

Date	Engagement	No. of Enemy Forces	No. of Manchoukuo Forces
July, 1932.	Suppression of remaining bandits of Li Hai-ching troops.	2,000	1,500
June-July, 1932.	1st punitive expedition against Feng Chan-hai.	15,000	7,000
August, 1932.	Punitive expedition against Mongolian Bandits.	2,000	2,500
August, 1932.	Attack on Tien-chien bandits at Shuangcheng (Pinkiang).	3,500	700
September, 1932.	2nd punitive expedition against Feng Chan-hai.	10,000	7,000
Sept.-Dec., 1932.	Suppression of Su Ping-wen at Hailar.	20,000	4,500
October, 1932.	2nd pacification of the Tungpien-Tao Region.	20,000	8,000
October, 1932.	Punitive expedition against Li Hai-ching.	3,000	3,500

Description of Manchoukuo and Enemy Forces	Remarks
Manchoukuo: Heilungkiang Army. Comdr. Major-Gen. Feng Kuan-you. The Enemy: Remaining bandits of Li Hai-ching.	The Manchoukuo Army attacked the remaining bandits and killed 50 and captured 2 chiefs.
Manchoukuo: Taoliao & Kirin Army cooperating with the Japanese Army. The Enemy: Anti-Kirin Troops. Leaders. Feng Chan-hai & Kung Chang-hai.	The Manchoukuo Army pacified Shuangcheng, Acheng, Yushou, Wuchang, and Shulan Districts.
Manchoukuo: Taoliao Army. Comdr. Major-Gen. Tang Yu-lin. The Enemy: Mongolian Bandits. Leaders. Hu Pao-shan, Hei Pao-tao, and Li Pao-ting.	The Mongolian bandits occupied Chanyu-hsien and destroyed the railway. The Manchoukuo Army cooperating with the Japanese Army, attacked the enemy and recovered Chanyu-hsien.
Manchoukuo: Kirin Army. The Enemy: Tien Chen Bandits. Leader. Tien Chen.	The Tien Chen bandits besieged Shuangcheng but were driven away by the Manchoukuo Army.
Manchoukuo: Kirin Army. The Enemy: Anti-Kirin Troops. Leaders. Feng Chan-hai & Kung Chang-hai.	Finding that the Feng Chan-hai bandits were moving to Jehol Province, the Manchoukuo Army besieged them in Kirin-Changchun District, but the enemy escaped to Jehol through Nungan district.
Manchoukuo: Heilungkiang Army & Hsingan South Provincial Guards cooperating with the Japanese Army. The Enemy: Su Ping-wen Troops. Leaders. Su Ping-wen & Chang Tien-chiu.	Su Ping-wen revolted and the Manchouli Incident occurred. The Manchoukuo Army cooperating with the Japanese Army, engaged in battle at Fulaluchi. Su Ping-wen fled into Russia after being defeated.
Manchoukuo: Fengtien Army. The Enemy: North Eastern People Salvation Army. Leader. Tang Tsu-wu.	The Manchoukuo Army made an expedition into The Tungpien-Tao Region with the Japanese Army. 1,000 bandits surrendered and 270 were killed.
Manchoukuo: Heilungkiang Army: The Enemy: Li Hai-ching Bandits. Leader. Li Hai-ching.	The Manchoukuo Army engaged the Li bandits which were to attack the Manchoukuo & Japanese Army from the rear in response to Su Ping-wen, and drove them into Jehol Province.

Date	Engagement	No. of Enemy Forces	No. of Manchoukuo Forces
Nov.-Dec., 1932.	Pacification of middle territory between Kirin and Hailung.	5,000	5,000
Nov.-Dec., 1932.	3rd pacification of the Tungpien-Tao Region.	2,000	5,000
February-March, 1933.	Subjugation of Jehol Province.	130,000	42,000
June-September, 1933.	Pacification of western side of Liao River.	600	900
October-November, 1933.	Punitive expedition into Kirin Province.	20,000	35,000
June-August, 1934.	4th pacification of the Tungpien-Tao Region.	4,000	5,000
July, 1934.	Summer expedition into East Kirin Province.	1,500	250

