	2,725
1930-31	75.9	446.2	2,204	10,002	1,875	2,713
1931-32	85.4	330.0	2,204	9,902	1,875	2,818

Mail Matters

Fiscal year	Ordinary			Parcels		
	Despatched	Arrival	Total	Despatched	Arrived	Total
1906-07	12,821,242	12,014,613	25,835,855	52,941	146,072	199,013
1912-13	13,182,814	16,636,493	29,819,307	167,882	346,804	514,686
1916-17	18,650,218	22,191,108	40,841,326	233,574	484,580	728,154
1921-22	45,261,990	50,470,004	95,731,994	396,993	827,118	1,224,111
1926-27	41,656,134	48,410,573	90,066,707	334,681	739,941	1,074,622
1927-28	49,949,123	54,043,850	103,992,978	346,931	799,612	1,146,543

Fiscal year	Ordinary			Parcels		
	Despatched	Arrival	Total	Despatched	Arrival	Total
1928-29	57,559,461	61,491,136	119,050,597	390,306	933,988	1,324,294
1929-30	56,765,242	63,026,517	119,791,759	421,203	1,096,399	1,517,602
1930-31	56,316,492	63,061,800	119,378,292	421,275	1,070,906	1,492,181
1931-32	63,702,055	69,153,727	132,855,782	437,698	1,124,004	1,561,702
1932-33	110,837,677	112,102,501	222,942,178	1,044,377	2,800,756	3,845,133

Length of Telegraph Lines

Year	Land Lines (Li)						Underground Lines (Li)			Submarine (Sea miles)		
	Aerial		Overhead		Cores	Routes	Lines	Cores	Routes	Lines	Cores	
	Routes	Lines	Routes	Lines								
1906-07	353	1,681	—	—	—	—	—	—	36	35	35	
1912-13	228	1,114	—	—	—	—	—	—	1	1	1	
1916-17	238	1,528	0	0	2	—	—	1	—	1	1	
1921-22	226	1,973	3	3	132	—	—	1	1	1	2	
1926-27	220	2,075	6	10	181	—	—	7	1	1	2	
1927-28	226	2,072	6	9	176	—	—	7	1	1	2	
1928-29	290	2,223	9	9	248	—	—	7	1	1	2	
*1929-30	1,189,259	8,774,244	36,165	36,165	1,038,407	576	576	29,208	1,587	1,587	3,174	
*1930-31	1,198,690	8,911,439	34,728	37,485	895,871	1,057	1,777	37,915	1,587	1,587	3,174	
*1931-32	1,208,502	9,971,838	34,513	37,879	896,351	1,260	2,171	49,359	1,587	1,587	3,174	
1932-33	1,228,935	—	—	—	—	6,960	—	—	—	2,753	—	

* Figures for 1929-30, 1930-31 and 1931-32 are in meters. † Figure include those of overhead routes.

No. of Telegrams dealt with at Telegraph Offices

Fiscal year	Despatched			Arrived			Transit
	Domestic	Foreign	Total	Domestic	Foreign	Total	
1906-07	201,800	90,240	292,120	205,119	65,123	270,242	212,724
1912-13	861,980	34,194	896,174	796,681	36,239	822,920	1,168,171
1916-17	1,246,656	72,944	1,321,600	1,171,954	80,188	1,252,142	1,566,893
1921-22	2,205,402	126,987	2,332,389	2,105,766	117,271	2,223,068	2,571,442
1926-27	1,811,396	211,665	2,023,068	1,734,457	208,850	1,943,310	2,249,000
1927-28	1,849,113	218,355	2,067,468	1,758,276	217,681	1,975,957	2,227,021
1928-29	1,961,342	219,978	2,181,320	1,872,991	224,006	2,096,997	2,334,955
1929-30	1,937,223	217,294	2,154,517	1,842,755	230,232	2,072,987	2,353,412
1930-31	1,768,057	198,434	1,966,491	1,698,800	208,155	1,906,955	2,161,982
1931-32	1,932,102	234,107	2,166,209	1,817,460	245,172	2,062,632	2,411,344
1932-33	—	—	2,939,079	—	—	2,767,028	3,726,307

Length of Telephone Lines

Year	Land Lines (Li)						Underground Lines (Li)			Submarine Lines (Sea miles)		
	Aerial		Overhead		Cores	Routes	Lines	Cores	Routes	Lines	Cores	
	Routes	Lines	Routes	Lines								
1906-07	184	704	0	16	61	—	—	—	—	—	—	
1912-13	316	2,584	9	20	1,899	1	1	476	—	—	—	
1916-17	337	2,851	11	21	2,836	1	2	1,089	—	—	—	
1921-22	402	5,136	34	65	8,902	1	4	3,212	—	—	—	
1926-27	476	5,916	57	84	10,842	2	6	6,157	—	—	—	
1927-28	520	5,994	58	90	11,744	2	7	7,491	—	—	—	
1928-29	546	6,992	62	92	11,710	3	12	9,597	—	—	—	
1929-30	2,167,498	28,641,365	299,992	417,226	50,435,000	13,537	48,784	42,108,766	—	—	—	
1930-31	2,322,502	19,438,209	276,188	406,339	53,077,584	14,968	37,360	43,785,907	1,167	1,167	9,334	
1931-32	2,369,663	29,603,897	289,093	615,174	55,464,210	19,125	42,248	43,659,722	1,167	1,167	9,334	
1932-33	*2,725,030	—	—	—	—	21,817	—	—	1,003	—	—	

* Includes overhead routes.

No. of Telephone Subscriptions & Messages

Fiscal year	Subscription			No. of Messages		
	No. of subscribers	No. of telephones	No. of public telephones	Urban	Suburban	Total
1906-07	785	785	—	1,948,871	105,100	79,350,210
1912-13	3,630	3,836	42	20,152,027	220,448	20,372,475
1916-17	4,976	5,434	58	26,907,685	369,756	27,277,441
1921-22	11,155	14,318	74	55,293,251	791,931	56,085,182
1926-27	14,816	18,069	99	110,644,377	1,106,559	111,750,936
1927-28	15,484	18,820	106	118,420,063	1,284,843	119,704,906
1928-29	16,407	20,054	117	138,272,432	1,515,854	130,788,286
1929-30	19,158	21,918	121	151,834,855	1,255,449	153,090,304
1930-31	19,460	22,432	120	168,859,148	969,379	169,828,527
1931-32	19,632	22,091	121	176,574,772	948,643	177,523,415

Fiscal year	Ordinary			Parcels		
	Despatched	Arrival	Total	Despatched	Arrival	Total
1928-29	57,559,461	61,491,136	119,050,597	390,306	933,988	1,324,294
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	Routes	Lines	Routes	Lines	Cores						
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1912-13	228	1,114	—	—	—	—	—	1	1	1	
1916-17	238	1,528	0	0	2	—	—	1	1	1	
1921-22	226	1,973	3	3	132	—	—	1	1	2	
1926-27	220	2,075	6	10	181	—	—	7	1	2	
1927-28	226	2,072	6	9	176	—	—	7	1	2	
1928-29	290	2,223	9	9	248	—	—	7	1	2	
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*1930-31	1,198,690	8,911,439	34,728	37,485	895,871	1,057	1,777	37,915	1,587	1,587	3,174
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1932-33	1,228,935	—	—	—	—	6,960	—	—	2,753	—	—

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	Routes	Lines	Routes	Lines	Cores						
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1916-17	337	2,851	11	21	2,836	1	2	1,089	—	—	
1921-22	402	5,136	34	65	8,902	1	4	3,212	—	—	
1926-27	476	5,916	57	84	10,842	2	6	6,157	—	—	
1927-28	520	5,994	58	90	11,744	2	7	7,491	—	—	
1928-29	546	6,992	62	92	11,710	3	12	9,597	—	—	
1929-30	2,167,498	28,641,365	299,992	417,226	50,435,000	13,537	48,784	42,108,766	—	—	
1930-31	2,322,502	19,438,209	276,188	406,339	53,077,584	14,968	37,360	43,785,907	1,167	1,167	9,334
1931-32	2,369,663	29,603,897	289,093	615,174	55,464,210	19,125	42,248	43,659,722	1,167	1,167	9,334
1932-33	*2,725,030	—	—	—	—	21,817	—	—	1,003	—	—

* Includes overhead routes.

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Fiscal year	Subscription			No. of Messages		
	No. of subscribers	No. of telephones	No. of public telephones	Urban	Suburban	Total
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1921-22	11,155	14,318	74	55,293,251	791,931	56,085,182
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1929-30	19,158	21,918	121	151,834,855	1,255,449	153,090,304
1930-31	19,460	22,432	120	168,859,148	969,379	169,828,527
1931-32	19,032	22,091	121	176,574,772	948,643	177,523,415

CHAPTER XXI

PRINCIPAL CITIES

Antung: Antung, one of the three important open ports in South Manchuria, is situated at a point 275.8 kilometres southeast of Mukden, near the mouth of the Yalu River. The city has flourished since the Russo-Japanese War as a distributing centre of such local staples as timber, bean cakes, bean oil, wild silk and rice. There are government offices, public organizations, business concerns and various cultural establishments. The population of the city is estimated at 174,200 including 11,771 Japanese. The famous Wulungpei hot spring resort is 25 kilometres away from the city.

Penhsihu: The town is more important industrially than commercially, being noted for its coal, anthracite and semi-anthracite, besides iron ore. The annual output of coal is estimated at 500,000 tons, and that of iron ore at some 80,000 tons.

Fushun: Fushun and its suburbs contain an estimated population of 79,000, including some 17,000 Japanese. The city is famous for its collieries operated by the S.M.R. Co., the total deposit of coal being roughly estimated at 1,000,000,000 tons.

Mukden: This city, with a population of 450,000, is the capital of Fengtien Province. The South Manchuria Railway, Mukden-Shanhaikwan Railway, Mukden-Antung Railway and Mukden-Hailung Railway lines all converge here. For decades it was the capital of old Manchuria. During the Chang regime the city was the centre, political, military as well as commercial, but since the founding of the new State its position has become that of a purely commercial and industrial metropolis. There are various government offices, public organizations, business firms and cultural institutes, besides numerous historic tombs, temples, palaces, etc. The city constitutes a distributing centre for beans, bean cakes, bean oil, wheat flour, coal, cotton piece goods, cotton yarn and hundreds of sundry goods, besides being the centre of various enterprises.

Lushun (Port Arthur): Lushun, capital of the Kwantung Leased Territory, occupies the southern extremity of the Liaotung Peninsula. As the fierce battle grounds in both the Sino-

Japanese War of 1894-5 and the Russo-Japanese War of 1904-5, it is widely known. The Kwantung Government Office, judicial courts and educational institutes are located here. There are many places of interest, including old battlefields in and around the city. The population is 29,430.

Dairen: Dairen is the largest free port in the Far East. Advantageously situated and well equipped, the port has steadily grown and flourished since the Russo-Japanese War, and at present almost 90 per cent of the total Manchuria trade passes through this port. The city is the seat of the South Manchuria Railway Co. and boasts of various government offices, banking houses, business firms, hospitals, social welfare organizations and educational institutes with picturesque sites in the suburbs. The population totals 292,071, with 178,470 Manchurians, 111,293 Japanese, 1,577 Koreans and 711 other foreigners.

In the early part of the Russo-Japanese War the city fell into the hands of the Japanese army without the slightest resistance, but then it was only partially built. The greater part of the constructive work was left unfinished. Immediately after its acquisition the Japanese renamed the place as Dairen and went on enlarging and improving it until after a few years the original city built by the Russians formed but a small portion of it and that of no great importance. It now boasts a population of over 955,740 and this marvellous progress has been brought about by a happy combination of nature and art. On the part of nature, Dairen has everything to be thankful for and little to complain of; in art, the best has been done by Japan within her financial power.

(a) The harbour is a natural one, deep and well sheltered and free from ice all the year round. These natural advantages have been further improved by the construction of breakwaters of a combined length of 12,921 feet, the water within them being kept at a depth of 22-30 feet at low tide; of the light-houses (light visible at a distance of 23 miles) of a dockyard capable of accommodating vessels of 5,000 tons; of godowns, with a storage capacity of more

than 100,000 tons of cargo; by a thorough connection of railway and steamship services.

About the middle of Kwantung Peninsula where the land shrinks into the narrow isthmus of Chinchow two projections of land into the Yellow Sea enclose the sheet of water known as the Bay of Dairen. The bay has three smaller inlets, of which the southernmost one is known by the name of Victoria Bay, and it is on this bay that the port of Dairen (N. lat. 38° 55' and E. long. 121° 40') is situated. Before is open the Yellow Sea and the Strait of Chihli, forming between them the highroad to the Gulf of Chihli and of Liaotung on which Tientsin and Newchwang are respectively situated. Behind it lies the rest of Manchoukuo, the whole of which may be reckoned as its hinterland. As a matter of fact, excepting the comparatively small area along the lower reaches of the River Liao in the west and those of the Yalu River in the east, which are served by Newchwang and Antung respectively, the whole of South Manchuria and a considerable part of North Manchuria are served by it. Into this immense hinterland runs the trunk line of the South Manchuria Railway which, in connection with the Antung-Mukden Line, the North Manchuria Railway, the Kirin-Changchun Railway and the Ssupingkai-Chengchiatun Railway, and aided by the great waterways, links the port with practically all important commercial centers of Manchoukuo.

Last but not least, the prosperity of Dairen as a trading port is due to its being Japanese. The reason is simplicity itself. No people but the English could have made Hongkong what it is, not because of their immense wealth nor because of their superior ability, but because no people but the English could, at the time of its opening, buy from, or sell to, China as they did. Japan has always been the greatest customer for Manchurian products. Long before there was any Dairen, in the days when the Manchurian trade was practically in the hands of the British merchants in Newchwang, Japan was the greatest buyer of Manchurian products. She was not always the largest seller to Manchuria, on the contrary, she sold very little while buying very liberally. But by the time Dairen was opened to trade, her position as a seller of manufactured articles to Manchuria compared favourably with that of any other people. Thus, by the opening of Dairen, the greatest customer of, and possibly the destined greatest seller to, Manchuria was brought to its very doors.

Yingkow (Newchwang): Yinkow is the oldest open port in Manchuria, having been opened by the Tientsin treaty of 1858. Although the former glory of the city has gradually dwindled with the development of Dairen, the port still ranks first in coastwise trade among the three ports of South Manchuria. Exports include soya beans, kaoliang, bean cakes, Chinese brandy, medical materials, wild silk and ginseng, while imports include cotton piece goods, kerosene oil, sugar, tea and papers. Various industries such as oil-refining, spinning, tile-manufacturing, match-making and cigarette-making flourish in the city. A number of public offices, commercial establishments and educational institutions are here. The population totals 143,580, including 3,042 Japanese.

Tiehling: The city has grown since the Russo-Japanese War as an open mart, and is a distributing centre of soya beans, rice, kaoliang, wild silk, leaf tobacco, wheat flour and bean cakes. The inhabitants number 45,441.

Kaiyuan: As the hinterland of the city is abundant in soya beans, millet, kaoliang, wild silk, leaf tobacco, hemp, indigo and honey, Kaiyuan has developed into one of the most flourishing centres of South Manchuria. There are various commercial organizations and business firms. The population totals 32,283.

Ssupingkai: The city may be called the front gate to Inner Mongolia, being the juncture of the South Manchuria Railway and the Ssupingkai-Taonan Railway. Although the city was developed quite recently, it is a great assembling centre of various staples, and has a population of 18,037.

Kungchuling: The city with 21,997 inhabitants is noted for its agricultural experiment station established by the South Manchuria Railway Co.

Hsinking: Hsinking (formerly Changchun) has been selected the seat of the Manchoukuo Government. The present population totals roughly 149,600, including residents in the S.M.R. Zone. Since the inauguration of the capital various Government offices have been established here and the city has made enormous strides in various industries, trade, and cultural activities. Modern city-planning designed to transform Hsinking into a great metropolis befitting the capital of the new State is now being carried out at the hands of the Government's Capital Construction Bureau. A portion of the plan may be given below:

1. **Communication System with Hsinking as its Centre.**—The system will have the following seven roads running from its centre:

- a) Nungan Road
- b) Huaite Road
- c) Fengtien Road
- d) Yitung Road
- e) Shuangyang Road
- f) Kirin Road
- g) Harbin Road

2. **Streets.**—The streets are to be of three classes, viz., main thoroughfares, secondary main thoroughfares and auxiliary streets. The main thoroughfares are to be 28 to 54 metres wide, the secondary main thoroughfares 10-18 metres in width, and auxiliary streets less than ten metres wide. These streets may be used alternately depending upon the conditions of the districts or the topography of the city. Bridle paths will be constructed within a park or along the streets connecting the different parks. Promenades will also be provided for in the main thoroughfares.

At important centres of the city, squares (circles) are to be provided for, each embodying certain features of a park, and giving a scenic and artistic appearance to its surrounding. A special road is to be laid for the carts engaged in the transportation of commodities and other articles between the city and its outskirts.

3. Principal Public Establishments.

a) Parks are to be of three sizes in general. Large and medium sized parks will be connected one with another by streets. The small parks are to be built in the primary school area and also in the residential districts.

b) Athletic fields, race-courses, golf links and other athletic establishments are to be constructed in the special sections reserved for, or inside parks.

c) Slaughter houses, dumping grounds, etc. are to be established in the industrial districts.

d) Three classes of markets are to be established: live-stock market, central market and retail markets. There is to be one live-stock market and one central market. A retail market is to be established for every 3,000 inhabitants.

e) The locality and the area for schools are to be reserved in some appropriate districts.

f) Both underground and surface water are to be used for water works. The former is to be regulated through the water tank and to-

gether with the latter it shall constitute the water supply system of the city.

g) The sewerage system is to be so arranged as to meet the requirements of the conditions of various localities.

h) A granary is to be built in the vicinity of the point where the Kirin-Hsinking Railway line crosses the eastern suburb of Hsinking.

i) Museums, libraries, public halls, zoological and botanical gardens, etc. are to be located in or near parks.

j) The Office of the Chief Executive, Offices of the various Departments and other Government Offices are to be properly situated by taking into consideration the topographic conditions, communication facilities and matters of protection.

The total expenditure for the construction of the capital during the first five years is estimated at MY30,000,000.

Chengchiatung: The city through which the Ssuningkai-Taonan Railway line passes is a Mongolian city, originally opened for the Chinese who were engaged in trade with the Mongols. With the development of the Tungliao and Taonan districts, the city lost its importance as a trade centre. Exports from the city are kaoliang, soya beans, leather, soda, cattle and horses. The population is 40,993.

Kirin: This is the capital of Kirin Province, and is an old city situated on the left bank of the Sungari River, with a population of 190,592. It is a distributing centre for timber, leather, leaf tobacco and hemp, assembled from its rich hinterland. There are government offices, military headquarters, commercial organizations, business concerns and educational institutes.

Harbin: Harbin is the cosmopolitan city of North Manchuria, situated on the right bank of the Sungari River, with a population of 384,570, of which fully one-fourth are Russians. It is a great assembling centre for soya beans, wheat, bean cake and various cereals. Originally a tiny fishing village inhabited by a small batch of Russians and Chinese, Harbin has developed during the 50 years of its history into a great metropolis after the construction of the North Manchuria Railway. This city has been governed by the Municipal Administration of Harbin under a Chinese Mayor, but the administration was reorganized in July 1933 year as the Special Municipality of Harbin with twenty-one elected Municipal Councillors inclusive of thirteen Manchurians, three Japanese,

three Russians and two other foreigners. The Municipal Council governs the city under the direction of a Manchurian Administrator. The city has various government and municipal offices, railway offices, banks, corporations, business firms, social and educational establishments, hospitals, etc.

Tsitsihar: The city is the capital of Heilungkiang Province. Although it is well connected with Angangchi and Harbin, the importance of the city as a commercial centre has dwindled of late. The population is estimated at 89,604.

Manchouli: Manchouli, the terminus of the North Manchuria Railway, is a border city con-

necting Manchoukuo and Soviet Russia, situated at a point 935 kilometres west of Harbin. Various Manchurian and Russian official and commercial establishments may be found here.

Chengteh (Jehol), Capital of Jehol Province: The city constitutes a strategic point being connected with Chihfeng and Peiping via Kupeikow. After the pacification of the province by Manchoukuo, the city has become the political centre of the province. Kaoliang, millet and wool are staple products of the city. There is the old summer palace built and used by Manchu rulers, besides historic temples and other relics. The population is about 20,000.

CHAPTER XXII

FOUNDING OF MANCHOUKUO

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

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

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

"Since the outbreak of the recent incident, the administration of the province has been suspended, and the Committee has undertaken the maintenance of order. Apart from the question of inquiring into what has taken place or what is likely to occur in the future, this Committee takes over the administration of the

province in an effort to protect its inhabitants. The Committee is endeavouring to sever relations with the former Chang Hsueh-liang government and the Nanking Government, to safeguard the people in their work, to define the duties and functions of the officials, and to enable the people to be at ease and observe laws. We hereby declare to the people that all central government offices as well as prefectural offices should strictly observe the orders of this Committee. Dated November 7. The Committee: Yuan Chin-kai, Yu Chung-han, Chang Cheng-chi, Chin Liang, Kan Chao-hsi, Weng En-yu, Ting Chien-hsiu, Kai Yu-chun."

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

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

Declaration of Establishment of the New State

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

"March 1st, 1932
(First Year Tatung)

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

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

of friendliness and cordiality of foreign countries, they encouraged anti-foreign movements.

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

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

"Of late years, internal strife has become frequent, with rivals aiming to partition each other's territory. It is to be noted that even the existence of the ruling party itself is now in danger. In these circumstances, it is impossible to expect from them consideration of the national welfare. At this time the country is overrun by Communist bands whose baneful influence is fast penetrating into the flesh of the people and into the very heart of the national government. Facing these deplorable conditions we are compelled to look back to

the days of the Ching and Min dynasties and also to the Yao and Shun, and deplore to see how far away we have gone from the golden age in our history. What is important, this feeling of ours is equally shared by friendly nations abroad.

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

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

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

"It is believed that statecraft should be founded upon the principle of Tao, or the Way, and Tao should be of Tien, or of Heaven. The principle on which this new state is founded is to follow the way of "Tien" (Heaven); that the people will have peace and security. The government must conform to the will of the people and no personal views should be permitted to prevail in the affairs of the state.

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

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

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

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

Simultaneous with the issue of the above declaration, the Organic Law of the Central

Government, the Law Guaranteeing the Rights of the People, and other regulations were promulgated. These laws and regulations were intended to be the basis of the provisional constitution pending the enactment of formal ones.

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

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

Public Declaration of the Chief Executive

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

The New Flag

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

On March 10, the following day, the Government of the new country was formally organized with the appointment of important officials.

The new era has been titled Tatung (great unity) and the territory governed by the new government of Manchoukuo consists of the former four provinces of Fengtien, Kirin, Heilungkiang, and Jehol. Hsinking, the most important city located in the center of the territory, was selected as the new capital.

Foreign Minister's Note

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

"Sir:

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

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

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

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

"As regards relations with foreign nations, it has been definitely decided that diploma-

tic intercourse should conform to the several principles herewith stated, that is to say:

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

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

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

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

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

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

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

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

"With assurances of highest esteem and distinguished consideration,

Respectfully,

HSIEH CHIEH-SHIII
(Signature)

Minister for Foreign Affairs.

March Twelfth, First Year
of Tatung."

Upon the formation of the new government of Manchoukuo, all officials and people turned their utmost efforts to perfect the administra-

tion of the State, employing many Japanese experts either as advisors or officials, many improvements were immediately effected over the old corrupt system. Particularly, with a view to improving the currency system, the Central Bank of Manchoukuo was established in May, and the unification of currencies was carried out by fixing the official exchange rates of all former currencies in circulation.

The Government of Manchoukuo also took over the Customs and the Postal Service, though not without some difficulty because of the objection made by the Nanking Government.

Despite the frequent activities of bandits and plainclothes men of Chang Hsueh-liang bent on disturbing the peace of the new State, the new country has seen a career of steady progress.

The State of Manchoukuo was given the first formal recognition by Japan on September 15, 1932, when a protocol was signed between Manchoukuo and Japan. Soviet Russia's recognition is also expected before long in view of the interest she has in the country, and of the sanction she has given as to the stationing of Manchoukuo Consuls in Siberian districts.

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

JAPAN-MANCHOUKUO PROTOCOL

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

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

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

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

rangements or of Sino-Japanese contracts, private as well as public;

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

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

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

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

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

(L.S.) NOBUYOSHI MUTO

Ambassador Extraordinary and
Plenipotentiary of His Majesty
the Emperor of Japan.

(L.S.) CHENG HSLAO-HSU

Prime Minister of Manchoukuo."

BIRTH OF IMPERIAL REGIME

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

Simultaneous with the adoption of the Imperial rule, various governmental systems were revised. The name of the country remained the same as before as Manchoukuo but that of the era was changed from Tatung to Kangle. On and after March 1 the Empire of Manchoukuo is ruled over by an Emperor. With the honor and prestige of the Emperor unimpaired, His Majesty presides over the administration of the

country as Ruler, gives sanction to various laws to be enacted, orders their promulgation, oversees the judicial authorities in their administration of justice and controls the army, navy and air force of the rising State.

Prior to the enforcement of the Imperial rule Premier Cheng Hsiao-hsu of Manchoukuo issued a statement in which he expounded the general principle of the new rule to the 30,000,000 people of Manchoukuo and explained the great undertaking and ideal of constructing the new State to the world. A lengthy but historic statement as it is, it shall be partly reproduced herewith:

"Two years have passed since the Chief Executive took over his duties amid the general welcome and rejoicing of the people. During the period the Chief Executive devoted himself to the duties of the State in an effort to embody the Will of Heaven in building up a new state and bringing about prosperity and happiness to the people of the country.

"His work has been rewarded and peace and order have been restored. The friendship of the country with its neighbors has deepened and the knowledge of the people in general has been promoted. Manchoukuo's finances have been placed on a solid basis and its industries developed.

"An unprecedented bumper crop was realized last fall and the farmers, enriched by the bountiful harvests of the season, came to adore the benevolent rule. We find deep significance in the virtuous administration of the country by Chief Executive Pu-yi, which is in accord with the Will of Heaven which ordered the State of Manchoukuo to be built. The ideal of State construction is to obey Heaven and bring peace to the people. It is but natural that the Chief Executive, fulfilling the hopes of the people, should be enthroned as Emperor and complete the great undertaking of founding the new State. We may hope for the further prosperity of the country.

"On the auspicious day of March 1, the third year of Tatung, marking the second anniversary of the founding of the State, we have decided to enforce an Imperial rule in Manchoukuo and observe the ceremonies of Enthronement. The Enthronement of the Emperor is a natural culmination of the development of Manchoukuo founded in obedience to the Will of Heaven. Noble and virtuous as he is, the Chief Executive has ordered that His Palace be built only

after all the government offices have been put up and that his Enthronement ceremonies be observed with simplicity. All these entirely accord with the high virtue of dealing with anxiety first and enjoying comfort after. The significance of the foundation of the State is fully manifest on all sides."

As is explained in the foregoing statement issued by Premier Cheng, the birth of the Empire of Manchoukuo with the Chief Executive enthroned as Emperor is a natural culmination of the spirit of the founding of Manchoukuo. The country was destined sooner or later to settle down as it has. The name of "Shissei," or Chief Executive, is the title which Tuan Chi-juei used and failed. Whether intentional or unintentional, the same title was used by the head of Manchoukuo. At the first announcement Manchoukuo was intended to be a Republic but the title of "Shissei" was a very ambiguous one. It is probable that the title was adopted for a temporary use during the transition days.

H. E. Pu-yi and those close to him must have considered the title as incomplete and felt the impression that the position was still insecure. This was responsible for various rumors about the possibility of Japan annexing Manchuria, or deserting Manchoukuo after finding it difficult to maintain it or Manchoukuo being dis-

solved and ultimately restored to China. It was actually indicated that no small anxiety was entertained by the people of Manchoukuo because of these rumors. Chinese circles were calculated to suspect Japan of swallowing Manchoukuo and start undesirable propaganda about it. It was necessary that Manchoukuo should place the position of its head on a permanent basis at the earliest date possible and solidify the independence of Manchoukuo and thus dispel any unjustified suspicions and the anxiety of the people. It was fortunate the huge task of erecting the new State progressed rapidly and favorably during the short space of time. Especially did the political and economic work register progress at a faster pace than expected, fulfilling the requirements needed for the adoption of the Imperial rule.

Premier Cheng in an interview with newspapermen explained the reason most explicitly for the change of the national policy of Manchoukuo. He pointed out that China, ever since the adoption of the Republican rule, has been in a state of chaos, and declared: "In view of the constant chaos in which China proper finds itself, Manchoukuo has recognized that Republican form of government does not suit the Orient and decided to adopt the Imperial form of government."

CHAPTER XXIII

JAPAN-MANCHOUKUO ECONOMIC RELATIONS

What value and significance has Manchoukuo upon the economic life of Japan, and how are those two Asiatic countries economically related? In making a close survey of the economic importance of Manchoukuo toward Japan, it is essential to study the new empire from four different angles, that is, 1st, as a land for Japanese emigration; 2nd, as a destination of Japan's capital investments; 3rd, as a source of industrial materials for Japan, and lastly as a market for Japanese articles.

The late Count Shimpei Goto, the first President of the South Manchuria Railway Co., looking upon emigration as an indispensable essential in Japan's dominance in Manchuria and Mongolia, once asserted . . . "If Japan had been able to send 500,000 emigrants to Manchuria within ten years since the commencement of the Japanese management of the South Manchuria Railway, Japan would have been able to take complete reign over Manchuria in time of peace as well as of war." The result has fallen short of Count Goto's expectation. The South Manchuria Railway has already been under Japanese operation for over twenty five years and Japanese emigrants to Manchuria have scarcely reached even half of the Count's figure. According to statistics of the Government-General of Kwantung, Japanese immigrants in Manchuria numbered only 228,748 at the end of 1930. It should be noted that the large part of those Japanese in Manchuria are government officials, businessmen and merchants, and not those true-hearted immigrants who are there to "live for life."

Such an inactivity in Japanese emigration to Manchuria is principally attributable to the oppression resultant from cheap Chinese labor. Mr. Yosuke Matsuoka, former Vice President of the South Manchuria Railway Co., holds a pessimistic view regarding the future of Japanese emigration to Manchoukuo. "There were 5 or 6 Chinese laborers for every one Japanese worker in the employ of our Company." Mr. Matsuoka stated. "We attempted to make the ratio equal and discovered that we should have to pay ¥7,000,000 more in wages a year in order

to balance the number of the Chinese and the Japanese workers. That would denote extra expenditures of ¥100,000,000, inclusive of the principal and interest, for 10 years. Such an extra cost would bring to the Manchurian soil only 50,000 immigrants including their families." Some experts support the advisability of sending "industrial" emigrants together with "agricultural" emigrants under proper government encouragement. The future of Japanese emigration to Manchuria is still hard and far distant.

Manchoukuo, as the market for the export of capital from Japan, proves highly promising. According to investigation made by the Ministry of Commerce and Industry of the Japanese Government, the total Japanese investments in foreign enterprises amounted to ¥1,000,000,000, exclusive of foreign loans, at the end of 1927. Of those foreign investments about ¥700,000,000 were invested in Manchuria.

If the export of capital in connection with the reserve funds, debentures, foreign loans, expenses of private concerns and branches of the Japanese companies, etc. was added, the total Japanese investments in Manchuria were estimated at ¥1,750,000,000 at the end of 1930.

From those investments, Japan obtained an average profit estimated at 4.1% in 1930. Such a low profit rate is attributable to Japan's intention of making those investments as preliminary moves for her future activities and is indicative of Japan's non-expectation for high profits from every yen she has invested.

Manchoukuo is a cardinal source of raw materials for Japan. Japan imports soy bean and other beans, kaoliang, wheat, chestnut, wheat bran, and other agricultural products, as food-stuffs and animal feeds; soy bean, timber, salt, hides and leathers, wild silkworm cocoons, and others as raw materials; bean cake, pig iron, etc. as semi-finished products, and coal as fuel. The annual total of the import of those Manchurian products averages from 8% to 10% of the total annual imports of Japan from abroad. There is a great possibility that Manchoukuo will prove a promising source to supply oil shale, light metals, steel, special steel, gold, sul-

phate of ammonium, soda, pulp, raw cotton, hemp and jute, wool and a few other materials to Japan, in case proper efforts be made in future in those directions.

There is still much room for development in Manchoukuo as a market for Japanese articles. While imports from Japan amount to from 40% to 50% of the total annual imports of Manchoukuo, they occupy comparatively a small part in the total annual exports of Japan. The average of Japan's exports to Manchoukuo during the last 5 years, for example, was only 7.8% of her total annual exports. Although the ratio of the exports to Manchoukuo in Japan's total annual exports is extremely small, Manchoukuo proves to be one of the most important and promising markets which Japan has for her products, coming next only to the United States, Japan's best customers for raw silk; China, Japan's foremost market for her cotton products; and British India which consumes a large volume of Japan's miscellaneous articles. It should also be noted that Japan's exports to Manchoukuo are not abnormally one-sided and are many and diverse in descriptions, features which make Manchoukuo a most promising field for the export of Japan's finished articles if her purchasing power is properly cultivated. It is noteworthy that Japan's export to Manchoukuo has made a steady increase in recent years. During 1932, exports to Manchoukuo totalled ¥69,000,000 in value, increasing more than 90% as compared to the preceding year. Exports during the first 10 months, January to October, of 1933 totalled ¥150,000,000, advancing ¥980,000,000 or 65% as compared to the corresponding period of 1932.

While the past record shows that Manchuria's economic contribution toward Japan was small and insignificant, there is enough reason to believe that Manchoukuo holds a bright and promising future for economic development by Japan.

Administration of colonies or assistance to friendly nations by a modern nation in the present century, means, in other words, her capital investments in those colonies or nations. The present state of Japan's administration in Manchoukuo, therefore, may well be known by a close analysis of the distribution of Japan's capital investments in that country. A study of Japanese investments in Manchoukuo since the outbreak of the Manchurian incident will serve to reveal the trend of the development of Japan's activities in Manchuria. A noteworthy

tendency in the progress of Japan's activities in Manchoukuo since the advent of the new state is the comparative scarcity of capital investments from private sources. Exports of capitals by private Japanese organizations since the birth of the new state totalled ¥111,000,000.

Debentures floated by the South Manchuria Railway Co. since the independence of Manchoukuo totalled only ¥80,000,000. The Bank of Chosen, the Oriental Development Co., and a few other organizations concerned have exported to Manchoukuo a certain amount of capital, but their total was insignificant.

Thus Japanese investments in Manchoukuo have been far smaller than were originally expected, with the exception of those made through the credit and authority of the South Manchuria Railway Co., or those made by a certain section of the Japanese public. The principal reasons which serve to prevent Japanese industrialists from investing in Manchoukuo and consequently cripple the smooth progress of industrial and economic activities of the new empire are three in number. They are, that conditions pertaining to various enterprises in Manchoukuo are not so lucrative as are generally believed to be, that there are enough reasons for the possible rivalry between certain industries in Manchoukuo and similar industries in Japan, and that the principles upon which the Economic Development Policy of Manchoukuo is based are contrary to capitalistic methods.

Japanese businessmen are apt to take an optimistic view of the conditions pertaining to different undertakings in Manchoukuo. The view of businessmen and industrialists who return from personal inspection trips in Manchoukuo however is more pessimistic and disappointing. They give various reasons. Transportation facilities in Manchoukuo are poor and freight rates comparatively high. There is little hope for a further decline in the price of coal, as the fuel is under the exclusive control of the management of the South Manchuria Railway Co. Manchoukuo lacks an ample supply of water power. The cost of electric power is high and its supply is too small to meet the industrial demand. Drinking water is not easily available.

Peace preservation facilities are imperfect. They are almost unanimous in the opinion that cheap Chinese labor is the one and only merit in Manchoukuo. Such is, however, a rough sur-

vey of the things in that country. There are, of course, a number of natural resources which will prove lucrative such as soya bean, salt, coal, iron, etc.

There is much worry, however, that future development of those natural resources will possibly lead to industrial rivalry between Japan and Manchoukuo. Manchoukuo, for example, stores 3,000,000,000 tons of coal according to available report. Income from coal mining in the Fushun coal mines is one of the two principal items of the annual revenue of the South Manchuria Railway Co., the other being the income from railways. It is still fresh in the memory of the Japanese industrialists that the import of Fushun coal into Japan sometime ago was strongly opposed by the Chikubo Coal Miners' Organization. The opposition finally led to a conflict between the South Manchuria Railway Co. and the Union of Coal Miners' Associations, and necessitated a last-minute mediation by the Ministry of Overseas Affairs.

It is also well known that the manufacturers of sulphate of ammonium in Japan proper, who sometime ago forced the Japanese Government to increase import duties upon cheaper foreign sulphate of ammonium in the face of a strong protest from the farmers throughout the country, have launched a strong movement against the establishment of the Manchu Chemical Industrial Co., which was organized for the purpose of undertaking the manufacture of sulphate of ammonium in Manchoukuo with cheaper Manchurian coal as raw material. Salt, another principal product of Manchoukuo, will prove a great menace to the manufacturers of salt in Japan proper, if it is exported to Japan in large quantities to supply the domestic soda industries, since the production cost of salt in Japan is far higher than that in Manchoukuo. The same thing may be said of iron. It may be clearly seen, therefore, that although conditions relating to some industrial enterprises are lucrative, oppression upon the markets for the outlet of their products is likely to hamper the smooth investment of capital in those industries.

In the midst of the present world financial chaos, any expansion of production facilities in any industry in Manchoukuo will eventually bring pressure to bear on Japan proper, as there is little room for their export abroad. With Japan herself struggling from excessive production, it is natural that Japanese investors

are little inclined to take the initiative in Manchoukuo.

Opposition of the fundamental principles of the Manchoukuo Economic Development Policy to the general principles of capitalism exists in the policy of the Manchoukuo government to work out extensive control over different industrial enterprises apparently with a view to modifying the various phases of capitalism. It is reported that the origin of the general control policy is traceable to the popular demand that "Interest emanating from Manchuria should be divided fairly among the whole population of Japan." Opinions have been current that it is unfair to let the shareholders and creditors of the South Manchuria Railway Co. to monopolize all the interest available from Manchoukuo which cost Japan 100,000 lives in the Sino-Japanese and the Russo-Japanese War, and an expenditure totalling ¥2,000,000,000 in the past. Reflective of the voice of the general Japanese public, the principles of the Economic Policy of Manchoukuo emphasize the following points:

(1) Generalization of Profit, (2) Government supervision of principal industries, (3) Equality of Opportunity and Open-door Policy, and (4) Japan-Manchoukuo Economic Cooperation. The attitude of the new Government toward capitalism is definitely exemplified in the official announcement of the Economic Policy of Manchoukuo declaring that "... In view of the great evils resulting from uncontrolled application of capitalistic economy, it is deemed imperative to work out necessary government control over capital," etc., etc. and that "... We assert that the evils emanating from the monopolization of business interest by a certain exclusive section be avoided and the public at large be equally profited." The result was greatly disappointing. Capital, which the Manchoukuo Government aimed and intended to control and supervise failed to cross the Japan Sea to Manchoukuo.

What capital exported to Manchoukuo was either based completely on the credit of the South Manchuria Railway Co. or invested in a semi-patriotic spirit in the name of the honor of the Japanese military. It would be easy, in view of the foregoing examples, to see that the economic policy of Manchoukuo was suicidally conflicting, in attempting to found Manchoukuo, the branch family, on the pure nationalistic principle while Japan, the head house, still remains on the liberal system of private ownership. Capital risks all dangers only when there

is a prospect for unforeseen profit. If it has to take all risks in undertaking certain industries, and then is forced to be subjected to one thousand and one restrictions and controls when it is ready to reap the fruits of its labor, it will never be forthcoming.

It may be said that the economic policy of Manchoukuo, in attempting to seek capital which would assist in a social policy of the country without giving it a chance to pursue profits, was a complete failure.

Japanese investments in Manchoukuo since the termination of the Manchurian incident have been extremely depressed. It should, however, be noted that the Manchoukuo Government has recently arrived at a decision on the concrete policy of industrial control, and has thereby determined three principal branches of enterprises to be subjected to three different supervisions in consideration of their original natures. They are public utilities, licensed en-

terprises and free industries. This governmental action served to remove the worry resulting from the application of an indefinite control policy. Such a tendency, together with the improvement in the understanding which the authorities concerned have come to get regarding the nature of capital to be imported into Manchoukuo, is expected to encourage investments in Manchu industries.

In the midst of such speculations and under the scrutiny of international attention, Japan set out on a positive administration of Manchuria and the records of the past two years reveal that her efforts are slowly but surely bearing fruits, in spite of the difficulties which she faces.

The important establishments founded since the birth of Manchoukuo and capitalized wholly or partially by Japanese capital number more than forty, including the following:

Firm name	Authorized capital in ¥1,000	Principal investors
Central Bank of Manchou	30,000	Manchoukuo, Mitsui and Mitsubishi
Manchurian Air Transport Co.	3,750	Manchoukuo, S.M.R. Co., Sumitomo
Manchurian Chemical Engineering	25,000	S.M.R. Co., Mitsui, Mitsubishi and Co-operative Sales Society
Manchurian Telegraph and Telephone	50,000	Japanese gov't., Manchoukuo, S.M.R. Co., Insurance companies syndicate, Japan Broadcasting Society
Manchurian Gold Mining Co.	1,000	—
Mukden Arsenal	"	—
Manchurian Beer Company	2,000	Dai Nippon Beer Co. and Kirin Beer Co.
Showa Steel Works	100,000	S.M.R. Co.
Japan-Manchurian Magnesium Co.	7,000	S.M.R., Sumitomo, Mitsubishi
Japan-Manchuria Aluminium Co.	5,000	S.M.R. Co.
Manchurian Portland Cement Co.	5,000	Daiichi Mutual Insurance Co.
Manchurian Coal Mine Co.	16,000	S.M.R. Co., Manchoukuo
Japan-Manchuria Salt Refining Co.	20,000	S.M.R. Co., Oriental Development Co., Nippon Soda Co., Asahi Glass Co., Dai-Nippon Salt Mfg. Co.
Dowa Automobile Co.	6,200	Manchoukuo, S.M.R. Co., Automobile Mfg. Co.
Mukden Real Estate Co.	2,500	S.M.R. Co. and Manchoukuo
East Manchurian Rayon Pulp Mfg.	15,000	Ohkawa Co. and its subsidiaries
Manchurian Electric Power Co.	60,000	S.M.R. Co., South Manchuria Electric Power Co.
Manchurian Gold Product Co.	12,000	S.M.R. Co., Manchoukuo and Oriental Development Co.
Manchurian Petroleum Co.	5,000	S.M.R. Co., Mitsui, Mitsubishi, Nippon Sekiyu
Great-Manchurian Hopp Beer Co.	10,000	—
Daido Portland Cement Co.	5,000	Asano Cement Co.
Manchuria Sugar Refining Co.	10,000	Akatsuka
North Manchurian Sugar Mfg. Co.	2,000	Nippon Sugar Trading Co. and Meiji Sugar Refining Co.
Manchurian Flour Mill Co.	2,000	Nisshin Flour Mill Co., Nippon Flour Mill and Nitto Flour Mills
Manchurian Cotton Co.	10,000	—

Firm name	Authorized capital in ¥1,000	Principal investors
Manchurian Pharmaceutical Co.	5,000	Nakano
Manchurian Wood Pulp Engineering	10,000	Terada
Daido Alcohol Co.	1,670	Oriental Development Co. and Manchoukuo
Manchuria Engineering Co.	1,500	Kawasaki Shipbuilding Co.
Daido Forestry Co.	1,000	Oji Paper Mill and others
Japan-Manchurian Wood Pulp Co.	5,000	Kawanishi
Kyoei Wood-pulp Co.	20,000	Oji Paper Mill Co.
Shale Cement Mfg. Co.	1,500	S.M.R. Co. and others

The number of establishments founded since the birth of Manchoukuo and capitalized wholly or partially by Japanese capital number more than forty, including the following:

Establishment and Capitalization

Manchoukuo, S.M.R. Co., Sumitomo

S.M.R. Co., Mitsui, Mitsubishi and Co-operative Sales Society

Japanese gov't., Manchoukuo, S.M.R. Co., Insurance companies syndicate, Japan Broadcasting Society

—

—

Dai Nippon Beer Co. and Kirin Beer Co.

S.M.R. Co.

S.M.R., Sumitomo, Mitsubishi

S.M.R. Co.

Daiichi Mutual Insurance Co.

S.M.R. Co., Manchoukuo

S.M.R. Co., Oriental Development Co., Nippon Soda Co., Asahi Glass Co., Dai-Nippon Salt Mfg. Co.

Manchoukuo, S.M.R. Co., Automobile Mfg. Co.

S.M.R. Co. and Manchoukuo

Ohkawa Co. and its subsidiaries

S.M.R. Co., South Manchuria Electric Power Co.

S.M.R. Co., Manchoukuo and Oriental Development Co.

S.M.R. Co., Mitsui, Mitsubishi, Nippon Sekiyu

—

Asano Cement Co.

Akatsuka

Nippon Sugar Trading Co. and Meiji Sugar Refining Co.

Nisshin Flour Mill Co., Nippon Flour Mill and Nitto Flour Mills

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CHAPTER XXIV

SANITATION

Introductory Remarks

The climate of Manchoukuo is by no means unsuitable to the health of the inhabitants, it being much similar to that of the countries in the northern parts of Europe. The only phenomenal characteristic is a marked fluctuation in temperature in summer and winter, a situation which is rather common in continental countries. The vastness of the territory, which embraces different races with different customs and manners, the presence of a large number of peasants who are continually shifting from place to place and, above all, a lack of sanitary knowledge among the people have subjected the country to the visitation of virulent epidemics in the past. Notably, the spread of the pneumonic plague in the winter of 1910 in the neighborhood of Manchouli took a human toll of roughly 50,000 in Manchouli, Harbin, Changchun (present Hsinking), Kirin, Mukden and in the surrounding districts. The spread of the plague which threatened to invade China proper caused a sensation and attracted the attention of the whole medical world and resulted in the opening of an international plague prevention conference in Mukden participated by Japan, China and the countries of Europe and America.

As a result of the conference, the Northeastern Plague Prevention Office was established at Harbin in 1912 and by the end of 1914 four epidemic hospitals were established each at Harbin, Heiho, Sanhsi and Tunkiang. Other large breakouts of diseases since the 1910 plague included a cholera epidemic in 1919, 1926 and 1932 and the bubonic plague in 1920 and again in 1927.