Description of Manchoukuo and Enemy Forces	Remarks
Manchoukuo: Fengtien & Kirin Army cooperating with the Japanese Army. The Enemy: Professional bandits including Communist Bandits. Leaders. San Kiang-hao, Tien Chen, Sung Kuo-jung, etc.	The Manchoukuo Army cooperated with the Japanese Army in pacifying the middle land between Kirin and Hailung.
Manchoukuo: Fengtien Army. The Enemy: Professional bandits.	The Manchoukuo Army pacified the district and disarmed 1,800 bandits.
Manchoukuo: Taoliao Army and other troops cooperating with the Japanese Army. Comdr. Gen. Chang Ching-hui & Lieut.-Gen. Kuo En-lin. The Enemy: Tang Yu-lin Troops, etc. Leader. Tang Yu-lin.	The Manchoukuo Army engaged in the subjugation of Jehol with the Japanese Army, pacified the Province, and drove away the Anti-Manchoukuo troops out of the Great Wall.
Manchoukuo: Fengtien Army. Comdr. Gen. Yu Chi-shan. The Enemy: Professional bandits. Leader. Lu Shih-chieh, Pei Pa-tien, Li Hua-i, etc.	The bandits under Lu Shih-chieh, invaded the western part of the Liao River to disorder the inland with a view to moving into the eastern part of the Liao River Region. The Manchoukuo Army attacked them for 4 months, and exterminated most of them, and dispersed the remainder.
Manchoukuo: Kirin, Heilungkiang and other troops cooperating with the Japanese Army. The Enemy: Professional bandits in Kirin Province.	The Manchoukuo Army cooperating with the Japanese Army, pacified Kirin Province. Wang Tien-chen and 2 other chiefs were killed, and many bandits surrendered or were exterminated.
Manchoukuo: 1st District Army. Comdr. Lieut.-Gen. Liao Pi-chen. The Enemy: Professional bandits including Korean Bandits in Tungpien-Tao Region. Leaders. Kung Wen, Wang Tien-yang, Wang Feng-ke, etc.	Bandits in the Tungpien-Tao Region commenced activity after the Japanese Army centralized its troops stationed in small detachments in the country. The Manchoukuo Army, cooperating with the Japanese forces, gathered at Tungho, attacked and subjugated the bandits, and confiscated their arms.
Manchoukuo: 2nd District Army. Comdr. Major-Gen. Chin En-kuei. The Enemy: North Eastern People's Revolutionary Troops. Leaders. Wu I-ching, Ching Shan, etc.	The Manchoukuo Army cooperating with the Japanese Army, attacked the bandits gathering near Lake Kingpofu (Sankiang), and drove them into the mountains and overthrew their headquarters.

Date	Engagement	No. of Enemy Forces	No. of Manchoukuo Forces
July-September, 1934.	Pacification of Antu (Chientao).	3,000	300
September, 1934.	1st pacification of Yenki District (Chientao).	1,000	1,000
September, 1934.	Summer expedition to the West Kirin-Fengtien Frontier.	800	1,300
September-October, 1934.	5th pacification of the Tungpien-Tao Region.	4,500	6,000
October-November, 1934.	Blockade of Eastern Frontier & Japan-Manchou Joint Autumn Pacification of Kirin, the Tungpien-Tao Region and Pinkiang & Sankiang Provinces.	12,000	19,600
Dec., 1934-Jan., 1935.	Winter expedition into Iran District (Sankiang).	1,300	900

Description of Manchoukuo and Enemy Forces	Remarks
<p>Manchoukuo: 2nd District Army cooperating with the Japanese Army. Comdr. Major-Gen. Takeo Hino. The Enemy: Professional bandits. Leaders. Tai Wen-Yuan, Tao Chen-shan, etc.</p>	<p>The Manchoukuo Army preserved peace in Antu-hsien when bandits attacked the district.</p>
<p>Manchoukuo: 2nd District Army cooperating with the Japanese Army. Comdr. Major-Gen. Chin En-kuei. The Enemy: North Eastern People's Revolutionary Troops. Leaders. Chu Chen, Pe Chun, etc.</p>	<p>The Manchoukuo Army cooperating with the Japanese Army, overthrew the headquarters of the Communist bandits, and despatched forces to several places to oppress the operation of bandits and to help the farmers to get their crops.</p>
<p>Manchoukuo: 2nd District Army cooperating with the Japanese Army. Comdr. Lieut.-Gen. Hsing Shih-lien. The Enemy: Professional bandits including Communist Bandits. Leaders. Tien Hu, Ma Tuan, etc.</p>	<p>The Manchoukuo Army pacified the western part of Kirin Province with the Japanese Army and subjugated most of the bandits there.</p>
<p>Manchoukuo: 1st District Army cooperating with the Japanese Army. Comdr. Lieut.-Gen. Liao Pi-chen. The Enemy: Professional bandits in Tungpien-Tao Region. Leaders. Wang Tien-yang, Wang Feng-ke, Ma Tuan, Tien Hu, etc.</p>	<p>The Manchoukuo Army cooperated with the Japanese Army in suppressing the bandits, and established the PAO CHIA system and improved the communications network.</p>
<p>Manchoukuo: 1st, 2nd and 4th District Army cooperating with the Japanese Army. Comdr. Gen. Yu Chi-shan, Gen. Kie Hsing and Major-Gen. Wang Tsi-chung. The Enemy: Professional and other bandits in Kirin, Tungpien-Tao, and other Districts. Leaders. Sieh Wen-tung, Tien Hu, Wang Tien-yang, etc.</p>	<p>The Manchoukuo Army gathered its forces in Kirin Province, and commenced an autumnal expedition and blockaded the Eastern Frontier to make effective their operation. The expedition was ended in November, but the blockade was carried on. (In this period, each Army District made a punitive expedition in several district.)</p>
<p>Manchoukuo: 4th District Army. Comdr. Major-Gen. Liu Wei-hun. The Enemy: Anti-Manchoukuo Bandits. Leaders. Sieh Wen-tung, etc.</p>	<p>The bandits under Sieh Wen-tung, were active in Iran & Poli districts. The Manchoukuo Army attacked them and drove them to the southwest.</p>