Since the founding of Manchoukuo the government has taken several measures towards improving the hygienic and sanitation conditions in the country, but in view of the vastness of the land progress in this direction is still far from satisfactory. The best hygienic facilities are to be found in Kwantung Province due almost wholly to the initiative of the Japanese administration as exercised through the medium of the Kwantung Government and the

South Manchuria Railway Company. Japanese hospitals were first established in Manchuria during the Russo-Japanese war. On the restoration of peace, Baron Shimpei Goto (late Count), the first President of the South Manchuria Railway Company, then acting as adviser to the Kwantung Government, who was himself a physician, took the initiative in adopting thorough sanitary measures in the Leased Territory and the Railway Zone. In order to eradicate the habit of opium smoking and the indiscriminate use of morphine and other narcotics, the most effective measures were carried out in the Leased Territory, and it is in this region that the greatest progress in sanitation and hygiene is noticeable today.

The number of Government and public hospitals by provinces is tabulated below:

	Government hospitals	Public hospitals	Total
Fengtien Province	14	15	29
Kirin	3	11	14
Heilungkiang	2	3	5
Tungsheng Special District	?	?	15

Among the projects undertaken or considered by the Government since its establishment are the following:

Establishment and Expansion of Hospitals.

Kirin Provincial Hospital. Construction completed November 15, 1932.

Attached hospital to the Shanhaikwan Border Quarantine. Construction completed July 29, 1932. Open to the public in ordinary times.

Kirin Provincial Hospital, Tsitsihar Government Hospital, Harbin Special District Hospital, Harbin Municipal Hospital. (The projects for these hospitals have been completed)

Despatch of Free Medical Service Units.

Units despatched to Fengtien and Kirin provinces. Also to Manchouli, Hailar, Chalan-tun and surrounding districts with the purpose of rendering medical service over periods of one month each. Patients treated number 6,474.

Adoption of government medical standards.

Plans for this end are being drawn.

Rationalization of Medical Organs.

Sphere of work to cover present and future medi-

cal situation in the realm of general medicine, dentistry, pharmacology, and obstetrics.

Expansion of Medical Institutions.

Plans under formulation.

In 1932, soon after the establishment of the Government, Manchoukuo was raided by a cholera epidemic which, lasting until the middle of August of the same year, took a toll of some 5,000 lives while patients afflicted with the disease numbered over 10,000. The epidemic was most rampant in Harbin and the surrounding districts.

No. of Patients and Cholera Mortality

	Patients	Mortality
Yingkow	345	181
Hsinking	27	23
Kaiping	26	21
Chinh sien	778	396
Peichen	2,807	866
Fuh sien	13	7
Mukden	75	38
Tsitsihar	376	163
Tungliao	2,999	1,958
Hsinmin	791	261
Liaoyuan	121	71
Suichung	12	7
Liaoyang	132	79
Panshan	645	185
Antung	52	14
Taonan	467	180
Kaitung	197	147
Kirin	70	41
Heishan	108	88
Harbin	415	162
Harbin	415	162
Fushun	43	34
Shuangshan	41	25
Changwu	13	6
Hsingcheng	129	54
Total	10,682	5,007

Hygienic administration in the Leased Territory and the Railway Zone is controlled by the Police Bureau of the Kwantung Government, and administrative measures in the Railway zone are participated in by the local affairs department of the South Manchuria Railway. Quarantine and other hygienic matters in the harbors of Dairen and Port Arthur come under the jurisdiction of the Marine Bureau of the Kwantung Government. Bacteriological laboratories have been established by the South Manchuria Railway Co. at Mukden, Yingkow, Antung, Hsinking and Fushun. To each labora-

tory medical experts and officers are attached to enforce epidemic prevention measures. While the Kwantung Government maintains five hospitals in the Leased Territory, the South Manchuria Railway has also established and maintains hospitals and their branches at twenty-four places, most of them in the Railway zone, besides maintaining several hygienic institutions. These Japanese hospitals, including those maintained by the Japan Red Cross Society, give medical treatment without discrimination to Japanese, Manchus and other nationals living in or outside the Railway Zone. In recent years, the number of Manchus utilizing these Japanese hospitals has gradually increased, their treatments by day reaching over a million a year.

Japanese Medical Treatment

The Kwantung Government Hospital was established in November, 1907, at Port Arthur, on the site of the former Russian Red Cross Hospital, which was purchased from Russia and utilized for the use of the new hospital. Considerable architectural alterations and extensions were made in past years, so as to facilitate different branches of treatment and provide accommodation for 118 in-patients. The Kwantung Government also maintains isolation hospitals at Dairen and Port Arthur for the treatment of patients afflicted with infectious diseases. Each is located on a high, dry hill and equipped with up-to-date equipments. The Hospital at Port Arthur can take care of 100 patients, and that at Dairen 250 patients at one time. In addition to these, there are two women's hospitals, one at Port Arthur and the other at Dairen. Further, to extend medical treatment to the people living in the districts remote from Dairen and Port Arthur in the Leased Territory, the Kwantung Government stations officially appointed public physicians in thirteen towns. The chief function of these public physicians is to participate in sanitary administration, especially in vaccination, and in their spare time they give medical aid to the people. Free medical treatment is extended to poor Manchu patients. To these official physicians, the Government grants a monthly allowance, provides official residences, and furnishes medicine and medical apparatus. The following table shows the number of patients treated in past years by five Government Hospitals and district physicians in the Leased Territory:

Year	Kwantung Government Hospital	Isolation Hospital at Port Arthur	Isolation Hospital at Dairen	Women's Hospital at Port Arthur	Women's Hospital at Dairen	District physicians	Total
1911	117,299	—	—	—	—	31,334	148,633
1916	145,823	—	—	—	—	60,656	209,479
1921	136,018	2,783	20,207	8,961	50,086	193,232	411,307
1926	153,830	10,004	34,750	7,180	31,210	136,988	373,962
1929	150,756	5,185	17,221	8,002	25,738	95,945	302,847
1930	174,188	3,662	14,882	6,231	23,339	104,655	326,957

The South Manchuria Railway Company maintains an extensive system of medical institutions in Manchoukuo. There are hospitals in Dairen, Shakao, Mukden, Antung, Yingkow, Tashichiao, Wafangtien, Liaoyang, Anshan, Fushun, Tiehling, Kaiyuan, Ssuping kai, Kungchuling, Kirin, Penhsihu, and Hsinking along the railway lines, and a hospital at Harbin. Branch hospitals are established in the Manchu quarters of Dairen, Mukden, Yingkow, and Hsinking, principally for the purpose of extending the benefit of modern medical treatment to the Manchus. Thus altogether eighteen hospitals and six branch hospitals are maintained by the South Manchuria Railway Company, these accommodating about 2,500 inpatients. For the building and equipment of these institutions the Company has expended no less than 14,000,000 yen in past years. The

Dairen Hospital is the largest consisting of ten divisions—surgery, gynaecology, ophthalmology, children's clinic, rhino-laryngo-otology, physical treatment, dentistry, and laboratory, which is subdivided into bacteriological, pathological, and chemical sections. Next come the hospitals at Mukden and Fushun, each of which has large modern accommodation. The Mukden Hospital (attached to the South Manchuria Medical College) has also several divisions each provided with the latest medical appliances, so that the newest inventions or devices are in practical use besides being utilized for class-work at the college. Other hospitals have also separate divisions according to local requirements. The following table shows the condition of medical treatment during the last twenty-four years:—

Year	No. of Patients treated			Account (Yen)		
	Inpatients	Outpatients	Total	Income	Expenses	Deficit met by Co.
1907-08	31,704	230,863	262,572	41,352	185,473	144,131
1912-13	214,917	489,803	704,720	418,834	643,146	224,312
1917-18	438,313	949,013	1,387,326	973,215	1,152,272	179,057
1922-23	462,633	1,226,709	1,689,342	2,309,796	2,979,901	670,105
1927-28	695,432	1,706,295	2,401,727	3,702,898	4,462,218	759,320
1928-29	719,029	1,664,789	2,383,818	3,892,974	4,269,074	376,100
1929-30	742,280	1,632,127	2,374,407	4,042,410	4,240,402	197,992
1930-31	693,805	1,566,234	2,260,039	3,758,270	3,910,304	152,034
1932-33	595,504	1,155,360	1,751,864	2,109,959	1,876,143	133,816 (Surplus)

In addition to the above, medical officers specially appointed by the South Manchuria Railway Company are stationed in towns and districts in other parts of Manchoukuo and Eastern Inner Mongolia, supervising sanitary work, conducting vaccination, and giving general medical aid to the needy. Medicine is furnished free or at cost. At about ten places within the Railway Zone, far from hospitals, visiting nurses are stationed to extend first aid medical treatment to patients and also to act as midwives for benefit of the local inhabitants.

Red Cross Medical Service.—The Japan Red Cross Society also is active in Manchoukuo. During the Russo-Japanese war, the Society

engaged in relief work and medical treatment of the Chinese refugees. After the war the Chinese, the Russians and the Japanese in Manchuria, interested in the work of the Society, welcomed the establishment of its branch hospitals, of which there are now fifteen branch hospitals and thirteen sub-branches in different districts. The members of the Society in Manchoukuo gradually increased to 86,788 consisting of 43,072 Japanese, 43,716 Manchus, Russians and other nationals, as at the end of 1930. The Society also engages in preventive measures and propagandism against tuberculosis, and sends its physicians to the interior, where medical treatment is given free of charge

to the poor. At times of political disturbance, such as the commotion at Fenghuangcheng in 1912, the Chengchiatung incident in 1916, the first and second Mukden-Chihli collisions respectively in 1922 and 1924, Kuo Sung-ling rebellion in 1925, the Sino-Soviet dispute in 1929, and the Manchurian Incident in 1931, the Society extended the most liberal medical treatment and aid to the calamity-stricken troops and refugees. The Red Cross Society branches

of Japan in Manchoukuo today have ten hospital equipments in Mukden, Dairen, Liaoyang, Chinchow, Chengchiatun, Tunghua and Imienpo.

Those who received medical treatment and other aid from the Society in Manchoukuo up to the end of December, 1930, numbered over 1,230,000 persons. The following table shows the number of members of the Society and persons who received medical treatment in recent years:—

Year	Members of the Society			Persons who received medical treatment by the Society		
	Japanese	Chinese	Total	Japanese	Chinese	Total
1925	36,771	33,789	70,560	9,258	20,105	29,363
1926	40,389	37,689	78,078	11,797	19,527	28,325
1927	41,749	38,429	80,178	4,902	19,108	24,010
1928	42,180	40,932	83,112	4,151	10,835	14,986
1929	42,534	42,792	85,326	9,430	38,544	47,974
1930	43,072	43,716	86,788	1,466	19,297	20,763

Foreign Medical Institutions.—There are some fifteen medical institutions operated by foreign missions in Manchoukuo, of which the Shengching Hospital established by Dr. Dugald Christie of the Scottish Missionary Society in

1882 is one of the more noted institutions of its kind. Some 11 hospitals are operated by the British, two by the Danish, one by the Canadians and one by the French, as is shown below:

	Location	Nationality
Christian Free Hospital	Hsinking	British
Hsinking Christian Hospital for Women	Hsinking	"
Hsinking Free Hospital	Hsinking	French
Christian Hospital for Women	Chinchow	British
Liaoyang Hospital for Women	Liaoyang	"
British Hospital	Hailung	"
Puai Hospital	Hsinminfu	"
Weimei Hospital	Hsinminfu	"
Free Hospital of Tiehling Christian Church	Tiehling	"
Kaiyuan Christian Church Hospital	Kaiyuan	"
Fakumen Christian Church Hospital	Fakumen	"
Kirin Anglican Church Hospital	Kirin	"
Antung Danish Hospital	Antung	Danish
Hsishan Hospital	Hsiuyenhsiencheng	"
Chenghonn Hospital	Chenghonn	British
Tsiehang Hospital	Lungtsingsun	Canadian

Opium Smoking.—The opium smoking habit dates back to ancient times in Manchoukuo and is deeply rooted in the daily life of the people. The Government has taken measures towards eradicating the evil and in November, 1932 promulgated the Opium Law. In order to correct this long-standing habit the policy of the Government lies in adopting measures for the gradual reduction of the number of addicts, based upon the policy of absolute prohibition. In other words, it is the strict prohibition of opium-smoking by the general public, permit-

ting smoking only by the addicts and at the same time establishing special infirmaries to take care of the addicts. It is the aim of the Government to reduce the evil gradually and then finally cause its eradication by enlightening the people through the work of educational and social establishments. The six essential points regarding the Law Governing the Examination of Opium in Private Possession and Regulations Encouraging the Examination and Seizure of Illegal Opium are enumerated hereunder:

1. Officials of the Monopoly Bureau shall arrest any person deemed to have violated the provisions of the Opium Law and shall seize any opium and opium-smoking instruments found in his possession.
2. Officials of the Monopoly Bureau may conduct a search in case any person is suspected of having violated the provisions of the opium Law, and may examine any such person or witness if it is deemed necessary.
3. In case officials of the Salt Administration or the Maritime Customs Service or revenue officers discover, in the course of execution of their duties, any person suspected of having violated the provisions of the Opium Law, they may act as officials the Monopoly Bureau would in such cases.
4. Opium which is involved in any case of violation of the provisions of the Opium Law, or opium whose owner is unknown or opium, the whereabouts of whose own-

er cannot be traced, shall be called "ssu-tu" or illegal opium. Any person who informs the authorities concerned of the possession of "ssu-tu" by any individual, or any official concerned who conducts an examination and obtains seizure of "ssu-tu" shall be given a cash reward.

5. The seized "ssu-tu" shall be appraised by officials of the Monopoly Bureau, and a sum equivalent to six-tenths of the balance left after deducting storage, freight, and other necessary expenses from the appraised value shall be used for the payment of the cash reward.
6. A sum equivalent to seven-tenths of the entire cash reward shall be awarded the person who informs the authorities concerned of the possession of "ssu-tu" by any individual, and a sum equivalent to three-tenths of the same shall be awarded the officials who engages in the examination and seizure of "ssu-tu".

SUPPLEMENT I CUSTOMS TARIFF

Import Tariff

No.	Name of Article.	Unit.	Duty. (in M.Y.)	No.	Name of Article.	Unit.	Duty. (in M.Y.)
I.—COTTON AND MANUFACTURES THEREOF							
The term "Printed" in this section includes Pigment Style, Direct Printing Style, Steam Style, Discharge Style, Madder or Dyed Style, Resist Style, Resist Pad Style, Metal Style, and so forth, irrespective of finish.							
Cotton Piece Goods, Grey.							
1	Shirtings and Sheetings, Grey, not over 40 ins. by 41 yds.—			15	Drills and Jeans, White (3 or 4 shaft only), not over 31 ins. by 42 yds.—		1.10
	(a) weight 7 lb. and under	Piece	0.80		(a) Weight 5¼ lb. and under	Piece	0.65
	(b) Weight over 7 lb. but not over 9 lb.	"	1.10		(b) Weight over 5¼ lb.	"	1.00
	(c) Weight over 9 lb. but not over 11 lb.	"	1.20	16	T-Cloths, White and Mexicans, not over 32 ins. by 25 yds.—		
2	Shirtings and Sheetings, Grey, not over 40 ins. by 41 yds. and with more than 110 threads per square inch.—				(a) Weight 5¼ lb. and under	Piece	0.65
	(a) Weight over 11 lb. but not over 12½ lb.	"	1.25		(b) Weight over 5¼ lb.	"	1.00
	(b) Weight over 12½ lb. but not over 15½ lb.	"	1.30	17	Dimities, Piqués, Vestings, Quiltings, and Bedford Cords, White, not over 30 ins. by 30 yds.	"	2.10*
	(c) Weight over 15½ lb.	"	1.45	18	Cambrics, Lawns, Muslins, Nainsooks, Mulls, Jaconets, Victoria Checks, Swiss Checks, Lappets, Limbrics, Brocades (single yarns only) and Shirtings, n.o.p.f., White or Dyed, Plain or Figured	Value	22.5%*
3	Shirtings and Sheetings, Grey, not over 40 ins. by 41 yds. and with 110 threads or less per square inch.—			19	Lenos, White or Dyed, not over 31 ins. by 30 yds.	Piece	1.55*
	(a) Weight over 11 lb. but not over 15½ lb.	"	1.15	20	Leno Brocades, White or Dyed	Value	22.5%*
	(b) Weight over 15½ lb.	"	1.40	21	Shirtings, Sheetings, and Pongees, Dyed, Plain:—		
4	Drills and Jeans, Grey (3 or 4 shaft only), not over 31 ins. by 32 yds.	"	1.05		(a) Not over 30 ins. by 33 yds.	Piece	1.20
5	Drills and Jeans, Grey (3 or 4 shaft only), not over 31 ins. by 42 yds.—				(b) Not over 30 ins. and over 33 yds. but not over 43 yds.	"	1.65
	(a) Weight 12¾ lb. and under	"	1.40		(c) Not over 36 ins. by 21 yds.	"	1.35
	(b) Weight over 12¾ lb.	"	1.25		(d) Not over 36 ins. and over 21 yds. but not over 33 yds.	"	1.90
6	T-Cloths, Grey, not over 34 ins. by 25 yds.—				(e) Not over 36 ins. and over 33 yds. but not over 43 yds.	"	2.30
	(a) Weight 7 lb. and under	"	0.85	22	Drills and Jeans (3 or 4 shaft only), Dyed, Plain:—		
	(b) Weight over 7 lb.	"	0.90		(a) Not over 31 ins. by 32 yds.	"	1.15
7	T-Cloths, Grey, over 34 ins. but not over 37 ins. by 25 yds.	"	1.00		(b) Not over 31 ins. and over 32 yds. but not over 42 yds.	Piece	1.65
8	"Tachihpu" or Nankeens, Grey, not over 24 ins.	Picul	12.50	23	Dyed T-Cloths, Embossed Cantoons, Alpaccanos, and Real and Imitation Turkey Reds, not over 32 ins. by 25 yds.—		
9	Cotton Flannel, or Flannelette, Plain or Twill Weave, Grey:—				(a) Weight 3¾ lb. and under	"	0.65
	(a) Not over 32¾ ins. by 31 yds.	Piece	1.50		(b) Weight over 3¾ lb. but not over 5¼ lb.	"	0.75
	(b) Over 32¾ ins. but not over 40 ins. by 31 yds.	"	1.75		(c) Weight over 5¼ lb.	"	1.05
10	Cotton Canvas and Duck, Grey	Value	20%*	24	Mercerised Crimps, White, Dyed, or Printed, Plain or Figured, not over 32 ins. by 32 yds.	"	2.75*
11	Cotton Piece Goods, Grey, n.o.p.f.:—			25	Oatmeal Crapes, White or Dyed, Plain or Figured, not over 33 ins. by 33 yds.	"	1.40
	(a) Figured	Value	20%	26	Cotton Crape (not including Oatmeal Crapes), Grey, Bleached, Dyed, or Yarn-dyed	Value	22.5%*
	(b) Others	"	17½%	27	Lastings, Sateens, Italians, Imitation (West-faced) Venetians, Tientsin Twills, Beatrice Twills, Diagonal Twills, Herringbone Twills, Gabardine, Serges, Ribs, Cords (not including Poptins), Repps, and Moreens, White or Dyed, Plain or Figured, not over 33 ins. by 33 yds.:—		
Cotton Piece Goods, White or Dyed.							
12	Shirtings and Sheetings, White, Plain:—				(a) Serges, Plain	Piece	1.60
	(a) Not over 37 ins. by 42 yds.	Piece	1.55		(b) Gabardine, Plain	"	2.45
	(b) Over 41 ins. but not over 44 ins. by 48 yds.	Piece	1.90				
13	White Irishes, not over 37 ins. by 42 yds.	Piece	1.85*				
14	Drills and Jeans, White (3 or 4 shaft						

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No.	Name of Article.	Unit.	Duty. (in M.Y.)	No.	Name of Article.	Unit.	Duty. (in M.Y.)
(c) Others:				32 yds.		Piece	1.15*
(1) Figured			2.65	(b) Setges, not over 31 ins. by 32 yds.		"	1.65*
(2) Others			1.90	(c) Others		Value	22½%*
25 Satteen Drills, Warp-faced Satteens, and Satteen Stripes, White or Dyed, Plain or Figured, not over 33 ins. by 33 yds.:-				39 Printed Cotton Crape		Value	22.5%
(a) Not exceeding 5 shaft			1.55	40 Printed Satteen Drills, not over 31 ins. by 33 yds.		Piece	1.90*
(b) Others			1.90	41 Printed Satteens, Printed Satinets, Printed Brocades, Printed Italians, Printed Damaska, Printed Venetians, Printed Lastings, Printed Beatrice Twills, Printed Cords, Printed Moreens, and Printed Voiles, not over 32 ins. by 30 yds.		Piece	1.75
29 Poplins (including Poplin Taffetas and Imitation Poplins) and Venetians, White or Dyed, Plain, not over 31 ins. by 33 yds.:-				42 Printed Poplins (including Poplin Taffetas and Imitation Poplins), not over 31 ins. by 33 yds.:-			
(a) Poplins:				(a) With warp wholly of Single yarns		"	1.75*
(1) With Warp Wholly of single yarns			1.70	(b) Others		"	2.10*
(2) Others			2.05	43 Cotton Piece Goods, Printed, n.o.p.f.:-			
(b) Venetians			3.25	(a) Plain		Value	20%
30 Poplins (including Poplin Taffetas) and Venetians, White or Dyed, Figured		Value	25%	(b) Figured		"	22½%*
31 Cotton Flannel or Flannelette, Plain or Twill Weave, White, Dyed, Printed, or Yarn-dyed:-				(c) Others		"	22½%*
(a) Not over 25 ins. by 15 yds.		Piece	0.70	Cotton Piece Goods, Miscellaneous.			
(b) Over 25 ins. but not over 30 ins. by 15 yds.		"	1.35	44 Cotton Piece Goods, Yarn-dyed, n.o.p.f.:-			
(c) Over 25 ins. but not over 30 ins. by 48 yds.		"	2.05	(a) of plain weave:			
(d) Over 30 ins. but not over 36 ins. by 31 yds.		"	1.65	(1) Poplins (including Poplin Taffetas and Imitation Poplins), not over 31 ins. by 33 yds.:-			
32 Cotton Spanish Stripes, Dyed, not over 32 ins. by 20 yds.		Piece	1.50*	(I) With warp wholly of Single yarns		Piece	1.80
33 Velvet and Velveteen Cords, and Corduroys, with pile cut or uncut		Picul	29.90*	(II) Others		"	2.15
34 Cotton Pile Cloths of all kinds, with pile cut or uncut:-				(2) Others		Value	22½%*
(a) Terry Pile Cloths		Value	20%*	(b) Figured		"	25%
(b) Others		"	25%*	(c) Others:			
35 Cotton Canvas and Duck, White or Dyed		"	20%*	(1) Drills and Jeans:			
36 Cotton Piece Goods, White or Dyed, n.o.p.f.		"	10%	(I) With not more than 130 threads per square inch, not over 31 ins. by 32 yds.		Piece	0.75
(a) of Plain Weave:				(II) With more than 130 threads per square inch		Value	22½%*
(1) "Tachihipu", or Nankeens, not over 24 ins. wide		Picul	14.65	(2) Serges, not over 31 ins. by 32 yds.		Piece	1.70
(2) Others		Value	20%	(3) Gabardines, not over 31 ins. by 32 yds.		"	2.55
(b) Figured		"	22½%*	(4) Others		Value	22½%*
(c) Others		"	20%	45 Waterproof Cloth, Rubbered		"	20%*
Cotton Piece Goods, Printed.				46 Cotton Piece Goods, n.o.p.f.		"	22.5%
37 Printed Cambrics, Printed Lawns, Printed Muslins, Printed Pongees, Printed Shirtings, Printed Sheetings, Printed T-Cloths (including those known as Blue and White Printed T-Cloths), and Printed Repps (not including Repp Cretonnes):-				Cotton, Raw; Cotton Thread, Cotton Yarn, and Manufactures of Cotton, n.o.p.f.			
(a) Shirtings, Sheetings, Pongees and T-Cloths:				47 Cotton, Raw		Picul	4.30*
(1) Not over 30 ins. by 12 yds.:				48 Cotton, Waste, and Yarn Waste		"	1.60*
(I) With not more than 125 threads per square inch		Piece	0.30	49 Cotton, Wadding		"	3.65*
(II) Others		"	0.50	50 Rag		Value	5%*
(2) Not over 30 ins. and over 12 yds. but not over 33 yds.:				51 Yarn:-			
(I) With not more than 125 threads per square inch		Piece	0.65	(a) Grey (irrespective of fold):			
(II) Others		"	1.25	(1) Counts up to and including 17		Picul	10.25
(b) Others		Value	22½%*	(2) Counts above 17 and up to and including 23		"	10.90
38 Printed Drills, Printed Jeans, Printed Serges, Printed Gabardines, Printed Diagonal Twills, Twill Cretonnes, and Printed Silassias:-				(3) Counts above 23 and up to and including 35		"	15.00
(a) Drills and Jean, not over 31 ins. by				(4) Counts above 35 and up to and including 45		"	15.55
				(5) Counts above 45		Value	20%
				(b) Others		"	20%
				52 Thread:-			
				(a) Sewing Cotton, on spools or cops:			
				(1) 2-cord, and 3-cord 50 yds. or less		Gross	0.55*
				(2) 6-cord, 50 yds. or less		"	1.10*
				(3) Other lengths in proportion			
				(b) Crochet or Embroidery Cotton, in skeins or balls:			

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No.	Name of Article.	Unit.	Duty. (in M.Y.)	No.	Name of Article.	Unit.	Duty. (in M.Y.)
(1) Over M.Y. 7.00 in value per catty..		Catty	3.80*	84 Flax, Ramie, Hemp, and Jute Goods (including those mixed with Cotton), n.o.p.f.		"	15%*
(2) Not over M.Y. 7.00 in value per catty		"	0.75*				
(c) Others		Value	20%*	III.—WOOL AND MANUFACTURES THEREOF			
53 Imitation Gold or Silver Thread on Cotton		"	25%*	(including those mixed with any other fibres except Silk).			
54 Cotton Rope, Twine, and Cordage		Value	15%*	85 Wool, Sheep's, Goats', and Camels' (including carded or combed)		Picul	11.51*
55 Candlewick		Picul	20.80*	86 Waste Wool, Sheep's, Goats', and Camels' (including Waste Wool mixed with any other fibres except Silk)		Value	7½%*
56 Bandage, Gauze, and Absorbent Cotton for Surgical Use		Value	12½%*	87 Yarn and Cord (including Berlin Wool):-			
57 Lace, Trimmings, Embroidered Goods, and all other materials used for decorative or ornamental purposes; and all products made wholly thereof		Value	25%*	(a) Wholly of Wool		Picul	68.25*
58 Mosquito Netting		"	20%*	(b) Others		Value	12½%*
59 Stockinet or Knitted Tissue:-				88 Lace, Trimmings, Embroidered Goods, and all other materials used for decorative or ornamental purposes; and all products made wholly thereof		"	35%*
(a) Raised		Picul	19.50	89 Knitted Tissue		"	25%*
(b) Not Raised		Value	20%	90 Bunting, not over 18 ins. by 40 yds.		Piece	8.00*
60 Knitted Clothing, Raised		Picul	23.85	91 Camlets, not over 31 ins. by 62 yds.		"	23.40*
61 Singlets or Drawers, not Raised		Value	25%	92 Lastings, Plain, Figured, or Creped, not over 31 ins. by 32 yds.		Piece	18.33*
62 Socks and Stockings:-				93 Long Ells, not over 31 ins. by 25 yds.		"	10.73*
(a) Not Raised on either side:				94 Spanish Stripes, not over 64 ins. wide		Yard	1.09*
(1) Made of un-gassed or unmercerised thread		Picul	41.00*	95 Plushes, Velvets, and all other Pile Cloths		Value	30%*
(2) Made of gassed or mercerised thread		"	60.40*	96 Waterproof Cloth, Rubbered		"	30%*
(b) Others		"	38.50*	97 Woollen Piece Goods (including those mixed with any other fibres except Silk), n.o.p.f.		Value	25%*
63 Elastic Webbing, Braid, and Cord		Value	22.5%*	98 Felt and Felt Sheathing		"	20%*
64 Ankle-bands		Picul	29.20	99 Blankets and Rugs		"	35%*
65 Lampwick		"	15.10*	100 Carpets, Carpeting, and all other Floor Coverings		"	40%*
66 Towels, Turkish		"	19.35*	101 Hats and Caps of felt:-			
67 Blankets and Blanket Cloth:-				(a) Made with other materials than Beaver or Hair, value not over M.Y. 51.19 per dozen		"	15%*
(a) Blanket		"	17.75*	(b) Others		"	20%*
(b) Blanket Cloth		"	12.15*	102 Clothing, and all articles of personal wear and parts or accessories thereof, n.o.p.f.		"	35%*
68 Handkerchiefs		Value	20%*	103 Woollen Goods (including those mixed with any other fibres except Silk), n.o.p.f.:-			
69 Bags, New		Picul	9.10*	(a) Hat Bodies		"	10%*
70 Clothing, and all articles of personal wear and parts or accessories thereof, n.o.p.f.:-				(b) Others		"	25%*
(a) Gloves:				IV.—SILK AND MANUFACTURES THEREOF			
(1) Cotton		Picul	16.00*	(including those mixed with any other fibres).			
(2) Others		Value	25%*	104 Artificial Silk Floss and Yarn		Picul	113.10*
(b) Others		"	25%*	105 Silk and Waste Silk, n.o.p.f.		Value	30%*
71 Cotton Goods, n.o.p.f.		"	20%*	106 Imitation Gold or Silver Thread on Silk (including those mixed with any other fibres)		"	35%*
II.—FLAX, RAMIE, HEMP, JUTE, & MANUFACTURES THEREOF				107 Yarn and Thread, n.o.p.f.		"	30%*
(including those mixed with Cotton).				108 Lace, Trimmings, Embroidered Goods, and all other materials used for decorative or ornamental purposes; and all products made wholly thereof		"	45%*
72 Jute, Raw:-				109 Knitted Tissue		"	45%*
(a) Waste and Cuttings		Value	5%*	110 Elastic Webbing, Braid, and Cord		"	30%*
(b) Others		Picul	1.13*	111 Bolting Cloth		"	15%*
73 Flax, Ramie, and Hemp, Raw		Value	5%*	112 Plushes, Velvets, and all other Pile Cloths		"	45%*
74 Oakum		Value	5%*	113 Silk (Natural) and Cotton Satins, White,			
75 Yarn, Thread, Cordage, Twine, and Rope		"	10%*				
76 Lace, Trimmings, Embroidered Goods, and all other materials used for decorative or ornamental purposes; and all products made wholly thereof		"	30%*				
77 Canvas and Tarpaulin of Hemp and/or Jute, for Sails, Awnings, and similar purposes, Proofed or Unproofed (including those mixed with Cotton)		"	12½%*				
78 Piece Goods made of Flax or of Flax and Cotton		"	12½%*				
79 Hessian Cloth		Picul	6.05*				
80 Hemp Bags or Hessian Bags, New		"	6.63*				
81 Gunny Bags, New		"	4.49*				
82 Gunny Bags, Hemp Bags, and Hessian Bags, Old		Value	7½%*				
83 Clothing, and all articles of personal wear and parts or accessories thereof, n.o.p.f.		"	30%*				

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No.	Name of Article.	Unit.	Duty. (in M.Y.)	No.	Name of Article.	Unit.	Duty. (in M.Y.)
	Dyed, or Yarn-dyed:—				(a) Each weighing in every case 25 lb. or over	Picul	5.66*
	(a) Figured	Value	37½%*		(b) Each weighing in every case less than 25 lb.	Value	10%*
	(b) Others	"	35%*				
114	Silk Piece Goods (including those mixed with any other fibres), n.o.p.f.:			148	Billets, Blooms, Ingots, Slabs, and Sheet-bars	"	10%*
	(a) Of Natural Silk	Value	40%*	149	Bolts, Nuts, and Washers	"	15%*
	(b) Of Artificial Silk	"	40%*	150	Castings, Rough	"	15%*
	(c) Of Natural Silk and Artificial Silk	"	40%*	151	Chains, New, and parts of	Picul	4.29*
	(d) Of Natural Silk and Wool or of Natural Silk and Wool and Vegetable Fibre	"	40%*	152	" Used	Value	10%*
	(e) Of Artificial Silk and Wool or of Artificial Silk and Wool and Vegetable Fibre	"	40%*	153	Crossings and Turn-tables for Railways	"	5%*
	(f) Of Natural Silk and Vegetable Fibre	"	35%*	154	Hoops	Picul	1.50*
	(g) Of Artificial Silk and Vegetable Fibre	"	35%*	155	Nail-rods, Bars, Twisted or Deformed Bars, Tees, Channels, Angles, Joists, Girders, and other Structural Sections or Shapes (including Half-oval Rods in coil over 1/4 in. wide and Rods in coil over 3/16 in. in diameter) in the state in which they leave the rolls	"	1.09*
115	Clothing, and all articles of personal wear and parts or accessories thereof, n.o.p.f.	"	50%*	156	Nails, Wire and Cut	"	1.50*
116	Silk Goods (including those mixed with any other fibres), n.o.p.f.	"	35%*	157	Pig and Kentledge	"	0.68*
				158	Pipes, Tubes, and Pipe and Tube Fittings	Value	15%*
				159	Plate Cuttings, of non-uniform size (including scrap lots of mixed dimensions, irrespective of size, and croppings of Channels, Tees, and Angles)	Picul	0.86*
				160	Rails (including Steel Sleepers, Fish-plates, Spikes, Bolts, and Nuts for use with the Rails)	"	0.57*
				161	Rivets	"	3.12*
				162	Screws	Value	15%*
				163	Sheets and Plates, 1/8 in. thick or more	Picul	1.19*
				164	Sheets and Plates, under 1/8 in. thick	"	1.52*
				165	Spike	Value	15%*
				166	Tacks	Picul	7.22*
				167	Tinned Plates, Decorated	"	6.44*
				168	" Plain	"	3.32*
				169	Tinned Plates, Old (including Box Linings)	Value	10%*
				170	Tinned Tacks	Picul	15.60*
				171	Wire	Value	10%*
				172	Others	"	10%*
					Iron and Steel, Galvanized:—		
				173	Bolts, Nuts, Rivets, and Washers	Value	15%*
				174	Nails, Tacks, and Screws	"	15%*
				175	Pipes, Tubes, and Tube Fittings	"	15%*
				176	Sheets:—		
					(a) Corrugated	Picul	2.93*
					(b) Plain	"	3.12*
				177	Wire	Value	10%*
					Wire Rope (with or without fibre core). See Nos. 181 and 182.		
					Wire Shoats. See No. 179.		
				178	Others:—		
					(a) Barbed wire	Value	5%*
					(b) Others	"	10%*
					Iron and Steel, Galvanized or Ungalvanized:—		
				179	Cobbles, Wire Shorts, Defective Wire, Bar Croppings and Bar Ends, Used Hoops and Hoop Ends, or Cuttings (including scrap lots of mixed dimensions, irrespective of size)	Picul	1.07*
				180	Old or Scrap (fit only for remanufacture), n.o.p.f.	"	0.80*
				181	Wire Rope, New (with or without fibre core)	"	7.80*
				182	Wire Rope, Old (with or without fibre		

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No.	Name of Article.	Unit.	Duty. (in M.Y.)	No.	Name of Article.	Unit.	Duty. (in M.Y.)
	(core)	Value	10%*	216-3	Blast Furnaces, Steel Furnaces, Crushers and other Machines, Implements or Tools for Dressing and Metallurgy, and accessories and parts thereof	"	5%*
	Steel, Bamboo, Spring, Tool, and Alloy:—			217	Electrical Machinery, for Power Generating and Transmission, such as Dynamos, Motors, Transformers, Converters, etc., and parts thereof	"	7½%*
183	Bamboo Steel	Picul	1.85*	218	Machine Tools, such as Lathes, Planers, Drill Presses, etc., and parts thereof	"	5%*
184	Spring Steel	Value	10%*	219	Machine Shop Tools, such as Cutters, Drills, Reamers, etc. (including Pneumatic and Electrically Operated Tools), and Hand Tools made wholly or chiefly of metal	"	5%*
185	Tool Steel (including Highspeed Steel and Alloy or Special Steel)	"	10%*	220	Prime Movers, i.e., Gas Engines, Oil Engines, Steam Engines, Hydraulic Turbines, Steam Turbines, Turbogenerator Sets, and other Prime Movers, combined with Generators or not, and parts thereof	"	7½%*
186	Iron or Steel Plates or Sheets, Angles, Channels, Tees, Joists, Girders, and other Structural Sections or Building Forms of Iron or Steel, if drilled, punched, assembled, fitted or fabricated for use, or otherwise advanced beyond hammering, rolling or casting	"	15%*	221	Steam Boilers, Economisers, Superheaters, Mechanical Stokers, and other Boiler-room Accessories, and parts thereof	"	7½%*
187	Gold and Silver Bullion and Coins	"	Free	222	Sewing or Knitting Machines, and parts thereof	"	7½%*
188	Iron and Tin Dross	Value	10%*	223	Typewriters, Automatic Sales Machines, Calculating Machines, Cash Registers, Copy Presses, Cheque Perforators, Dating Machines, Duplicating Machines, Numbering Machines, and similar Office Machines for Clerical or Accounting Purposes, and parts thereof	"	15%*
	Lead:—			224	Machinery, n.o.p.f. and parts thereof	"	7½%*
189	Old (fit only for remanufacture)	Value	10%*		Scientific Instruments.		
190	Pigs or Bars	Picul	4.29*	225	Barometers, Thermometers, Drawing, Surveying, Medical, Nautical, Optical, Surgical, Dental, and all other Scientific Instruments or Apparatus, and parts or accessories thereof, n.o.p.f.	Value	7½%*
191	Pipes	"	5.27*		Vehicles and Vessels.		
192	Sheets	"	4.88*	226	Aeroplanes, Hydroplanes, and all other Flying Machines, and parts thereof	Value	5%*
193	Wire	Value	10%*	227	Fire Engines, Hydrants, and other Fire-extinguishing Appliances, irrespective of propelling power (including Hand Chemical Fire Extinguishers), and parts thereof	"	5%*
194	Others	"	10%*	228	Motor-boats, Sail-boats, and Steamers, and parts or materials thereof, n.o.p.f.:		
195	Manganese	"	10%*		(a) Complete	"	15%*
196	" Ferro	"	10%*		(b) Parts or Materials, n.o.p.f.	"	10%*
197	Nickel	Picul	23.40*	229	Vehicles, Motor:—		
198	Platinum, Unmanufactured, i.e., in Ingots, Bars, Sheets, or Plates, not less than 1/8 in. thick, and Waste or Scrap	"	Free		(a) Motor-cars	"	30%*
199	Quicksilver	Value	10%*		(b) Tractors	"	15%*
	Tin:—				(c) Others	"	30%*
200	Compound	Value	10%*	229-2	Parts (including Motive Machinery) and accessories of Motor Vehicles:—		
201	Ingots and Slabs	Picul	21.45*		(a) Parts of Motor-car and Tractors:		
202	Pipes	Value	10%*		(1) Chassis	"	30%*
203	Others (not including Tin foil)	"	10%*		(2) Others	"	10%*
204	Type Metal	"	10%*		(b) Others:		
	White Metal or German Silver:—				(1) Trailers	"	15%*
205	Bars, Ingots, and Sheets	Picul	31.20*		(2) Others	"	30%*
206	Wire	"	27.30*		kind of Motor Vehicle	"	30%*
207	Others	Value	10%*	230	Railway and Tramway Supplies:—		
	Zinc:—				(a) Locomotives and Tenders	"	5%*
208	Powder and Spelter	"	10%*		(b) Railway or Tramway Carriages or		
209	Sheets (including Perforated), Plates, and Boiler Plates	Picul	5.85*				
210	Others	Value	10%*				
211	Metallic Foil or Leaf, n.o.p.f.	"	15%*				
212	Metals, n.o.p.f.	"	10%*				
	Metalware.						
213	Aluminiumware, Brassware, Bronzeware, Copperware, and Pewterware, n.o.p.f.	Value	20%*				
214	Platinumware, Goldware, and Silverware (including Watch Chains), n.o.p.f.:						
	(a) Solid and or decorated with Jewels	"	40%*				
	(b) Filled, Rolled, Plated, or Washed	"	30%*				
215	Metalware, Electroplated or not, n.o.p.f. (including Cutlery)	"	20%*				
	Machinery and Tools.						
216	Agricultural Tools, Implements, and Machinery, and parts thereof	Free					
216-2	Rock Drills, Coal Cutters, Exploratory Boring Machines, Underground Ventilating Machines of Large Sizes, Winding Machines, Conveying Vehicles, Power Shovels, Excavators, and other Machines, Implements or Tools for Mining, and accessories and parts thereof	Value	5%*				

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No.	Name of Article.	Unit.	Duty. (in M.Y.)	No.	Name of Article.	Unit.	Duty. (in M.Y.)
	(e) 5th Quality (value over M.Y. 10.24 but not over M.Y. 20.48 per catty)	"	7.41*		produce of the natural fermentation of Grapes (not including Vins de Liqueur):—		
	(f) 6th Quality (value not over M.Y. 10.24 per catty)	"	2.93*	(a) In bottles	Case of 12 botts. or 24 half-botts	20.00*	
329	Ginseng, Wild	Value	40%*	(b) In bulk	Imp. gallon	3.00*	
330	Groundnuts:—						
	(a) In Shell	Picul	2.34*				
	(b) Shelled	"	3.12*	371 Port Wine:—			
331	Hops	Value	15%*	(a) Bottles	Case of 12 botts. or 24 half-botts	23.40*	
332	Isinglass, Vegetable	Picul	66.30*	(b) In bulk	Imp. gallon	7.22*	
333	Lemons, Fresh	Thousand	16.97*				
334	Lichees, Dried	Picul	5.46*	372 Marsala:—			
335	Lily Flowers, Dried	"	4.10*	(a) In bottles	Case of 12 botts. or 24 half-botts	20.60*	
336	Lunggan Pulp	"	8.58*	(b) In bulk	Imp. gallon	4.75*	
337	Lunggan Dried	"	5.85*				
338	Malt	"	3.71*	373 Vins de Liqueur other than Port and Marsala (viz., Madeira, Malaga, Sherry, etc.):—			
339	Medicinal Substances, Vegetable (Crude), n.o.p.f.	Value	10%*	(a) In bottles	Case of 12 botts. or 24 half-botts	21.45*	
340	Morphia in all forms	"	20%*	(b) In bulk	Imp. gallon	6.05*	
341	Mushrooms	Picul	31.20*				
342	Nutmegs, in bulk	"	42.90*	374 Vermouth, Byrrh, and Quinquina	Case of 12 litres	18.30*	
343	Olives:—			375 Vermouth, in bulk	Imp. gallon	5.46*	
	(a) Dried or Preserved	Value	15%*				
	(b) Fresh	"	15%*	376 Sake:—			
344	Opium, Tincture of	"	20%*	(a) In barrels	Picul	24.00*	
345	Oranges, Fresh	Picul	5.07*	(b) In bottles	Litre	0.40*	
346	Peel, Orange, in bulk	"	6.83*	377 Ale, Beer, Porter and Stout:—			
347	Pepper, in bulk:—			(a) In bottles	12 reputed quarts or 24 reputed pints	1.45*	
	(a) Black	Picul	11.51*	(b) Others	Value	80%*	
	(b) White	"	19.11*	378 Brandy and Cognac:—			
348	Potatoes, Fresh	Value	10%*	(a) In bottles	Case of 12 reputed quarts	38.30*	
349	Putchuck	Picul	35.10*	(b) In bulk	Imp. gallon	5.50*	
350	Seed, Apricot	"	11.51*				
351	Seed, Lily-flower (i.e., Lotus-nuts without Husks)	"	7.22*	379 Whisky:—			
352	Seed, Lucraban	"	2.15*	(a) In bottles	Case of 12 reputed quarts	30.00*	
353	Seed, Melon	"	2.93*	(b) In bulk	Imp. gallon	6.25*	
354	Seed, Pine (i.e., Fir-nuts)	"	6.24*				
355	Seed, Sesamum	"	1.87*	380 Gin:—			
356	Seeds for Cultivation	Free		(a) In bottles	Case of 12 reputed quarts	23.00*	
356-2	Seeds, n.o.p.f.	Value	10%*	(b) In bulk	Imp. gallon	3.50*	
357	Spices and Condiments, n.o.p.f., not Prepared:—						
	(a) In bulk	"	15%*	381 Rum:—			
	(b) Others	"	20%*	(a) bottles	Case of 12 reputed quarts	28.50*	
358	Sugar Canes	Picul	0.57*	(b) In bulk (not including Rum for industrial use)	Imp. gallon	4.40*	
359	Vegetables, Fresh, Dried, Prepared, and Salted	Value	10%*				
Sugar.							
360	Molasses	Value	10%*				
361	Sugar under Dutch Standard No. 11	Picul	3.71*				
362	Sugar Dutch Standard No. 11 and over, but under No. 17	"	4.68*				
363	Sugar Dutch Standard No. 18 and over	"	5.66*				
364	Sugar Cube and Loaf	"	18.92*				
365	" Candy	"	11.31*				
366	" n.o.p.f. (such as Grape Sugar, Malt Sugar, Milk Sugar, Maple Sugar, Fruit Sugar, and Saccharine, etc.)	Value	25%*				
Wines, Beer, Spirits, Table Waters, etc.							
367	Champagne and any other Wine sold under the label "Champagne"	Case of 12 botts. or 24 half-botts	40.95*				
368	Sparkling Astis	"	25.20*				
369	Other Sparking Wines	"	19.50*				
370	Still Wines, Red or White, exclusively the						