Date	Engagement	No. of Enemy Forces	No. of Manchoukuo Forces
January, 1935.	Winter expedition into Yenki District (Chientao).	700	500
January, 1935.	Winter expedition into Lotsukou (Chientao).	1,000	1,200
February, 1935.	Winter expedition into Pinkiang District.	1,800	900
February-March, 1935.	Winter expedition into Pinkiang District.	1,600	1,100
February-March, 1935.	6th Winter pacification of the Tung-pien-Tao Region.	4,000	6,000
February, 1935.	Pacification of Chengteh & Chaoyang Districts. (Jehol).	2,700	2,200
March, 1935.	7th pacification of the Tung-pien-Tao Region & expedition to the Kirin-Fengtien Frontier.	3,500	6,600

References: Tables 1, 2, 3—The Ministry of Defence of Manchoukuo.

Description of Manchoukuo and Enemy Forces	Remarks
Manchoukuo: 4th District Army cooperating with the Japanese Army. Comdr. Major-Gen. Chin En-kuei. The Enemy: Professional bandits including Communist Bandits. Leaders Pe Chun, Hai Lung, etc.	The Manchoukuo Army cooperating with the Japanese Army, attacked the bandits in Yenki district, and overthrew their headquarters.
Manchoukuo: Chin-an Army & 4th District Army cooperating with the Japanese Army. Comdr. Major-Gen. Juzaburo Fujii. The Enemy: North East Volunteer Troops. Leaders. Kung Hsien-jung, etc.	The Manchoukuo Army cooperating with the Japanese Army, attacked the bandits in Yenki district, and overthrew their headquarters. The Manchoukuo Army attacked the bandits under Kung Hsien-jung, who disordered the Eastern Frontier and were preparing for further raids in the north mountains of Lotsukou (Chientao), and overthrew their headquarters after one month's hard fighting.
Manchoukuo: 2nd District Army. Comdr. Major-Gen. Li Wen-lung. The Enemy: Anti-Manchoukuo Bandits. Leaders. Teh Lin, etc.	The Manchoukuo Army attacked the bandits under Teh Lin, which devastated Wuchang-hsien, and heavily oppressed them.
Manchoukuo: 2nd District Army. Comdr. Major-Gen. Wang Tsu-chen. The Enemy: Anti-Manchoukuo Bandits. Leaders. Chao Shang-chih, etc.	The Manchoukuo Army attacked the Anti-Manchoukuo Bandits which were devastating the north district of the N.M.R., and overthrew their headquarters.
Manchoukuo: 1st District Army. Comdr. Lieut.-Gen. Wang Tien-chung. The Enemy: Professional bandits including Communist Bandits. Leaders. Wang Feng-ke, Ma Tuan, Tien Hu, etc (Wang Tien-yang killed).	The Manchoukuo Army attacked the Communist Bandits in the mountainous districts and drove them to the Frontier of Chosen.
Manchoukuo: 5th District Army. Comdr. Lieut.-Gen. Wang Yung-ching. The Enemy: Anti-Manchoukuo Bandits. Leaders. Lan Tien-lin, Wang Kuo-shui, etc.	The Manchoukuo Army is operating an expedition against the Anti-Manchoukuo Bandits under Lan Tien-lin, which are becoming active in Chengteh & Chaoyang districts.
Manchoukuo: 1st District Army. Comdr. Lieut.-Gen. Liao Pi-chen & Lieut.-Gen. Wang Tien-chung. The Enemy: Professional bandits including Communist Bandits. Leaders. Wang Feng-ke, Ma Tuan, Tien Hu, etc.	To complete the result of 6th expedition and to overthrow the bandit headquarters, the Manchoukuo Army is operating a punitive expedition in several districts.