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382	Liqueurs	12 reputed quarts or 24 reputed pints	25.40*	400	Alum, Chrome	Value	7½%*
383	Waters, Table, Aerated and Mineral	12 bottles or 24 half bottles	1.35*	401	Alumina, Sulphate of	"	7½%*
				402	Ammonia, Anhydrous	"	7½%*
				403	Ammonia, Liquid:—		
				(a) In bulk	Picul	5.46*	
				(b) In other packings	Value	7½%*	
384	Wines, and Other Alcoholic or Non-alcoholic Beverages, n.o.p.f.:—			404	Ammonia, Chloride of (i.e., Sal Ammoniac)	Picul	3.90*
	(a) Not containing Alcohol	Value	50%*	405	Ammonia, Sulphate of	"	1.44*
	(b) Others	"	80%*	406	Antimony Trisulphide	Value	5%*
VII.—TOBACCO							
385	Cigarettes:—			407	Barium, Carbonate of	"	7½%*
	(a) Value over M.Y. 40.00 per 1,000 and all Cigarettes not bearing a distinctive brand or name on each Cigarette	Thousand	32.00*	408	" Chloride of	"	7½%*
	(b) Value over M.Y. 30.00 but not over M.Y. 40.00 per 1,000	"	28.00*	409	Bleaching Powder (i.e., Chloride of Lime)	"	7½%*
	(c) Value over M.Y. 21.00 but not over M.Y. 30.00 per 1,000	"	22.00*	410	Borax, Crude or Refined	Picul	2.73*
	(d) Value over M.Y. 15.00 but not over M.Y. 21.00 per 1,000	"	18.00*	411	Calcium, Carbide of	"	2.73*
	(e) Value over M.Y. 10.00 but not over M.Y. 15.00 per 1,000	"	12.00*	412	" Chloride of	Value	7½%*
	(f) Value over M.Y. 6.00 but not over M.Y. 10.00 per 1,000	"	8.50*	413	Chlorine, Liquid	"	7½%*
	(g) Value over M.Y. 4.00 but not over M.Y. 6.00 per 1,000	"	5.00*	414	Copper, Sulphate of	Picul	3.71*
	(h) Value over M.Y. 2.50 but not over M.Y. 4.00 per 1,000	"	3.00*	415	Fertilisers, Chemical or Artificial, n.o.p.f.	Value	7½%*
	(i) Value M.Y. 2.50 or less per 1,000	"	2.00*	416	Glycerine:—		
386	Cigars:—			(a) In packages of not less than 28 lb. each	Picul	10.53*	
	(a) Value over M.Y. 300.00 per 1,000	"	235.00*	(b) In packages of less than 28 lb. each	Value	15%*	
	(b) Value over M.Y. 200.00 but not over M.Y. 300.00 per 1,000	"	175.00*	417	Insecticides and Disinfectants	"	12½%*
	(c) Value over M.Y. 100.00 but not over M.Y. 200.00 per 1,000	"	122.00*	417-2	Magnesium, Chloride of	Picul	1.20%*
	(d) Value over M.Y. 50.00 but not over M.Y. 100.00 per 1,000	"	90.00*	418	Manganese, Peroxide of	Value	5%*
	(e) Value over M.Y. 25.00 but not over M.Y. 50.00 per 1,000	"	45.00*	419	Naphthalene	Picul	3.32*
	(f) Value not over M.Y. 25.00 per 1,000	"	22.00*	420	Oxygen, in cylinder or other packing	Value	10%*
387	Snuff	Value	50%*	421	Phosphorus	Picul	11.31*
388	Tobacco, Leaf:—			422	Potash, Carbonate of	Value	10%*
	(a) Value over M.Y. 200.00 per picul	Picul	58.50*	423	" Caustic	"	10%*
	(b) Value over M.Y. 70.00 but not over M.Y. 200.00 per picul	"	29.25*	424	" Chlorate of	Picul	1.66*
	(c) Value not over M.Y. 70.00 per picul	"	12.70*	425	Potassium, Bichromate of	"	5.85*
389	Tobacco, Prepared:—			426	Saltpetre	"	4.88*
	(a) In tins or packages	Value	50%*	427	Soda Ash	"	1.50*
	(b) In bulk	Picul	122.85*	428	Soda Bicarbonate of, in bulk	"	2.54*
390	Tobacco Stalk	"	1.93*	429	Soda Bichromate of	Value	7½%*
391	Tobaccoists' Sundries	Value	50%*	430	Soda Bisulphite of (Solid or Liquid)	"	10%*
VIII.—CHEMICALS AND DYES							
Chemical and Pharmaceuticals.							
392	Acetylene, in cylinder or other packing	Value	10%*	431	Soda Caustic	Picul	2.93*
393	Acid, Acetic	Picul	5.66*	432	Soda Crystal	"	1.66*
394	Acid, Boracic:—			433	Soda Crystal Concentrated	"	3.90*
	(a) In packages of not less than 7 lb. each	"	4.29*	434	Soda Hydrosulphite of	Value	10%*
	(b) In packages of less than 7 lb. each	Value	10%*	435	Soda Nitrate of (Chile Saltpetre)	Picul	1.54*
395	Acid, Carbolic	"	12½%*	436	Soda Peroxide of	Value	10%*
396	Acid, Hydrochloric (i.e., Muriatic):—			437	Soda Silicate of	Picul	1.95*
	(a) In bulk	Picul	1.07*	438	Soda Sulphate of	Picul	1.10*
	(b) In other packings	Value	7½%*	439	Soda Sulphide	Picul	2.15*
397	Acid, Nitric	Picul	3.12*	440	Soda Thiosulphate of (known as Hypo-sulphite)	Value	10%*
398	Acid, Oxalic	Value	7½%*	441	Alcohols:—		
399	Acid, Sulphuric	Picul	1.07*	(a) Ethyl Alcohol or Spirit of Wine	Imp. gallon	0.75*	
				(b) Ethyl Alcohol, Denatured	"	0.55*	
				(c) Others	Value	12½%*	
				442	Sulphur:—		
				(a) Crude (Lumps or Powder)	Picul	0.40*	
				(b) Others	Value	10%*	
				443	Chemicals and Chemical Compounds, n.o.p.f.	"	12½%*
				444	Medicines, Drugs, and Medicinal Substances, Compounds, and Preparations, n.o.p.f.	"	15%*
				Dyes, Pigments, Paints, and Varnishes.			
				445	Aniline Dyes, and other Coal Tar Dyes, n.o.p.f.	Value	25%*
				446	Bark, Mangrove	Picul	1.09*
				447	Bark, Plum-tree	"	1.89*
				448	Bark, Yellow (for Dyeing)	"	4.10*
				449	Blue, Paris or Prussian	"	29.25*
				450	Bronze Powder	"	27.30*

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(a)	Clear, on net measure, not over M.Y. 597.19 in value per 1,000 sup. ft., B.M.	1,000 sup. ft., B.M.	40.95*	(b)	Scented and Fragrant (Hsiang Ch'ai)	Value	15%*
(b)	Merchantable, on net measure, not over M.Y. 426.56 in value per 1,000 sup. ft., B.M.	"	29.25*	(i)	Cork Wood	"	5%*
551	Softwood:—			(j)	Other (including Camphor Wood, Ebony, Kranjee Wood, Lignumvitae, etc.)	"	10%*
(a)	Clear, on net measure	1,000 sup. ft., B.M.	21.45*	566	Wood Shavings, Hinoki	"	12½%*
(b)	Merchantable, on net measure	"	12.24*	567	Wood, Veneer	"	12½%*
552	Ordinary, Masts and Spars	Value	10%*	568	Woodware of all kinds and other Manufactures of Wood, n.o.p.f.:		
553	Railway Sleepers	"	5%*	(a)	Casks, Barrels Packing Cases, or other ordinary Containers for Cargo	"	7½%*
554	Teak-wood (Beams, Planks, and Logs)	1,000 sup. ft., B.M.	54.60*	(b)	Corks	"	7½%*
555	Timber, n.o.p.f.	Value	10%*	(c)	Furniture	"	15%*
Wood, Bamboos, Rattans, Coir, Straw, and Manufactures thereof.				(d)	Agricultural Tools, Implements and Machinery, and parts thereof		Free
556	Bags, Straw and Grass:—			(e)	Shavings (for Match Manufacturing)	Picul	0.68*
(a)	Of Straw-mat	Value	7½%*	(f)	Shooks for making Casks and Cases	Value	7½%*
(b)	Others	Thousand	14.43*	(g)	Splints (for Match Manufacturing)	Picul	0.68*
557	Bamboos, and Manufactures thereof:—			(h)	Others:		
(a)	Canes, Bamboo	"	4.49*	(1)	Machinery and parts thereof	Value	7½%*
(b)	Bamboo, Split or Skin	Value	10%*	(2)	Others	"	15%*
(c)	Bambooware of all kinds	"	20%*	XIII.—COAL, FUEL, PITCH AND TAR			
558	Coir:—			569	Charcoal	Picul	0.72*
(a)	Raw, Fibre, and Yarn	"	7½%*	570	Coal	Ton	1.74*
(b)	Rope	"	10%*	571	" Briquettes	Value	10%*
(c)	Mats, Door	Dozen	5.85*		Liquid Fuel, See No. 491.		
(d)	Matting, 36 ins. by 100 Roll of yds.	100 yards	27.30*	572	Pitch and Asphalt	"	7½%*
559	Kapok	Value	7½%*	573	Tar, Coal	Picul	0.70*
560	Mats for Packing Purposes (including Dunnage Mats)	"	7½%*	574	Coke	Value	7½%*
561	Mats, n.o.p.f.:			XIV.—CHINAWARE, ENAMELLED-WARE, GLASS, ETC.			
(a)	Fancy, (b) Rush,			575	Basins, Tin:—		
(c)	Straw, (d) Tatami,			(a)	Not over 13 ins. in diameter	Gross	4.88*
(e)	Others	Value	10%*	(b)	Over 13 ins. in diameter	Value	15%*
562	Matting, n.o.p.f.:			576	China-ware (including those for Tobacconist Use)	"	15%*
(a)	Straw, 36 ins. by 40 yds.	"	10%*	577	Enamelled Ironware:—		
(b)	Others	"	10%*		Basins, Bowls, Cups, and Mugs:		
563	Rattans, and Manufactures thereof, n.o.p.f.:			(a)	Not over 11 centimetres in diameter	Dozen	0.20*
(a)	Rattan, Core or Whole	Picul	4.29*	(b)	Over 11 centimetres but not over 22 centimetres in diameter	"	0.30*
(b)	Rattan, Skin	"	7.02*	(c)	Over 22 centimetres but not over 36 centimetres in diameter	"	0.65*
(c)	Rattan, Split	"	4.29*	(d)	Others	Value	10%*
(d)	Rattanware	Value	20%*	578	Enamelled Ironware, n.o.p.f.	"	10%*
564	Straw, Panama Straw and the like, and Manufactures thereof:—			579	Glass, Plate, Silvered:—		
(a)	Straw	"	10%*	(a)	Less than 1 sq. ft. each (Unbevelled)	"	7½%*
(b)	Cordage	"	10%*	(b)	Not over 5 sq. ft. each:		
(c)	Hats:			(1)	Bevelled	Sq. ft.	0.41*
(1)	Of Straw or Rush	"	12½%*	(2)	Unbevelled	"	0.33*
(2)	Others	"	30%*	(c)	Over 5 sq. ft. each:		
(d)	Other Manufactures	"	20%*	(1)	Bevelled	"	0.45*
565	Wood:—			(2)	Unbevelled	"	0.37*
(a)	Camagon	Picul	1.48*	580	Glass, Plate, Unsilvered:—		
(b)	Garoo	Catty	1.72*	(a)	Less than 1 sq. ft. each (Unbevelled)	Value	15%*
	Laks. See No. 465.			(b)	Not over 5 sq. ft. each:		
(c)	Puru	Picul	0.78*	(1)	Bevelled	Sq. ft.	0.29*
(d)	Red and Rose	"	1.64*	(2)	Unbevelled	"	0.27*
(e)	Sandal	"	10.53*	(c)	Over 5 sq. ft. each:		
(f)	" Dust	Value	12½%*	(1)	Bevelled	"	0.45*
	Sapan. See No. 471.			(2)	Unbevelled	"	0.37*
(g)	Scale Sticks	Piece	0.179*	581	Glass, Plate or Sheet, n.o.p.f.	Value	15%*
				582	Glass, Window, Common, not over 20 oz. in weight per sq. ft.	100 sq. ft.	1.89*
				583	Glass, Window, Coloured, Stained, Ribbed, Embossed, or Wired	Value	15%*

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584	Glassware:—			(4)	Others:		
(a)	Crystal or Semi-Crystal Ware:			(1)	Wholly or partly of Silk	"	25%*
(1)	Cut and/or Polished (including those combined with Precious Metal or Metals or coated with Precious Metals)	Value	30%*	(II)	Others	"	15%*
(2)	Others	"	20%*	Sundry.			
(b)	Others (including Common, Coarse, Moulded, and Pressed Glassware) ... Mirrors. See No. 629.	"	15%*	609	Amber, Coral, Tortoiseshell (Real or Imitation) and Manufactures thereof:—		
585	Opera Glasses and Eyeglasses, complete	"	20%*	(a)	Unworked	Value	15%*
586	Optical Lenses and Prisms, Polished or Unpolished	"	12½%*	(b)	Others	"	40%*
XV.—STONE, EARTH, AND MANUFACTURES THEREOF				610	Animals, Living:—		
587	Cement, Hydraulic, as Portland	Picul	0.42*	(a)	Domestic Animals for Breeding	Value	Free
588	Corundum Sand	"	1.31*	(b)	Others	"	10%*
589	Emery and Glass Powder	"	0.84*	611	Building Materials, n.o.p.f.	"	5%*
	Emery-cloth. See No. 615.			612	Curios and Antiques	"	30%*
590	Fire-bricks and Bricks	Value	10%*	613	Damasceneware, Satsumaware, and Lacquerware	"	30%*
591	Fireclay	Picul	0.45*	614	Decorative or Ornamental Materials or Products, n.o.p.f. (including Spangles, Tinsel and Tinsel Wire, Metallic Trimmings, etc.)	"	30%*
592	Flints (including Flint Pebbles)	"	0.27*	615	Emery-cloth:—		
	Sand-paper. See No. 638.			(a)	Sheet not over 144 sq. ins.	Ream	3.71*
593	Tiles:—			(b)	Sheet over 144 sq. ins.	Value	10%*
(a)	For Roofing	Value	6¼%*	616	Explosives for Industrial Purposes	Value	10%*
(b)	Others	"	12½%*	617	Fertilisers, n.o.p.f.	"	7½%*
594	Crucibles	"	10%*	618	Flasks (Pocket), and parts or accessories thereof	"	25%*
595	Stone, Earth, and Manufactures thereof, n.o.p.f.	"	12½%*	619	Glue:—		
XVI.—MISCELLANEOUS				(a)	Fish	Picul	31.20*
Asbestos.				(b)	Others	Value	7½%*
596	Asbestos Boiler Composition	Picul	1.25*	620	Gypsum	"	10%*
597	Asbestos Fibre and Asbestos Packing, Metallic	"	15.99*	621	India-rubber and Gutta-percha, and Manufactures thereof:—		
598	Asbestos Millboard	"	3.32*	(a)	India-rubber, Crude, Old or Waste, and Gutta-percha, Crude	"	10%*
599	Asbestos Sheets and Packing	"	19.50*	(b)	Boots and Shoes, as also Foot-wear made wholly or partly of Rubber:		
600	Asbestos Yarn	"	16.38*	(1)	Boots and Shoes (including "Tabi" Shoes)	"	10%*
601	" Products, n.o.p.f.	Value	10%*	(2)	Others	"	17½%*
Buttons.				(c)	Tires (including Inner-Tube):—		
602	Button, Fancy (Glass, Jewellery, etc.)	Value	20%*	(1)	For Motor-car	Value	10%*
603	Buttons, Metal (not including those made of Precious Metals or plated with Precious Metals):—			(2)	Others	"	20%*
(a)	Of Brass	Gross	0.066*	(d)	Manufactures, n.o.p.f.	"	20%*
(b)	Others	Value	10%*	622	Jewellery and Ornaments:—		
604	Buttons, Porcelain (including Buttons of Common Glass)	12 Gross	0.121*	(a)	Decorated with Pearls, Diamonds, or any other Precious Stones, Real or Imitation	"	40%*
605	Buttons, Shell	Gross	0.133*	(b)	Ornament, n.o.p.f., whether for personal wear or household use	"	30%*
606	Buttons, n.o.p.f.:			623	Lamps and Lampware, n.o.p.f.	"	15%*
(a)	Made of Horn, Bone, Hoof, and Ivory-not	Value	10%*	624	Leather, Imitation, and Oilcloth (not including Oilcloth for Flooring), and Manufactures thereof:—		
(b)	Made of, or plated with Precious Metals	"	30%*	(a)	Leather, Imitation, and Oilcloth	"	12½%*
(c)	Others	"	12½%*	(b)	Leather, Imitation, and Oilcloth, Manufactures of	"	25%*
Fans, Umbrellas, and Sunshades.				625	Linoleum and other Floor Coverings, n.o.p.f.	"	25%*
607	Fans:—			626	Machine Belting and Hose	"	12½%*
(a)	Palm-leaf	Value	15%*	627	Manicure Sets, or parts thereof; Powder Puffs or Cases, and Vanity Cases	"	30%*
(b)	Paper or Cotton	"	20%*	628	Matches, Wood, Safety or Other:—		
(c)	Silk	"	25%*	(a)	Small, in boxes not over 2 ins. by 1½ ins. by ¾ in. (including Booklets)	"	40%*
(d)	Others	"	25%*	(b)	Large, in boxes not over 2½ ins. by 1½ ins. by ¾ in.	50 gross box	23.40*
608	Umbrellas and Sunshades:—			(c)	In boxes whose dimensions exceed any one of the dimensions given under (b) above	Value	40%*
(a)	With Handles wholly or partly of Precious Metals, Ivory, Mother-of-Pearl, Tortoiseshell, Agate, etc., or Jewelled	"	30%*				
(b)	Others:						
(1)	Covered with Paper	"	15%*				
(2)	Covered with Cotton	"	15%*				
(3)	Covered with Silk or Silk Mixtures	"	25%*				

* Levied a flood relief surtax of 5% on the duty by Customs Notice of 25th September, 1932.

No.	Name of Article.	Unit.	Duty. (in M.Y.)	No.	Name of Article.	Unit.	Duty. (in M.Y.)
129	Tea Stalk		Free		under per picul		0.36*
130	Tea, n.o.p.f.		Free	167	Paper, Joss (including Joss-paper Dollars)	Value	7½%*
Tobacco.				168	Paper, Strawboard	Picul	0.20*
131	Cigars and Cigarettes	Value	7½%*	169	Paper, n.o.p.f.	Value	7½%*
132	Tobacco, Leaf	Picul	2.65*	IV.—TEXTILE FIBRES AND MANUFACTURES THEREOF			
133	Tobacco, Prepared	"	3.12*	Textile Fibres.			
134	Tobacco, n.o.p.f.	Value	7½%*	170	Cocoons, Domestic (including Doupions)	Picul	17.16*
Vegetables.				171	Cocoons, Refuse	Value	7½%*
135	Fungus:—			172	Cocoons, Wild	"	7½%*
(a)	Black	Picul	3.59*	173	Coir:—		
(b)	Others	Value	7½%*	(a)	Fibre	Picul	1.05*
136	Garlic	Picul	0.153*	(b)	Crude	Value	7½%*
137	Lily-flowers, Dried	"	1.09*	174	Cotton, Raw	Picul	1.87*
138	Mushrooms, Dried	"	6.71*	175	Cotton Waste (including Fly Cotton)		Free
139	Turnips, Dried and Salted	"	0.31*	176	Hair, Goats'	"	2.26*
140	Vegetables, Dried, Fresh, or Salted, n.o.p.f.	Value	5%*	177	Hemp	"	2.12*
Other Vegetable Products.				178	Jute	"	1.15*
141	Beancurd	Value	7½%*	179	Ramie	"	1.75*
142	Fodder (Grass and Hay)	"	5%*	180	Silk, Raw, Reeled from Doupions	"	11.70*
143	Soy	Picul	0.53*	181	Silk, Raw, White (including Re-reeled and Steam Filature)	"	23.40*
144	Vermicelli and Macaroni	"	0.92*	182	Silk, Raw, Wild (including Filature)	"	11.70*
145	Vegetable Products, n.o.p.f.	Value	7½%*	183	Silk, Raw, Yellow (including Re-reeled and Steam Filature)	"	16.38*
III.—BAMBOO, FUEL, RATTAN, TIMBER, WOOD AND PAPER				184	Silk, Waste (including Cocoon Strippings and Silk Yarn Waste)	Value	5%*
146	Bamboo:—			185	Wadding, Cotton	"	5%*
(a)	1 in. in diameter or over	Thousand Picul	0.27*	186	Wadding, Silk		Free
(b)	Less than 1 in. in diameter		1.42*	187	Wool, Camels'	Picul	8.42*
147	Bamboo, Split, Leaf, etc.	Value	7½%*	188	Wool, Goats'	"	10.76*
148	Bambooware	"	5%*	189	Wool, Sheep's		Free
149	Charcoal	Picul	0.128*	190	Textile Fibres, n.o.p.f.	Value	7½%*
150	Coal (including Coal Dust, and Coal Bricks manufactured from Coal Dust)	Ton	0.156*	Yarn, Thread, Plaited and Knitted Goods.			
151	Coke	"	1.12*	191	Cordage and Twine	Value	7½%*
152	Firewood	Picul	0.056*	192	Cotton Socks and Stockings		Free
Bamboo.				193	Cotton Thread, Sewing, on Spools or Cops (of 50 yds. or less)	Gross	0.058*
Fuel.				194	Cotton Thread, n.o.p.f.	Picul	1.72*
Rattan.				195	Cotton Yarn	"	1.72*
153	Rattan Skin	Value	7½%*	196	Drawn-thread Work, Crossstitch Work, and Embroideries, Silk or others		Free
154	Rattan, Split	Picul	0.67*	197	Lace and Trimmings		Free
155	Rattan, Whole (including Core)	"	0.36*	198	Ramie Yarn and Thread	Picul	2.34*
156	Rattanware and Rattan Furniture	"	0.70*	199	Silk Yarn and Thread		Free
Timber, Wood, and Manufactures thereof.				200	Woolen Yarn and Thread	"	7.02*
157	Beams:—			Piece Goods.			
(a)	Hardwood		Free	201	Cotton Piece Goods	Picul	2.34*
(b)	Softwood		"	202	Grasscloth, Coarse (having not over 40 warp threads per inch)	"	1.17*
158	Masts and Spars:—			203	Grasscloth, Fine (having over 40 warp threads per inch)	"	3.90*
(a)	Hardwood		"	204	Silk Piece Goods (including Natural Silk and/or Artificial Silk Piece Goods, and Mixtures of Natural and/or Artificial Silk and other fibres)		Free
(b)	Softwood		"	205	Silk Pongees		Free
159	Piles, Poles, Joists, and other Logs		"	206	Piece Goods, n.o.p.f.	Value	7½%*
160	Planks:—			Other Textile Products.			
(a)	Hardwood		"	207	Blankets and Counterpanes, Cotton	Picul	4.68*
(b)	Softwood		"	208	Blankets, Woollen, and Wool and Cotton Union	Piece	0.21*
161	Teak	"	7½%*	209	Gunny Bags:—		
161-2	Wood Pulp		Free	(a)	New	Picul	0.64*
162	Timber and Wood, n.o.p.f. (including Camphorwood and Redwood Planks)		7½%*	(b)	Old	"	0.39*
163	Wood Furniture and Woodware, n.o.p.f.	Picul	2.65*	210	Towels	"	4.68*
Paper.							
164	Paper, 1st quality, value over M.Y. 18.72 per picul	Picul	1.26*				
165	Paper, 2nd quality, value over M.Y. 9.36 but not over M.Y. 18.72 per picul	"	0.81*				
166	Paper, 3rd quality, value M.Y. 9.36 and						

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No.	Name of Article.	Unit.	Duty. (in M.Y.)	No.	Name of Article.	Unit.	Duty. (in M.Y.)
211	Woollen Carpets (including Wool and Cotton Carpets and Floor Rugs)		Free	Stone, Earth, Sand, and Manufactures thereof including Chinaware and Enamelledware.			
212	Clothing and Articles of Personal Wear:—			230	Bricks and Tiles	Value	5%*
(a)	Natural Silk	"	15.60*	231	Cement (Hydraulic, as Portland)	Picul	0.053*
(b)	Natural Silk Mixtures	"	8.58*	232	Marble	"	0.67*
(c)	Cotton	"	2.34*	233	Chinaware, Pottery, and Earthenware:—		
(d)	Others	Value	7½%*	(a)	Value M.Y. 6.24 and under per picul	"	0.08*
213	Textile Products, n.o.p.f.	"	7½%*	(b)	Value over M.Y. 6.24 per picul	"	0.70*
V.—METALS, MINERALS AND PRODUCTS THEREOF				234	Enamelled Ironware and Cloisonneware	Value	5%*
Ores, Metals, and Metallic Products.				235	Earth, Sand, and Stone, and Manufactures thereof, n.o.p.f.	"	5%*
214	Ores	Value	7½%*	VI.—MISCELLANEOUS			
215	Antimony:—			Chemicals and Chemical Compounds.			
(a)	Crude	Picul	0.90*	236	Alum, Green, or Corpperas	Picul	0.22*
(b)	Regulus	"	1.31*	237	Alum, White	"	0.20*
216	Brass, and Manufactures thereof:—			238	Arsenic	"	1.29*
(a)	Buttons	Picul	9.05*	239	Ink, Chinese	Value	7½%*
(b)	Foil	"	8.11*	240	Lead, Red, White, and Yellow (Minium, Ceruse, and Massicot)	Picul	1.17*
(c)	Nails	"	2.96*	241	Potash	"	0.56*
(d)	Wire	"	2.34*	242	Realgar	"	1.39*
(e)	Brassware	Value	5%*	243	Resin	"	0.36*
(f)	Others	"	7½%*	244	Soap, Household and Laundry	"	0.76*
217	Coins, Foreign		Free	245	Soap, Toilet	Value	5%*
218	Copper, and Manufactures thereof:—			246	Soda, Crystals	Picul	0.22*
(a)	Ingot and Slabs	Value	7½%*	247	Spirits of Wine and Rectified Spirits or Alcohol	Imp. Gallon	0.055*
(b)	Sheets, Rods, and Nails	"	7½%*	248	Varnish, or Crude Lacquer	Value	5%*
(c)	Others	"	7½%*	249	Vermillion	Picul	8.11*
219	Gold and Silver, and Manufactures thereof:—			249-2	Chemical medicine and its mixture (Benzol, Creosote, Naphthalene, Pitch, other distillate of coal-tar, and coal-tar)	Value	5%*
(a)	Bullion (including Gold Dust)		Free	Printed Matter.			
(b)	Goldware and Silverware	Value	7½%*	250	Books and Pamphlets (including Advertising Matter, Picture Books, Scrolls, Date-blocks, Diaries and Calendars with or without metal binding; but not including Old Books, Pictures, and Scrolls collected as Curios)		Free
220	Iron, and Manufactures thereof:—			251	Illustrations and Diagrams (including Charts and Maps)		Free
(a)	Bars, Hoops, Rods, Sheets, etc. (including Mild Steel)	Picul	0.30*	252	Newspapers and Periodicals, Current		Free
(b)	Nails	"	0.30*	253	Printed Matter, n.o.p.f.	Value	5%*
(c)	Pigs and Kentledge	Value	2½%*	Sundry.			
(d)	Wire	Picul	0.39*	254	Braid, Straw, and Hats, Straw		Free
(e)	Others (including Steel)	Value	7½%*	255	Candles	Picul	1.39*
221	Lead, and Manufactures thereof:—			256	Confectionery, Preserves, and Sweetmeats	"	1.11*
(a)	Pigs or Bars	Picul	0.62*	257	Containers and Packing Requisites:—		
(b)	Sheets	"	0.94*	(a)	Bottles, Empty, Aerated Water and Beer, Foreign, duty paid on Import, re-exported		Free
(c)	Others	Value	7½%*	(b)	Boxes, Wooden, Old, Empty, returned for future use		Free
222	Quicksilver	Picul	7.96*	(c)	Chests, Tea, for packing purposes and material thereof		Free
223	Tin, and Manufactures thereof:—			(d)	Cylinders and Drums, Iron (as Oil or Gas Containers), on which Import Duty has previously been paid		Free
(a)	Foil	Picul	7.64*	(e)	Jars, Earthenware, containing Samshu, Preserves, etc., and all other necessary packing or Containers therefor		Free
(b)	Ingot and Slabs	"	3.59*	(f)	Labels, Tea-box		Free
(c)	Others	Value	7½%*	(g)	Tins, Kerosene, Empty, if not flattened out		Free
224	Zinc, and Manufactures thereof:—			258	Curios and Antiques (not including those the export of which is prohibited by		
(a)	Spelter	Picul	0.83*				
(b)	Others	Value	7½%*				
225	Metal and Metallic Products, n.o.p.f.	"	7½%*				
Glass and Glassware.							
226	Glass Bangles or Armlets	Picul	1.87*				
227	Glass Beads, Coloured or Plain:—						
(a)	In bulk or temporarily strung together with Cotton String (including Silvered Hollow Glass Beads, strung and packed in cartons)	"	1.72*				
(b)	Strung together with Fancy Cotton or Silk Strings, or put up in Fancy Boxes in the form of Necklaces	Value	7½%*				
228	Glass, Window, Common:—						
(a)	Silvered	Value	5%*				
(b)	Unsilvered	100 sq. ft.	0.37*				
229	Glass or Vitrifiedware, n.o.p.f.	Value	7½%*				

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No.	Name of Article.	Unit.	Duty. (in M.Y.)	No.	Name of Article.	Unit.	Duty. (in M.Y.)
	ordinance)	Value	7½%*	265	Kittysols and Umbrella		Free
259	Fans:—			266	Lacquerware, Plain or Fancy (not including Lacquerware inlaid with Mother-of-pearl)		Free
	(a) Feather	Hundred	2.34*	267	Matches (not including those containing White of Yellow Phosphorus)	Gross	0.025*
	(b) Palm-leaf, Fine	Thousand	2.03*	268	Mats, Straw and Rush	Hundred	0.47*
	(c) Palm-leaf, Coarse	"	1.06*	269	Matting (including Mats sewn together, with design printed thereon: and Mattings with edges bound with cloth)	Roll of 40 yds.	0.23*
	(d) Paper	Hundred	0.22*	270	Articles not otherwise provided for in this Tariff	Value	7½%*
	(e) Others	Value	7½%*				
260	Fire-crackers	Picul	1.87*				
261	Gypsum	"	0.115				
262	Hair-nets and Hair Switches		Free				
263	Ivoryware	Value	7½%*				
264	Joss Sticks	Picul	0.72*				

SUPPLEMENT II

Abstracts from Manchoukuo Government Bulletins

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SUPPLEMENT II

Manchoukuo Government Bulletins.

Oil Monopoly Law

Ordinance No. 149—Promulgated November 14,
First Year of Kangtê (1934)

Article I

The word "oils" as used in the present Law includes gasoline, kerosene, gas-oil, heavy oil, benzol, and fuel oil substitutes.

The scope of the fuel oil substitutes mentioned in the foregoing paragraph shall be determined by an Imperial ordinance.

Article II

The sale of oils shall be a Government monopoly.

Article III

The manufacture, refining, importation and exportation of oils shall not be allowed except by those who have obtained permission for such from the Government.

Article IV

Those oils which have been manufactured, refined or imported by permission of the Government shall be purchased by the Government.

Article V

The sale and distribution of oils shall be conducted by oil dealers designated by the Government. Depending upon special circumstances, however, the sale of oils to consumers by the Government itself shall not be obstructed.

Matters which are necessary in connection with the sale and distribution of oils and also in connection with the oil dealers designated by the Government shall be determined by the Minister of Finance.

Article VI

The Government, when it deems necessary, may order any oil dealer appointed by it to keep a certain designated fixed supply of oils in stock.

Article VII

The manufacture, importation and exportation of mineral oils other than oils shall not be allowed except by those who have obtained permission for such from the Government.

Article VIII

The Government, when it deems necessary, may order any person engaged in the handling of oils or oils mentioned in the foregoing Article to make a report to the Government, or to effect improvements in his equipment or to issue orders concerning other matters.

Article IX

The competent officials, when they deem necessary, may enter any factory or any place of storage of oils or oils mentioned in Article VII, or any shop of any oil dealer designated by the Government or any other place, and may inspect oils or oils mentioned in Article VII, accounts, documents and other objects, or they may conduct other various investigations.

Article X

Whenever the competent officials deem that a crime has been committed in connection with the present Law or orders based upon it, they may question any person connected with the said crime, any may also seize any object which may serve as evidence.

Article XI

In case any person who has obtained the permission mentioned in Article III or Article VII or any person who has been designated as a oil dealer commits an act in violation of any provision of the present Law or any order based upon it, or any action taken in accordance with such order, the Government may cancel the permission or the appointment as a oil dealer, or it may order the temporary suspension of business during a certain fixed period.

Article XII

Any person who manufactures, refines, imports or exports oils in violation of the provisions of Article III shall be punished with a fine not exceeding five thousand (5,000) yuan.

Article XIII

Any person who manufactures, refines, imports or exports oils mentioned in Article VII in violation of the provisions of the said Article shall be punished with a fine not exceeding three thousand (3,000) yuan.

Article XIV

Attempted crimes coming under the two foregoing Articles shall be punished.

Article XV

Any person coming under any of the following categories shall be punished with a fine not exceeding two thousand (2,000) yuan:

1. Persons selling oils not sold by the Government;
2. Persons violating a storing order issued under Article VI.

Article XVI

Any person coming under any of the following categories shall be punished with a fine not exceeding five hundred (500) yuan:

1. Persons who violate any order issued under Article VIII or who make false reports to the Government;
2. Persons who obstruct the execution of duties by any competent official acting under Article IX or Article X.

Article XVII

All objects which were used in the commission of any crime mentioned in Articles XII to XIV inclusive shall be seized by the Government, irrespective of whether such objects belong to the criminal or criminals involved in such crime. In case it is found impossible to seize all or any part of such objects, the Government shall collect a sum of money equivalent to the value of such objects or any part thereof, as the case may be.

Article XVIII

Any employee or any other person engaged in the affairs of an employer, who, in connection with the affairs of the said employer, commits any act in violation of the provisions of Article III or Article VII, or who violates a storing order issued under Article VI, or who violates any order mentioned in Article VIII, or who makes a false report to the Government, shall be punished as well as his employer. However, in case the employer is an interdict or a minor who does not possess the same legal capacity as an adult, the legal representative of the said employer shall be punished.

Article XIX

Any employee of a juridical person or any other person engaged in the affairs of a juridical person, who in connection with the affairs of the said juridical person, commits an act in violation of Article III or Article VII, or who violates a storing order issued under Article VI, or who violates any order issued under Article VIII, or who makes a false report to the Government, shall be punished, as well as the members or officers, as the case may be, who administer the affairs of the said juridical person.

Any member or officer who administers the affairs of a juridical person and who commits any act mentioned in the foregoing paragraph, shall be punished.

Article XX

Any employer, legal representative, or any member or officer who should be punished for an act under Article XVIII or Paragraph I of the foregoing Article, shall be exempt from punishment, provided such employer, legal representative, or such member or officer who administers the affairs of a juridical person, can prove that there was no means of preventing the said act.

Supplementary

The date of enforcement of the present Law shall be determined by the Minister of Finance.

Any person who is engaged in the manufacture or refining of oils or oils mentioned in Article VII at the time of promulgation of the present Law shall be regarded as having obtained permission under the present Law, provided such person registers with the Government within one month after the date of enforcement of the present Law.

Concerning the Purchase of the Equipment of Existing Entrepreneurs in Connection with the Enforcement of the Oil Monopoly Law
Imperial Ordinance No. 150—Promulgated Nov. 14, First Year of Kangtê (1934)

Article I

The Government shall purchase such equipment as is actually used for business purposes by those persons who were engaged in the business of importing oils at the time of promulgation of the oil Monopoly Law, provided requests for the purchase of such equipment are made within one month after the date of enforcement of the oil Monopoly Law.

The above provision shall apply also in the case of the equipment actually used for business purposes by those persons who were engaged in the business of selling oils at the time of promulgation

of the Oil Monopoly Law and who are unable to continue the said business owing to the institution of the oil monopoly.

Article II

In case the Government intends to purchase any equipment in accordance with the provisions of the foregoing Article, it shall first obtain the decision of an appraisal committee in regard to the scope and purchasing price of such equipment. The organization and powers of the said appraisal committee shall be determined by an Imperial ordinance.

Article III

Matters which are necessary for the enforcement of the present Law shall be determined by the Minister of Finance.

Supplementary

The present Law shall come into force from the date of enforcement of the Oil Monopoly Law.

Organization Law of The Provincial Governments
Imperial Ordinance No. 124—Promulgated October 11, First Year of Kangtê (1934)
(From the Official Gazette, No. 183, Oct. 11, 1934)

Article I

The Provincial Governments shall in all consist of the following personnel:

- 10 Provincial Governors—the Grade of Selected Appointment (four may be of the Grade of Special Appointment).
- 46 Board Directors—the Grade of Selected or Recommended Appointment.
- 86 Directing Secretaries (Lishihkuan)—the Grade of Recommended Appointment.
- 18 Chief Technical Experts (Chicheung)—the Grade of Recommended Appointment.
- 10 Private Secretaries to the Governors (Mishukuan)—the Grade of Recommended Appointment.
- 10 Police Superintendents (Tuchakuan)—the Grade of Recommended Appointment.
- 124 Secretaries (Shihwukuan)—the Grade of Recommended Appointment.
- 14 Police Inspectors (Chingcheng)—the Grade of Recommended Appointment.
- 17 School Inspectors (Shihhsuehkuan)—the Grade of Recommended Appointment.
- 34 Assistant Chief Technical Experts (Chitso)—the Grade of Recommended Appointment.
- 1,019 Subordinate Officials (Shukuan)—the Grade of Delegated Appointment.
- 84 Technical Experts (Chishih)—the Grade of Delegated Appointment.
- 32 Police Sergeants (Chingtso)—the Grade of Delegated Appointment.

Article II

The personnel of each Provincial Government consisting of officials mentioned in the foregoing Article shall be determined by the Minister of Civil Affairs.

Article III

The Provincial Governors shall enforce laws and orders, and shall have charge of the administration of affairs within their respective provinces under

the direction and supervision of the Minister of Civil Affairs, and in respect of affairs coming under the jurisdiction of any other Minister, they shall do likewise under the direction and supervision of the Minister concerned.

Article IV

The Provincial Governors shall exercise direction and supervision over the officials of their respective Governments; they shall submit to the Minister of Civil Affairs for approval recommendations concerning promotions, degradations, resignations, rewards and punishments relating to officials of and above the Grade of Recommended Appointment; such matters affecting officials of or below the Grade of Delegated Appointment shall be determined by the Governors themselves.

Article V

The Provincial Governors may issue provincial orders regarding administrative affairs within their respective provinces in accordance with the powers invested in them or by special authorization.

Article VI

The Provincial Governors shall exercise direction and supervision over the hsen magistrates, the mayors of cities and chiefs of police headquarters within their respective provinces.

The Provincial Governors may cancel or suspend such orders or acts of disposition of hsen magistrates, mayors of cities or chiefs of police headquarters as are deemed to be contrary to established rules and regulations or detrimental to public interest, or as are deemed ultra vires.

Article VII

Whenever any Provincial Governor requires troops for the maintenance of public peace and order, he shall submit a request for the same to the Minister of Civil Affairs. In case of an extraordinary emergency, however, he may request the local military commander to dispatch troops.

Article VIII

In case any Provincial Governor is unable to discharge his duties from any cause whatsoever, the Director of the Board of General Affairs of his Government shall act in his place.

Article IX

The Provincial Governors may entrust any portion of their functions possessed by virtue of the powers vested in them, to hsen magistrates, mayors of cities, or chiefs of police headquarters.

Article X

The Board Directors of a Provincial Government shall have charge of the affairs of their respective Boards by order of the Provincial Governor concerned.

The Director of the Board of Police Affairs shall, by order of the Provincial Governor, direct and supervise the chiefs of police headquarters, the chiefs of police bureaux, and all police officers and officials of and below the rank of police inspectors within the Province, in all matters relating to the execution of police duties.

Article XI

The Directing Secretaries and Secretaries shall have charge of assigned matters by order of their superior officials.

The Chief Technical Experts and the Assistant Chief Technical Experts shall have charge of all technical affairs by order of their superior officials.

The Private Secretaries to the Governors shall have charge of all confidential affairs and other matters specially assigned to them by order of the Provincial Governors.

The Police Superintendents shall superintend all police affairs within their respective provinces by order of their superior officials.

The Police Inspectors shall have charge of affairs concerning the police by order of their superior officials; in respect of matters concerning the execution of police duties they shall, by order of the Director of the Board of Police Affairs, direct and supervise all police officers and officials of and below the rank of sergeants.

The School Inspectors shall inspect the conditions of school affairs by order of their superior officials, and shall also have charge of educational affairs by special authorization.

The Subordinate Officials shall attend to their assigned duties under the direction of their superior officials.

The Technical Experts shall attend to their assigned technical duties under the direction of their superior officials.

The Police Sergeants shall attend to affairs concerning the police under the direction of their superior officials.

Article XII

The following five Boards shall be established in each Provincial Government:

- The Board of General Affairs.
- The Board of Civil Affairs.
- The Board of Police Affairs.
- The Board of Industry.
- The Board of Education.

Article XIII

The Provincial Government designated by the Minister of Civil Affairs may not have a Board of Industry and a Board of Education, or either one of the two aforementioned Boards.

In case of the former the affairs mentioned in Article 17 and Article 18, and in case of the latter the affairs mentioned in either of the aforementioned Articles shall be administered by the Board of Civil Affairs.

Article XIV

The Board of General Affairs shall have charge of matters relating to:

1. Confidential affairs.
2. Personnel.
3. Documents and the custody of official seals.
4. Accounting and general affairs.
5. Statistics and investigations.
6. Affairs not specifically assigned to any other Board.

Article XV

The Board of Civil Affairs shall have charge of matters relating to:

1. Supervision of local administration.
2. Disasters and relief.
3. Public works.
4. Land.

Article XVI

The Board of Police Affairs shall have charge of matters relating to:

1. Administrative police.

- 2. Judicial police.
- 3. Hygiene.

Article XVII

The Board of Industry shall have charge of matters relating to:

- 1. Agriculture, forestry, live-stock and marine products.
- 2. Industry and commerce.

Article XVIII

The Board of Education shall have charge of matters relating to:

- 1. Education and arts.
- 2. Rites, customs and religion.
- 3. Historical sites, scenic spots and natural mementos.

Article XIX

The name and territory of each Province and the seat of each Provincial Government shall be as contained in the separate list attached to the present Ordinance.

Article XX

Each Provincial Governor shall, with the approval of the Minister of Civil Affairs, determine regulations concerning the division and management of affairs of the various Boards.

Supplementary Regulations

The present Ordinance shall come into force from the first of December of the First Year Kangtê (1934).

Ordinance No. 13 of the First year of Tatung embodying the Organization Law of the Provincial Governments, Ordinance No. 14 of the First Year of Tatung concerning the Provisional Appointment of a Counsellor to each Provincial Government, and Ordinance No. 17 of the second Year of Tatung concerning the Appointment of a Chief Secretary to each Provincial Government shall be abolished.

Department of Civil Affairs
Order No. 15—November 1, First Year of Kangtê (1934)
(From the Official Gazette,
No. 201, Nov. 1, 1934)

In accordance with the provisions of Article I of the Organization Law of the Provincial Governments, the personnel of each Provincial Government shall be fixed as follows:

Personnel	Fengtien Gov't.	Kirin Gov't.	Lungkiang Gov't.	Jehol Gov't.	Pinkiang Gov't.
Governor	1	1	1	1	1
Board Directors					
Selected Grade	5	5	5	3	5
Recommended Grade	—	—	—	2	—
Directing Secretaries	14	12	11	7	13
Chief Technical Experts	4	3	3	1	3
Private Secretary to Governor	1	1	1	1	1
Police Superintendent	1	1	1	1	1
Secretaries	18	16	14	11	17
Police Inspectors	2	2	2	1	2
School Inspectors	2	2	2	2	2
Assistant Chief					

Technical Experts	4	4	3	4	4
Subordinate Officials	177	146	114	86	142
Technical Experts	12	12	9	6	12
Police Sergeants	4	4	4	3	4

Personnel	Chihchow Gov't.	Antung Gov't.	Chientao Gov't.	Sankiang Gov't.	Heiho Gov't.
Governor	1	1	1	1	1
Board Directors					
Selected Grade	4	4	1	3	—
Recommended Grade	1	1	3	1	3
Directing Secretaries	8	8	4	5	4
Chief Technical Experts	2	2	—	—	—
Private Secretary to Governor	1	1	1	1	1
Police Superintendent	1	1	1	1	1
Secretaries	13	12	9	9	5
Police Inspector	1	1	1	1	1
School Inspectors	2	2	1	2	—
Assistant Chief					
Technical Experts	3	4	3	3	2
Subordinate Officials	96	93	56	70	38
Technical Experts	9	9	5	5	5
Police Sergeants	4	3	2	2	2

Supplementary Regulation

The present Order shall come into force from the first of December of the First Year of Kangtê (1934).

Statement regarding the Liao River Conservancy Board by the Foreign Minister of Manchoukuo—Feb. 5, 1934

Translation

Although ever since its establishment the Liao River Conservancy Board has accomplished notable results and has contributed much to the prosperity of the port of Yingkow, where there are signs of a possibility of greater development in the future, the harbour improvement works are not yet in a fully satisfactory state.

Moreover, owing to a lack of funds, the Board since the year before last has suspended its various construction activities carried on until then, and at present it is only undertaking repairs of a portion of the works completed before.

But should the present conditions be allowed to remain neglected by reason of financial shortage, it is certain that the mouth of the River would be blocked with sand and debris, thereby rendering completely meaningless the various construction works executed during the past years at considerable outlay of money and labour. And before long, Yingkow might revert to the desolate condition of olden days.

In view of the foregoing situation, the members of the Board of the foreign powers concerned, at their general meeting on Dec. 12, second year of Tatung (1933), decided to dissolve the Board of their own accord, and have requested this Government to take over the enterprises of the said Board.

Generally speaking, river and harbour improvements should be undertaken by either the State or the local authorities concerned. The then Chinese authorities, however, were not in possession at that time of the required funds and technical skill, in consequence of which the Liao River Conservancy Board was created. Since it is only natural that Manchoukuo itself should execute these undertakings, this Government has agreed to take

over as on the first January, third year of Tatung (1934).

It may be mentioned in this connection that the various establishments and enterprises of this country are witnessing steady progress, as in the development of industries. Having succeeded to this important national undertaking, the authorities of Manchoukuo are determined to take positive steps, as far as financial conditions permit, for the development of Yingkow which occupies such a significant position in international commerce.

As for the question of the reduction or abolition of surtaxes hitherto levied, it is the desire of this Government to wait until the basis of national finance is fully solidified. For the time being, the said surtaxes will be collected in the main according to the rates heretofore in force, and the sum so derived will be appropriated for covering the deficit incurred relative to construction costs.

Lower Postage for Domestic Mail Matters—
Feb. 8, 1934

In commemoration of the enthronement of H. E. the Chief Executive on March 1 this year, the Department of Communications of the Manchoukuo Government has decided to lower the present postal rates as from the said date for the following domestic mail matters: (Manchoukuo Yuan)

Kind of Mail	Weight	Present Rates	Revised Rates
Letters	For every 20 gr. or fraction thereof	0.04	0.03
Post Cards	Single	0.02	0.015
	With Carte Repondee	0.04	0.03

With the enforcement of the revised rates for domestic mail matters mentioned above, the Communications authorities have also decided to reduce the rates for letters and post cards destined for Japan and China as from the said date as follows: (Manchoukuo Yuan)

Kind of Mail	Weight	Present Rates	Revised Rates
Letters	For every 20 gr. or fraction thereof	0.04	0.03
Post Cards	Single	0.02	0.015
	With Carte Repondee	0.04	0.03

As a result of the present revision, the postal rates for letters and post cards will become uniform throughout the Manchoukuo post offices and Japanese post offices in South Manchuria.

N.B. For reduction of rates for foreign mails and air mail services, see Bulletins Nos. 108 and 109, Jan. 5 and Jan. 6, 1934.

Reduction of Business Tax in Heilungkiang Province Promulgated—
Feb. 8, 1934

In view of the fact that the rate of Business Tax, 5% of the volume of sales, heretofore enforced in Heilungkiang Province is higher as compared with those enforced in other Provinces, the Finance Authorities of the Manchoukuo Government have

decided to reduce the rate from 5% to 2% as from February this year following the example of Kirin Province in order to relieve smaller and other merchants suffering of late not only from tax burdens but also from business depression.

The announcement of this decision has already created a favourable impression among the people as an expression of justice in the tax policy of the Government.

As to the volume of sales upon which the tax rate is based, merchants shall be requested to declare bona fide figures. Should any merchant act to the contrary, or make any attempt to evade taxation, he shall be ordered to pay a forfeit, in addition to receiving a severe punishment, in accordance with law and regulations.

MY 26,180,000 Internal Taxes Reduced or Exempted Since Founding of Manchoukuo
Feb. 10, 1934

Since the founding of Manchoukuo in March 1932, up to the present, the Government has effected the reduction or exemption of various internal taxes to the aggregate amount of MY26,180,000 for the relief of the people in general and the rural masses in particular, who were suffering under the tyranny of the former military regime.

Tax items and the amount of taxes reduced or exempted are analysed, according to a recent investigation made by the Department of Finance, as follows: (Manchoukuo Yuan)

- (1) Land and Business Taxes in arrears Dec., 1932 2,500,000 Totally exempted.
- (2) Land Tax and other National Taxes for Land Dec., 1932 2,300,000 Reduced by half.
- (3) Salt Surtax Dec., 1932 650,000 Abolished.
- (4) Tax for Title-deeds Dec., 1932 60,000 Exempted.
- (5) Business Tax in Fengtien Province Mar., 1933 3,000,000 Uniformly reduced.
- (6) Salt Tax in Jehol Province May, 1933 150,000 Reduced or abolished.
- (7) Cigarette Tax in Jehol Province May, 1933 150,000 Reduced.
- (8) Import Duty on Necessities in Jehol Province June, 1933 300,000 Reduced by 2/3.
- (9) Import and Export Duties July, 1933 Unknown Reduced.
- (10) Certificate or Receipt Fees July, 1933 100,000 Abolished.
- (11) Production and Animal Taxes July, 1933 2,000,000 Uniform tax system was created by abolishing the old system.
- (12) Salt Price in Lungchingsun District Aug., 1933 90,000 Price of Salt Reduced.
- (13) Road Tax and Surtax for Commodities and Animals in transit in Jehol Province Oct., 1933 280,000 Abolished.
- (14) Salt Consumption Tax and Anti-Opium Fine Surtax in Jehol Province Nov., 1933 1,300,000 Exempted.
- (15) Land Tax and Miscellaneous Surtaxes in arrears in Jehol Province and Western Section of Hsingan Province Nov., 1933 4,100,000 Exempted
- (16) Crops Tax and Crops Measurement Tax Nov., 1933 9,200,000 Crops tax reduced by 50% and crops consumption tax and crops measurement

tax in Kirin abolished.

Total—MY26,150,000.

Reduction of Salt Price and Tax Rates for Salt.— Feb. 24, 1934

In view of the fact that salt is an indispensable daily necessity of the people, the Manchoukuo Government, since the founding of the new State, has endeavoured for the betterment of salt administration to relieve the people suffering under high salt and heavy salt taxes imposed during the old military regime.

Although the salt tax, which has much bearing on the price of salt, constitutes one of the most important sources of revenue of this country, the Government, in commemoration of the Enthronement ceremonies to be held on March 1st this year, has decided to reduce the salt rates by MY0.30 and salt prices in Kirin and Hellungkiang Provinces by MY1.00 per picul on the average, the price ranging between the lowest level of MY8.80 and the highest 11.00 per picul.

Compared with the prevailing rates in China, the salt price in Manchoukuo will thus be 50% lower. Accordingly, it goes without saying that the new revision will extend a great blessing to the people.

The Government intends to carry out further reductions in salt tax and salt prices, to encourage salt enterprises and improve its distribution system, with the object of securing salt of good quality for the people by fixing the annual revenue of salt tax at MY25,000,000 at the maximum.

The sum in favour of the consumers effected by the reduction of salt tax and salt prices beginning March 1, 1934, is estimated at some MY2,424,000 on the average per annum.

Notes Exchanged Between Manchoukuo and the Empire of Japan—March 1, 1934

Translation

March 1, 1934.

Your Excellency,

I have the honour to inform Your Excellency that monarchy has now been established in Manchoukuo through the accession of the Chief Executive to the Throne as Emperor of Manchoutikuo on March 1, the First Year of Kangtê, and to request you to transmit this information to your Government.

I avail myself of this occasion to express my hope that the special and intimate relations existing between the two countries will grow more cordial than ever.

Accept, Your Excellency, the renewed assurance of my highest consideration.

(Signed) CHENG HSIAO-HSU.

Prime Minister of Manchoutikuo.

His Excellency Taka Hishikari,

Ambassador Extraordinary and

Plenipotentiary of His Majesty

the Emperor of Japan.

Translation

March 1, 1934.

Your Excellency,

I have the honour to acknowledge the receipt of Your Excellency's Note dated March 1, 1934, informing me that monarchy has now been established in Manchoukuo through the accession of the Chief Executive to the Throne as Emperor of

Manchoutikuo on March 1, the First Year of Kangtê, and requesting me to transmit this information to my Government.

Under instructions from my Government I have the honour to reply to Your Excellency that it has afforded the Japanese Government great pleasure to take note of the above communication.

I avail myself of this occasion to express my hope that the special and intimate relations existing between the two countries will grow more cordial than ever.

Accept, Your Excellency, the renewed assurance of my highest consideration.

(Signed) TAKA HISHIKARI.

Ambassador Extraordinary and

Plenipotentiary of His Majesty

the Emperor of Japan.

His Excellency Cheng Hsiao-hsu,

Prime Minister of Manchoutikuo.

Administrative Policy of Manchoukuo—Published March 1, 1934 by the Government,—March 1, 1934 (1st year of Kangtê)

Translation

During these two years since the establishment of the new State of Manchou, the foundation of the nation has been increasingly strengthened and the welfare of the nation has been greatly advanced, thanks to the protection of Heaven and strenuous efforts of the people, as well as the fraternal cooperation extended by her friendly neighbour, the Empire of Japan. Peace and order have been well preserved even in the remotest corners of the country, various lines of administrative affairs have shown gratifying results, the security of living of the people has been well maintained, and peoples of different races within the domain are harmoniously and peacefully engaged in their respective occupations.

On this happy occasion of the Enthronement, which will lay an eternal foundation of Imperial regime in this country, the Government deems it significant, on the one hand, to reflect upon the results accomplished in the various fields of administration in the last one year, to map out a future programme and declare it to the world so as to endeavour for a further development and prosperity of this nation through active and harmonious cooperation of officials and people, as well as of the various races, and on the other, to carry out its great mission of contributing to the cause of peace and development of the Far East through the friendly cooperation with the neighbour powers.

I. Political, Military Affairs and Foreign Relations

Although at the time of the declaration of independence, Jehol Province joined with the new State of Manchou, for a time it was continuously molested by insurgent activities instigated by the old militarists. However, at the end of February last year the Manchou Army, in cooperation with Japanese troops, launched a campaign to clear the area of these disturbing elements and succeeded in placing them under complete control within a month, and brought the province under sway of this Government. Following the Jehol campaign the allied Manchou and Japanese forces subjugated the remaining bandits rampant in various parts of the land and subsequently this spring cleared the north-eastern regions of similar outlaws. The

entire country has thus been placed under the benevolent rule of "Wangtao".

Upon the restoration of peace and order, the Government embarked upon the task of unifying and controlling various organizations and organs and systems. Official discipline has been strictly enforced, while the scale of salaries and other allowances of Government officials is being rationalized extensively. Thus the Government which has succeeded in the accomplishment of its many difficult tasks, such as the elimination of banditry and evils of despotism attending the old government organizations, preservation of the peaceful life of the people, cultivation of industries, reduction of tax burdens, advancement of the prosperity of the people, improvement of cultural and educational enterprises, spread of scientific ideas, furtherance of culture and civilization, and the enforcement of national discipline, has decided to continue its endeavours for the further progress of these undertakings.

As for Manchoukuo's attitude toward the other Powers, the Government solely aims at the maintenance and enhancement of international peace, while insisting upon the sovereign independence of this State, at the same time taking adequate measures and providing for necessary facilities vis-a-vis foreign nations, regardless of recognition or non-recognition by the latter. In fact, these measures have gradually been effected independently.

II. Finance

In the past one year, the guiding policy for the national finance of this country was to stabilize the financial basis without increasing the tax burdens and economic pressure on the people and, at the same time, to balance equitably the tax burdens shouldered by the people. With the rapid restoration of peace and order, as well as the readjustment of financial system and organizations and the proper control of loose expenditures practised in the days of old military regime, the finance of the Government has been completely balanced. The 1933 fiscal year general budget, for instance, which totals MY149,160,000 respectively in revenues and expenditures includes nothing in the nature of deficit or supplement of revenues except the loan of MY7,000,000 set aside for national high-ways construction.

The Government, from the standpoint of social and industrial policies, has balanced the tax burdens on the people by means of a partial revision of internal taxes and customs tariff rates, together with the enforcement of the opium monopoly system. Furthermore, living up to the above-mentioned policies, the Government aims at the security of national life and harmony of economic relations among the nations of the Far East by fundamentally readjusting the internal taxes and revising the customs tariff rates and the salt administration system.

It may be added in this connection that, corresponding with the stabilization of finance and the increase of national credit, as well as the development of economic conditions of the country, the Government expects to adopt before long a "loan policy" in its financial scheme by selecting some suitable enterprises.

III. Economics and Industries

The founding of the new State of Manchou meant to all intents and purposes a fundamental reconstruction of the economic structure of old "Manchuria".

The economic structure of the old days of "Manchuria" was nothing more than that of a dependent colony subservient to the so-called "Three Eastern Provinces" of China. It lacked a national will towards any economic unity or any government consideration for the prosperity of national life, retaining only the feudal conditions peculiar to the system of squeeze and exploitation by militarists. The new State is endeavouring to accomplish an historic mission by creating a national economy which is modern and organic, possessing unity and independence by totally liquidating the debris of economic system of the old militarists.

As for a new economic structure and programme for the realization of our high national ideals mentioned above, it is necessary to base them on deliberate research of economic tendencies prevailing in the present world in general, and capitalist powers in particular, with which our national economy is interwoven, and also on an accurate appreciation of possibilities or probabilities which are inherent in our economic and social fabrics.

In the field of domestic economic activities, the new programme requires a revision of the laissez-faire policy of capitalistic tendency. In other words, those economic activities of the people which have important bearing on the national life at large shall be positively placed under national control and supervision. By so doing a positive realization of national economy, which is so schemed as to combine the features of both the laissez-faire system and planned economy, can, on the one hand, prevent economic activities from perishing, and, on the other, put a limit to despotic activities and monopoly of resources by a few privileged capitalists.

In recent years, the economic pendulum of the world has swung from free trade towards economic nationalism or protectionism, displaying the idea of "every nation for itself." This, however, is by no means a trend towards economic isolation, but it points to the formation of an economic bloc by one nation with another allied nation.

The present economic rapprochement or cooperation between this country and the Empire of Japan represents only an aspect of the general world "bloc" tendency; an expansion of the Manchoukuo-Japan economic bloc into one which will embrace all the countries of the Orient should be interpreted as a matter of predestination.

The objectives of our industrial policies are twofold:

- (a) The development of basic resources for purpose of national defence; and
- (b) The cultivation of agriculture and the prosperity of stockfarming.

In order to raise and improve our fixed social standard after accomplishing these objectives, it is essential to carry out an industrial revolution with the aid of chemical science or manufacturing by using the raw materials produced by agriculture and stock raising. This basic question suggests great possibilities and probabilities that our country possesses in stock. This "March toward the Industrial Revolution" is indeed a slogan for this country's industrial development, and the Manchoukuo-Japan economic combination or cooperation will converge on these two objectives. In view of the great role played by water facilities in our economic society, the Government is engaged in the basic investigations regarding river conservancy or reconstruction and public works for water transportation, subsequent to which some gigantic scheme may be projected.

Furthermore, the Government is accelerating a

project for the establishment of an adequate science research Institute with the object of providing the nation with necessary scientific knowledge and engineering skill greatly needed for the accomplishment of our industrial revolution in the future and for the advancement of the welfare and civilization of the Asiatic peoples through a scientific study of the Asiatic Continent.

It is a matter of gratification to note that smooth progress has been made in the redemption of old bank notes issued recklessly by the former militarists, together with the withdrawal of the so-called Ma-tayan notes in Heilungkiang and old notes circulated in Jehol Province. Thus the completion of currency unification is now very near at hand. The restoration of peace and order, the stabilization of national finance and the unification of currency, which have been universally regarded as the three most difficult undertakings confronting this country, are now almost concluded. Now that these great tasks are being accomplished, economic and industrial activities, large and small, are making a general march forward on the high road to an historic goal.

**Statement for Foreign Countries on the Enthronement of the Emperor by Hsieh Chieh-shih, Minister for Foreign Affairs—
March 1, 1934**

Translation

His Majesty the Emperor of Manchoutikuo (the Manchou Empire), conforming to the will of Heaven and complying with the wishes of the people, has acceded to the throne at Hsinking on this day, namely, March 1st, the First year of Kangtê, and I respectfully take this occasion to make the following statement elucidating the significance of this event.

It might be recalled that the thirty million inhabitants of this Empire, taking advantage of the downfall of the militarists, freed themselves from the tyranny of the old regime and proclaimed their independence in the first year of Tatung. Our friendly neighbour, the Empire of Japan, animated with the sincere motive to safeguard the peace of the Far East, gave every possible aid and has assisted in making Manchoukuo's independence secure. On March 12th of that year, I informed various foreign nations of the establishment of our State.

During the two years that have gone by since then, the various policies outlined at the time of the founding of this nation have gradually been put into practice in accordance with the basic principles of independent countries of the world, while all national programs and systems have been vastly improved. Meanwhile, the inhabitants have been able to enjoy security of life and to pursue their occupations in peace. Nature has looked upon the country with favours, men have lived in harmony, and the harvests have been plentiful.

At this juncture, the populace of all provinces, districts and cities earnestly and unanimously sought for a sovereign in conformity with the expressed will of Heaven. It should be observed that in further solidifying the foundation of this nation, it is essential that proper designations be adopted and that the relations between sovereign and subjects be defined that the national structure be fixed, and that broad projects for the future be developed. Thus to consolidate the basis of the "Wangtao" State, a rising power of the East,

indeed constitutes an indispensable factor in preserving the peace of the Orient.

It may be emphasized in this connection that His Majesty the Emperor has created the Manchou Empire and reigns over it as the first sovereign, by the grace and blessings of Heaven, a fact which must not be confused with the restoration of the Ching dynasty. This also should not imply in the least suspicion and malice in our relation with the people of the Republic of China. The sole aim of this Empire lies in safeguarding its domain, protecting its inhabitants, and in completing the establishment of a peaceful paradise by perfecting the administration in accordance with the newly promulgated Organic Law, as well as the future Constitution, thereby contributing to the maintenance of lasting peace in the Orient. Our foreign policy as outlined in my formal communication under date of March 12th, the First year of Tatung, will continue to be enforced and faith will remain unbroken. By reverencing the Heavenly commands, efforts will be made to ease the hearts of the people and let all rejoice in universal peace; strifes will give way to tranquillity and so shall we be able to sing hymns of concord with all mankind.

Respectfully issued on this auspicious occasion of the Enthronement, First day of March, First year of Kangtê.

HSIEH CHIEH-SHIH,
Minister for Foreign Affairs
Manchoutikuo.

**Law Concerning Orders of Merit and Decorations
Promulgated April 19, First Year of
Kangtê (1934)**

Translation

Article 1.

In recognition of distinguished and meritorious services to the State by persons, orders of merit shall be conferred upon such persons and decorations shall be granted to them.

Article 2.

The orders of merit shall consist of the following nine grades:

- Grand Order of Merit;
- First Order of Merit;
- Second Order of Merit;
- Third Order of Merit;
- Fourth Order of Merit;
- Fifth Order of Merit;
- Sixth Order of Merit;
- Seventh Order of Merit;
- Eighth Order of Merit.

Article 3.

The decorations shall consist of the Collar of the Grand Order of the Lanhua (Orchid), the Grand Cordon of the Lanhua (Orchid), the Order of the Lungkuang (Dragon Ray), and the Order of the Chingyun (Prosperous Cloud).

Article 4.

The orders of merit shall be conferred through letters patent.

The letters patent for holders of the Grand Order of Merit, the First or the Second Order of Merit shall bear the Imperial Sign Manual and the Seal of the State as well as the signature of the Prime Minister who shall also enter the date by Imperial

command. The letters patent for holders of any of the orders of merit of or below the Third Order of Merit shall bear the Seal of the State and the signature of the Prime Minister who shall also enter the date by Imperial command.

The Director of the Bureau of Decorations (of the General Affairs Board) shall enter in each letter patent a number according to the grade of decoration to be conferred, and shall append a note to the effect that the number has been entered in the Register provided for the purpose, and shall also affix the Seal of the State Council and his signature.

Article 5.

The Collar of the Grand Order of the Lanhua may be granted to holders of the Grand Order of Merit by special grace of the Emperor. The Grand Cordon of the Lanhua shall be granted to those who are to be conferred the Grand Order of Merit.

Article 6.

The Order of the Lungkuang may be granted by special grace of the Emperor to those who are to be conferred or who have been conferred the First Order of Merit.

The Order of the Chingyun shall be granted to those who are to be conferred any of the decorations from the First to the Eighth Order of Merit, excepting those who have been conferred the First Order of Merit and who have been granted the Order of the Lungkuang.

Article 7.

Designs of the decorations shall be designated by an order of the State Council.

Supplementary

The present Law shall come into force as from the date of promulgation.

Law Governing the Manchuria Raw Cotton Company, Ltd.—Apr. 14, 1934 (1st year of Kangtê)

The Law Governing the Manchuria Raw Cotton Company was promulgated on April 6, First Year of Kangtê (1934). It was enacted with the object of developing the raw cotton industry in this country through the agency of a corporation, which, functioning under the direct control and supervision of the Government and with its financial assistance, would be capable of purchasing and disposing of domestic cotton, and at the same time of engaging in the collection and distribution of good seeds.

A need is strongly felt for some such organization, as there would be no sense in encouraging and spreading cotton cultivation unless there is an organization capable of buying up the output. At present there is no such purchasing agency.

The formation of the proposed company will also fulfil another important need, namely, that of improving the quality of domestic cotton by collecting and distributing good seeds. Through the new company the Government also plans to regulate all affairs concerning the raw cotton industry.

According to the provisions of the present Law, the Manchuria Raw Cotton Company will engage in the purchase of raw cotton produced within the districts designated by the Minister of Industry, and also in the business of collecting cotton seeds. With the approval of the said Minister, however, it will be allowed to undertake other accessory

business.

The proposed company will have a capital of MY2,000,000, one-half of which will be subscribed to by the Government. Its shares will have a par value of 50 yuan each. The head office of the firm will be located in Mukden. It will also establish a number of purchasing offices in the cotton districts.

The life of the Company will be twenty years from the date of registration. A provision, however, is made for its extension with the approval of the Minister of Industry.

The officers of the company will consist of a chairman of the directorate, four directors, and two auditors. They will be elected at a general meeting of shareholders, but will have to obtain the approval of the Minister of Industry in order to assume office.

In order to assist the Company in the early stages of its existence the Government is authorized to grant an annual subsidy not exceeding MY100,000 until such time as the Company is able to pay a dividend of six per cent per annum on the shares other than those held by the Government. The payment of this subsidy, however, is not compulsory. The Company will not be obliged to declare any dividend on the Government shares until it is able to pay a six per cent dividend on the other shares.

The Minister of Industry is invested with wide supervisory powers over the Company. He is empowered to rescind any resolution of the Company which is in contravention of any law or ordinance, or the articles of association, or which is prejudicial to the interests of the public. He also has the power of dismissing any of the officers in certain cases. The price at which the Company will purchase cotton will be also designated by him.

Law Governing the Manchuria Gold Mining Company, Ltd.—May 14, 1934 (1st Year of Kangtê)

The Law Governing the Manchuria Gold Mining Company was promulgated on May 3, First Year of Kangtê (1934). The opening article of the new law states that the Government shall cause the said Company to be formed for engaging in the development and management of gold-mining enterprises. The object of the Company is to undertake enterprises concerned with the mining and refining of gold in the districts designated by the Government. An Imperial decree separately issued on May 3 designates these districts as the provinces of Kirin and Heilungkiang and the East and North Sub-Divisions of Hsingan Province. With the approval of the Minister of Industry the Company will be allowed to participate in other accessory undertakings.

The head office of the Company will be located in Hsinking. Its capital will be 12,000,000 yuan, consisting of registered shares of 50 yuan each. The amount of payment at the first call may be reduced to one-fourth of the par value of the shares. The Government's investment in the Company may be represented by the gold mining rights it possesses.

At each business year the Company will have to pay in to the Government one-half of that portion of its profit left after deducting the following sums:

1. Fifteen per cent. of the profit.
 2. Eight per cent. of the paid-up capital.
- In case the other remaining half exceeds two per cent. of the paid-up capital, a sum equal to three-

fourths of the excess will have to be paid in to the Government.

The officers of the Company will consist of a chairman and a vice-chairman of the directorate, and not more than five directors and not more than three auditors. These officers will be elected at a general meeting of shareholders, but the approval of the Government is necessary before they can assume office.

The present Law contains provisions for Government supervision of the Company through the Minister of Industry who is invested with wide powers over the said Company. He has not only a right to issue orders to it in the interests of the public and for the safeguarding of the resources of gold deposits, but his approval is also necessary for any changes in the articles of association, the dismissal of any member of the directorate, the disposal of profit, the issue of debentures, amalgamation or dissolution of the Company, the execution of new business projects, the assumption of any new gold mining enterprises, the entrusting of their management to others, or their management by the Company itself, etc.

The Government will cause an organizing committee to be formed to take charge of all affairs concerning the establishment of the Company.

Foreign Minister's Statement Regarding Manchoukuo's First Investment Enterprise Loan July 10, 1934

Translation

It is indeed a matter of congratulation that, through the support of the Government and people of Japan, a contract was signed today between our Government and the Banking Syndicate in Tokyo for the acceptance of a loan amounting to ¥10,000,000 in Japanese currency to be floated for city planning, water and other works in Hsinking and Harbin.

Ever since its establishment, the financial basis of Manchoukuo has been strengthened with each successive year, and we are happy to observe that the reason why the present loan contract has been entered into on such favourable terms is due to the proper appreciation of our financial conditions on the part of the Japanese officials and people. We earnestly hope that when the bonds are placed on the market they will speedily and completely be subscribed by the public.

Manchoukuo is still in the process of construction and various other enterprises must be executed in the future. For raising funds necessary for these activities, this nation will as heretofore continue to welcome foreign investments, provided the terms of the loans are favourable.

Announcement by Department of Finance Regarding Investment Enterprise Loan—July 20, 1934 (1st year of Kangtê)

The Department of Finance on July 18, First Year of Kangtê (1934) made the following announcement concerning Manchoukuo's First Investment Enterprise Loan of 10,000,000 yen, the floatation of which has been accepted by the Japanese Banking Syndicate in Tokyo:

"In accordance with its policy to advance funds to local governments for the construction of water-works, hospitals and municipal residences by the latter, the Government of Manchoukuo has enacted

the Investment Enterprise Loan Law and Regulations Governing the Floatation of the First Investment Enterprise Loan, which were made public today in an extra issue of the Official Gazette.

"Negotiations for the floatation of the First Investment Enterprise Loan were concluded in Tokyo today between representatives of the Manchoukuo Government and the Japanese Banking Syndicate of Tokyo.

"The proceeds from the Loan amounting to about 10,000,000 yen will be lent to the Hsinking Special Municipality for its construction of water-works, hospitals and municipal residences, and to the Harbin Special Municipality in order to enable the latter to undertake the water-works and sewerage projects contained in its city expansion program.

"The terms of the loan contract are very favourable to Manchoukuo. The issue price of the bonds is 98 yen, and the rate of interest, four percent. After a period of three years a portion of the Loan exceeding a certain fixed amount is to be redeemed annually for ten years, the entire loan being redeemable by August 20, 14th Year of Kangtê (1947). Its terms are the second best to those of the 4% Japanese Government Bonds sold at 98 or 99 yen, and compare favourably with the 4½% par debentures of leading Japanese corporations. When it is recalled that Manchoukuo's Construction Bonds offered in Japan in the first year of Tatung (1932) were sold at 96.50 yen, with interest at 5%, the successful negotiation of the present Loan on such favourable terms shows the high standing of this country's credit. This is due partly to conditions in the Japanese money market, and partly to a proper appreciation in Japan of Manchoukuo's sound financial development during the last one and a half years.

Investment Enterprise Loan Law, Imperial Ordinance No. 94—Promulgated July 18, First Year of Kangtê (1934)

Article 1

For the purpose of making loans to public organizations to enable them to undertake enterprises, and of financing, and investing in juridical persons created by special ordinances, and investing in juridical persons created by special ordinances, the Government may issue loans or borrow money by degrees to the extent of 25,000,0000 yuan.

In case a loan is to be floated in foreign currency, in accordance with the provisions of the foregoing paragraph, the exchange rate prevalent at the time of its issue shall be taken as the standard, and the amount of issue shall be fixed by the Minister of Finance.

Article 2

All matters relating to the interest rate, issue price, redemption, payment of interest, and other affairs concerning the floatation of any loan in accordance with the provisions of the foregoing article shall be decided by the Minister of Finance.

Article 3

Any bond issue or any borrowing by virtue of the provisions of Article 1 shall be charged to the special investment account to be created, which shall receive its proceeds, and dispose of the same.

Supplementary Regulation

The present Law shall become effective on the date of its Promulgation.

Regulations Governing the Floatation of the First Investment Enterprise Loan

By Order No. 23 of the Department of Finance Regulations Governing the Floatation of the First Investment Enterprise Loan were promulgated on July 18, First Year of Kangtê (1934). By virtue of the Investment Enterprise Loan Law promulgated the same day, the said Regulations provide that the Government shall float a loan of 10,000,000 yen in Japanese currency. The proceeds from this loan which will be known as the First Investment Enterprise Loan, will be lent to the Special Municipalities of Hsinking and Harbin in order to enable them to undertake water-works and other public projects.

Redemption of the Loan will start from the Fourth Year of Kangtê (1937), and completed in the 14th Year of Kangtê (1947), an amount exceeding a certain fixed figure being redeemable each year. After August 21, 1937, all or any portion of the Loan may be redeemed at any time, provided an official notification of undertaking such redemption is made in the Japanese Official Gazette and two newspapers in both Tokyo and Osaka cities.

The bonds will bear interest at 4 per cent per annum, payable twice a year, namely, on February 20 and August 20 of each year. The bonds, which will be unregistered, will consist of five kinds, viz. 100 yen, 500 yen, 1,000 yen, 5,000 yen and 10,000 yen. All affairs concerning payment of the principal and interest will be handled by the head office and branches of the Japan Industrial Bank.

Subscriptions for the Loan will be received from July 23 to July 25, of the Third Year of Kangtê (1936). Depending on circumstances, however, the subscriptions may close before the latter date. All subscriptions must bear the name and address of the subscriber, the amount to be subscribed, and a guarantee of three yen for each 100 yen to be subscribed.

The Regulations further provide that the Government shall cause the Special Municipalities of Hsinking and Harbin to repay their portions of the Loan each year out of their respective revenues from their water and sewerage works, the claims on the Loan having priority over all other loans of the said two municipalities. The payments from the two municipalities will be included in a special investment account, and reserved as a special fund for the specific purpose of paying interest on, and redeeming, the Investment Enterprise Loan.

Special Budget for Covering Investment Enterprise Loan

In accordance with Article 41 of the Organic Law a special investment account supplementary budget amounting to 10,182,400 yuan was promulgated for the first fiscal year of Kangtê (July 1, 1934 to June 30, 1935) on July 18, 1934, to cover the revenues and expenditures connected with the Investment Enterprise Loan. The budget figures show that a total sum of 9,631,000 yuan is to be loaned to the Special Municipalities of Hsinking and Harbin.

N.B. See Bulletin No. 28, issued July 18, 1934.

Communications Exchanged Between Foreign Minister and Cardinal Fumasoni-Biondi—Sept. 15, 1934 (1st year of Kangtê)

The following communications have been ex-

changed between His Excellency the Foreign Minister, Mr. Hsieh Chieh-shih, and His Eminence Pierre Cardinal Fumasoni-Biondi, Préfet de la S. Congrégation de la Propagande, of the Holy See, regarding the Catholic missions in Manchoukuo:

S. Congregazione "Depropaganda fide"
Protocollo No. 3201

Rome, le 2 Août 1934

Excellence,

Monsieur Gaspais, Evêque de Kirin, m'a tout dernièrement notifié avec quelle amabilité Votre Excellence a daigné lui faire bon accueil et s'entretenir avec lui sur la situation de l'Eglise catholique en Manchu-kuo.

Je m'empresse donc, Excellence, de vous présenter mes sincères remerciements et de vous dire tout ma satisfaction pour la haute considération dont vous avez voulu donner ce précieux témoignage à S. M. Mgr. Gaspais, que j'ai autorisé, en comptant sur son intelligence et son habileté, à traiter, nom aussi des autres Evêques, de tout ce qu'a rapport aux missions catholiques du Manchu-kuo.

Permettez-moi, au même temps, Excellence, de vous exprimer l'espoir de pouvoir compter sur votre aimable bienveillance qui facilitera au même Evêque les fonctions que je lui ai confiées, puisque le but de sa charge est de chercher à donner aux missions catholiques une organisation conforme aux lois et aux règlements du Manchu-kuo, en vue précisément du progrès moral et du bien spirituel des citoyens qui possèdent la religion catholique.

Je suis bien sûr qu'avec la plus loyale soumission aux autorités du pays, qu'est toujours exigée par l'Eglise catholique de la part de ses Evêques, S. E. Mgr. Gaspais, aussi que les autres Chefs des Missions s'estimeront bien honorés quand l'occasion leur donnée de renseigner les autorités civiles, et de contribuer, en plein accord avec les mêmes autorités, pour le développement intellectuel et moral du pays.

Veuillez agréer, Excellence, les sentiments de ma plus haute considération.

Pierre Cardinal Fumasoni-Biondi
Préfet de la S. Congrégation
de la Propagande

Hsinking, 12th September, 1934.
1st year of Kangtê.

Translation

To His Eminence Monsigneur the Cardinal Fumasoni-Biondi, Prefect of the Congregation of Propaganda.

Your Eminence,

I have the honour to inform Your Eminence that His Excellency Monsigneur Gaspais, Bishop of Kirin, has duly delivered me your friendly message, Protocol no. 3201, dated 2nd August of the present year.

I am exceedingly honoured and delighted to learn that the Holy See has the good intention to contribute to the intellectual and moral development of my country and that the Catholic missions in this country are firmly determined to observe strictly the laws and regulations promulgated by my Government.

His Excellency Monsigneur Gaspais, being very sincere and able, will, I am convinced, most efficiently direct the missions here and also accomplish the sacred work of the Religion in accordance with the disposition of the Manchoukuo authorities.

My Government will be pleased to render all the facilities within its means to the missions in so far as their actions do not infringe on the political order of our state.

I shall be greatly obliged if Your Eminence will

kindly convey my best wishes and sincere respects to the Holy Father the Pope. Please accept, Your Eminence, the sentiments of my highest consideration.

Minister of Foreign Affairs,
Manchoukuo.

N.B. See also Bulletin No. 17, issued May 3, 1934.

Foreign Minister's Statement on the Occasion of the Second Anniversary of Japan's Recognition of Manchoukuo—Sept. 15, 1934

Translation

Manchoukuo was founded in March, First Year of Tatung (1932) in accordance with the earnest desires of the 30,000,000 people of Manchuria, with the ultimate object of establishing a land of peace and happiness under the guiding influence of the "Wangtao" principle. On September 15th of the same year our friendly neighbour, the Empire of Japan, brushing aside the general suspicions of the other countries, took a heroic step by according de jure recognition to our State, and signed the Manchoukuo-Japan Protocol whereby the two powers were united in an alliance for the mutual defence of their territories.

During the two years that have elapsed since that epochal day, the spirit of mutual dependence and mutual welfare manifest in the Protocol has been augmented and strengthened. Internally, our nation has witnessed notable achievements in the restoration of peace and order, the rehabilitation of finances, unification of currency, development of industry, improvement of communications, advancement of learning, and in the other fields of governmental activity; externally, Manchoukuo's developments have given the foreign nations a deeper appreciation and knowledge of the new State, as is evident from the formal recognition extended by the Republic of El Salvador and the growing tendency of public opinion in the European and American countries in favour of early recognition. With the solidifying of the national foundation and the enrichment of national life with each passing day, His Excellency the Chief Executive who had, since the birth of the new nation assiduously devoted himself day and night to the affairs of the State, acceded to the throne in March of this year, in compliance with the will

of Heaven and for the welfare of his people.

The inauguration of the Imperial regime was a national development in the course of the steady growth of our national power and is simply an outward manifestation of the expansion and exaltation of the spirit underlying the founding of our State. Once again the people of Japan, acclaiming this event, gave us wholehearted support and sincere blessings. Special mention should be made in this connection of the visit to this country of H.I.H. Prince Chichibu last June as a personal representative of H.I.M. the Emperor of Japan to offer felicitations to H.I.M. the Emperor of Manchoukuo. Prince Chichibu's mission of friendship has strengthened the spiritual ties between the two Empires more firmly than ever.

In observing today the anniversary of Japan's recognition of our country, and reflecting over the growth of our national power and prestige, and considering also the fact that our course is still beset with many difficulties, we officials and people of Manchoukuo sense anew a feeling of gratitude toward our friendly neighbour. At the same time we feel it to be the bounden duty of every official and subject to labour more diligently than ever with one accord, internally, for the enhancement of our national power and externally, for the promotion of friendly relations with the other nations, thereby glorifying the mighty principles on which our State is founded. In our relationship with the Japanese Empire we should faithfully observe the words of H.I.M. the Emperor as set forth in the Imperial Rescript on Entournement, viz.,

"We are hereby set to formulate all the far-reaching designs for the safeguarding of Our domain and the future policies with respect to its administration, in close co-operation and harmony with the Empire of Japan."

Thus shall we strengthen the connections of mutual dependence and mutual welfare existing between the two countries, and contribute to the cause of peace in Eastern Asia. Herein alone lies the road open to us.

On this auspicious occasion, in the name of the Government of Manchoukuo, I hereby extend to our friendly Empire the expressions of our heartfelt gratitude, proclaiming at the same time the deep convictions with which our officials and people are animated in the forward march to greater progress and prosperity.

SUPPLEMENT III

Treaties, Proclamations, Etc.

Texts of Treaties, Agreements, Notes and Statutes of the Powers Concerning Manchuria

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SUPPLEMENT III

Texts of Treaties, Agreements, Notes and Statutes of the Powers Concerning Manchuria

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

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

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

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

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

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

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

Notes of Russia, France and Germany Recommending Retrosession of Liaotung Peninsula —April 23, 1895

(a) Recommendation du Ministre de Russie à Tokyo.

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

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

(b) Recommendation du Ministre de France à Tokyo.

Le Gouvernement de la République Française estime que la possession de la presqu'île de Lia-

toung est une menace pour la capitale de la Chine qu'elle rendrait illusoire l'indépendance de la Corée, et serait un obstacle perpétuel à la pacification de l'Extrême-Orient. Désireux de donner au Gouvernement Impérial une nouvelle preuve des sentiments amicaux qui l'animent à l'égard du Japon, le Gouvernement de la République Française croit donc devoir donner au Gouvernement Impérial le Conseil amical de renoncer à la possession définitive de cette presqu'île.

Fait à Tokyo, le 23 avril 1895.

L'envoyé extraordinaire et Ministre Plénipotentiaire de la République Française au Japon.

Signé: J. Harmand.

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

„Meine hohe Regierung hat mich angewiesen zu erklären:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The above-mentioned engagements, by which, as already stated, the grant of a guarantee by the Russian Government is conditioned and the consequent realization of the enterprise of the Chinese Eastern Railway, shall be binding on the railway until the same, after the expiration of the eighty years' term of the Concession, shall without payment become the property of the Chinese Govern-

ment (§ 29). The redemption of the line from the Company before the above-mentioned term in accordance with § 30 of the present Statutes shall not in any way diminish the effect of the above specified engagements, and these latter, together with the railway, shall be transferred to its new proprietor.

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

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

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

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

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

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

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

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

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

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

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

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

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

basis of existing Treaties.

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

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

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

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

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

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

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

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

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

The shares are to be issued at their nominal value.

The guarantee of the Russian Government does not extend to them.

Bond Capital: Guarantee of Russian Government on Bonds.—§ 11. The remaining portion of the capital of the Company will be formed by the issue of bonds. The bonds will be issued as required, and each time with the special sanction of the Minister of Finances. The nominal amount of each separate issue of bonds, the time and condition of the issue, as also the form of these bonds, shall be subject to the sanction of the Minister of Finances.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The reserve capital of the Company is formed out of annual sums put aside from the net profits of the working of the railway (§ 17).

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

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

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

Under these expenses are classed:—

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

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

the permanent list;

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

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

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

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

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

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

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

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

§ 17. Distribution of net profits of the railway.

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

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

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

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

§ 22. Order of convening general meetings.

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

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

§ 25. Local management of works of construction.

§ 26. Local management of railway when in

working order.

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

§ 28. Committee of audit.]

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

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

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

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

Right of the Chinese Government to Acquire the Railway on the Expiration of Thirty-six years.

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

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

In no case can the Chinese Government enter into possession of the railway before it has lodged in the Russian State Bank the necessary purchase money.

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

(CHINA AND RUSSIA)

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

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

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

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

The above-named Plenipotentiaries, furnished

with due powers, have decided upon the following stipulations:

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

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

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

ARTICLE IV.—During the above-specified period, on the territory leased by the Russian Government and its adjacent water area, the entire military command of the land and naval forces and equally the supreme civil administration will be entirely given over to the Russian authorities and will be concentrated in the hands of one person who, however, shall not have the title of Governor or Governor-General. No Chinese military land forces whatsoever will be allowed on the territory specified. Chinese inhabitants retain the right, as they may desire, either to remove beyond the limits of the territory leased by Russia or to remain within such limits without restriction on the part of the Russian authorities. In the event of a Chinese subject committing any crime within the limits of the leased territory, the offender will be handed over to the nearest Chinese authorities for trial and punishment in accordance with Chinese laws, as laid down in Article VIII of the Treaty of Peking of 1866.

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

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

ARTICLE VII.—The Russian Government takes

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

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

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

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

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

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

(Seal) (Signed) P. Pavlov.

(Seal) (Signed) Li-Chang.

(Seal of the Tsung-li-yamen)

(JAPAN AND RUSSIA)

Treaty of Portsmouth—September 5, 1905

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

His Majesty the Emperor of Japan:
His Excellency Baron Komura Jutaro, Jusamm, Grand Cordon of the Imperial Order of the Rising Sun, His Minister for Foreign Affairs, and

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

His Majesty the Emperor of all the Russias;
His Excellency M. Serge Witte, His Secretary of State and President of the Committee of Ministers of the Empire of Russia, and

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

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

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

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

It is understood that Russian subjects in Korea shall be treated exactly in the same manner as the subjects or citizens of other foreign Powers, that is to say, they shall be placed on the same footing as the subjects or citizens of the most favoured nation.

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

ARTICLE III.—Japan and Russia mutually engage:

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

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

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

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

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

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

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

ARTICLE VI.—The Imperial Russian Government engage to transfer and assign to the Imperial Government of Japan, without compensation and with

the consent of the Chinese Government, the railway between Changchun (Kuancheng-tzu) and Port Arthur and all its branches, together with all rights, privileges and properties appertaining thereto in that region, as well as all coal mines in the said region belonging to or worked for the benefit of the railway.

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

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

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

ARTICLE VIII.—The Imperial Governments of Japan and Russia, with a view to promote and facilitate intercourse and traffic, will, as soon as possible, conclude a separate convention for the regulation of their connecting railway services in Manchuria.

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

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

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

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

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

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

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

The Governments of Japan and Russia shall present to each other, as soon as possible after the delivery of prisoners has been completed, a statement of the direct expenditure respectively incurred by them for the care and maintenance of prisoners from the date of capture or surrender up to the time of death or delivery. Russia engages to repay to Japan, as soon as possible after the exchange of the statements as above provided, the difference between the actual amount so expended by Japan and the actual amount similarly disbursed by Russia.

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

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

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

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

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

(Signed) Serge Witte. (I.S.)

(Signed) Rosen. (I.S.)

(Signed) Jutaro Komura. (I.S.)

(Signed) K. Takahira. (I.S.)

(Japan AND CHINA)

Treaty of Peking Relating to Manchuria— December 22, 1905

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

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

with the Chinese Government.

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

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

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

(Signed)

(JAPAN AND CHINA)

Additional Agreement to Treaty of Peking

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

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

In the Province of Shengking:

Fenghwangcheng; Liaoyang; Heilmintun; Tieling; Tangkangtzu and Pakumen.

In the Province of Kirin:

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

In the Province of Heilungkiang:

Tsitsihar; Hallar; Aigun and Manchouli.

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

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

within twenty Chinese li from the boundary of the territory where Japanese troops are stationed.

ARTICLE IV.—The Imperial Government of Japan engage that Chinese public and private property in Manchuria, which they have occupied or expropriated on account of military necessity, shall be restored at the time the Japanese troops are withdrawn from Manchuria and that such property as is no longer required for military purposes shall be restored even before such withdrawal.

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

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

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

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

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

ARTICLE X.—The Imperial Chinese Government agree that a jointstock company of forestry composed of Japanese and Chinese capitalists shall be organized for exploitation of the forests in the regions on the right bank of the River Yalu and that a detailed agreement shall be concluded in

which the area and term of the concession as well as organization of the company and all regulation shall be provided for. The Japanese and Chinese shareholders shall share equally in the profit of the undertaking.

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

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

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

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

Done at Peking, this 22nd day of the 12th month of the 35th year of Meiji, corresponding to the 26th day of the 11th moon of the 31st year of Kuang Hsu.

(Signed)

(JAPAN AND CHINA)

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

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

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

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

3. The Chinese Government engage, for the purpose of protecting the interest of the South Manchuria Railway, not to construct, prior to the recovery by them of the said railway, any main line in the neighborhood of and parallel to that railway, or any branch line which might be prejudicial to the interest of the above-mentioned railway.

4.—China declares that she will adopt sufficient measures for securing Russia's faithful observance of the Russo-Chinese treaties with regard to the railways which Russia continues to possess in the northern part of Manchuria, and that it is her

intention, in case Russia acts in contravention of such treaty stipulations, to approach her strongly with a view to have such action fully rectified.

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

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

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

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

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

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

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

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

12.—In regard to any public or private property of China which may have been purposely destroyed or used by Japanese subjects without any milit-

ary necessity, the Governments of the two countries shall respectively make investigations and cause fair reparation to be made.

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

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

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

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

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

(Amended several times)

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

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

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

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

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

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

ARTICLE VII.—The company shall have a president, a vice-president, four or more directors and

from three to five inspectors.

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

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

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

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

The inspectors shall examine the business of the company.

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

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

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

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

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

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

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

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

11 d. The issuance of company debentures and amendments to the articles of incorporation shall be decided when shareholders representing one-half or more of the total capital are present by a majority vote (added March 6, 1917).

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

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

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

pany's business.

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

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

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

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

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

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

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

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

Supplementary Rules

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

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

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

ARTICLE XXI.—When the permission referred to in the preceding Articles has been given, the organizing commission shall, without delay, call for the first instalment upon each share.

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

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

Japanese Government Order Regarding South Manchuria Railway Company—

August 1, 1906

(Amended several times)

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

The following orders are hereby given respecting the several matters relating to the organization of the South Manchuria Railway Joint Stock Company, all matters pertaining to the management of which have been entrusted to the Commission. August 1, 1906.

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

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

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

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

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

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

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

Mining, especially the operation of the coal-mines at Fushun and Yentai.
Water transportation.
Electrical enterprises.
Sale on commission of the principal goods carried by the railways.
Warehousing.

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

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

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

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

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

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

The existing railways.

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

The coal mines at Fushun and Yentai.

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

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

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

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

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

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

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

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

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

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

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

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

dividends on the shares owned by the Japanese and Chinese Governments reach 4.3 per cent. per annum, a second dividend may be paid not exceeding 4 per cent. on the paid-up capital of the shareholders. When the dividends on the shares owned by the Japanese and Chinese Governments shall happen to exceed 4.3 per cent. per annum, the second dividend may be increased to the extent of what exceeds 4.3 per cent., the additional dividend not exceeding 2 per cent. per annum on the paid-up capital of the shareholders.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Amended several times)

Chapter I.—General Provisions

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

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

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

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

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

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

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

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

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

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

Chapter II.—Shares

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

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

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

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

ARTICLE IX.—The certificates of shares of this company shall bear the name of the company, the date of registration, the total amount of capital,

the amount of each share, the amount paid up and the number of the certificate. They shall bear the signature and seal of the President.

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

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

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

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

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

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

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

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

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

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

ARTICLE XVII.—Should any certificate of shares be destroyed, mutilated or lost, the shareholder may apply for a new certificate of shares by presenting to the company a statement giving the facts in the case and signed by two or more persons approved by the company as guarantors. However, in case of loss, a public notice to that effect shall be given at the expense of the applicant, and the new certificate of shares shall be issued only when no objection is raised within sixty days from the date of the said public notice.

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

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

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

Chapter III.—Shareholders

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

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

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

All properties within the leased territory as may be designated by the Government.

The coal-mines at Fushun and Yental.

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

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

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

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

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

Chapter IV.—General Meetings

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

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

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

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

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

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

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

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

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

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

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

Chapter V.—Chief Officers

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

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

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

The term of office of the inspectors shall be four

years and they shall be appointed by the Government from among those who own one hundred shares or more.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

its approval.

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

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

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

Chapter VI.—Supervisors

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

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

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

Chapter VII.—Accounts

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

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

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

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

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

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

ARTICLE LIII.—When the dividend of the company does not exceed six per cent. per annum of

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

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

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

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

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

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

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

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

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

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

Chapter VIII.—Expenses for Organizing the Company

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

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

Supplementary Article

ARTICLE LIX.—Five hundred thousand shares representing 50,000,000 Yen included in the additional capitalization authorized by resolution of a special general meeting of the shareholders on April 16, 1920 shall be issued at above par; pro-