CHAPTER X

EDUCATION

General

The percentage of the population of Manchoukuo with primary school education is estimated to be not more than 15 per cent. Several factors are ascribed for the small degree of those who can read and write in the new Empire. Among them may be noted the small number of schools and the civil wars which were carried on intermittently until the founding of the present government in 1932. It should also be observed that the overwhelming majority of the Chinese immigrants who flowed into Manchuria in the last three decades belong to the labouring class, possessing little or no school education.

Educational facilities have been best in South Manchuria and especially in the Kwantung Leased Territory and the South Manchuria Railway Zone where Japanese jurisdiction was in force since the Russo-Japanese war. Education in North Manchuria has not had the same advantages due to the paucity of population and poor administrative supervision. The city of Harbin, however, has been an exception and several well equipped educational institutions are to be found there which were built and supervised largely by the Russians. Save for these few districts the education that was carried on by the regional administrative organs was backward and haphazard and disrupted by the civil wars during the Chang regime.

The government of Manchoukuo has since the fiscal year 1933-34 appropriated a comparatively large budget towards educating the populace.

The efforts are centered at present on primary education, and a number of such schools are planned for construction.

Educational System

The Department of Education of Manchoukuo is supervised by a minister and consists of three bureaus, namely, the General Affairs Bureau, the Educational Affairs Bureau and the Religious Affairs Bureau. The General Affairs Bureau is subdivided into the Secretariat, Section of Archives, General Affairs Section and the Research Section. The Educational Affairs Bureau is subdivided into the General Affairs Section, the Section of Ordinary Education and the Section of Special Education. The Religious Affairs Bureau is subdivided into the Social Education Section and the Religions Section. Educational Office in all the provinces in the Empire are held responsible to the central educational organ.

Present Situation

More than ninety-five percent of the educational institutions in 1935 were primary schools. While the government has been taking steps towards establishing institutions of higher learning on a wider scale the bulk of its attention is still concentrated on primary schools. Thus of the total of 7,990 educational institutions in operation in May 1933, primary schools numbered 7,635, the rest consisting of 216 middle schools, 78 normal schools, 53 vocational schools and 8 colleges. The following figures indicate the situation at the end of May, 1933:—

Table 1

No. of Educational Institutions

	Primary Schools		Middle Schools		Normal Schools		Vocational Schools		Colleges
	Opened	Not opened	Opened	Not opened	Opened	Not opened	Opened	Not opened	Opened
Hsinking Special Municipality	23	—	1	—	—	—	—	—	—
Fengtien	6,632	3,375	151	44	59	40	43	6	1
Kirin	426	832	13	4	7	1	3	—	—
Heilungkiang	409	167	9	—	10	1	4	—	—
Jehol	5	859	—	5	—	8	—	1	—
Hsingan	42	—	—	—	1	—	1	—	—
North Manchuria Special District ..	98	9	42	—	1	—	2	—	7
Total	7,635	5,242	216	53	78	50	53	7	8

Text Books

Before the founding of Manchoukuo, textbooks published by the Commercial Publishing Company, the Chinese Publishing Company and the World Publishing Company, all of Shanghai, were generally in use at all primary and middle schools. The contents of those textbooks were mainly based upon the San-Min-Chu-I, a principle advocated by the late Dr. Sun Yatsen and were strongly inclined toward the policy of the Chinese National Government. Consequently, they were apt to stimulate the anti-foreign feeling among students and lead them astray in ideas.

In view of those evils, all such textbooks were completely destroyed by a special order issued for the purpose shortly after the outbreak of the Manchurian Incident, and were replaced with new textbooks compiled by the Education Department of the Mukden Provincial Government and the Textbook Publishing Bureau of the South Manchuria Education Association. Those textbooks, although now in general circulation at all schools in Manchoukuo, are for temporary use. New and complete textbooks for middle and primary schools and other institutions are now under compilation by the experts of the Department of Education of the Manchoukuo Central.

Instruction Materials

Instruction materials may be divided into two groups, the pure instruction materials upon which teaching is based and the instruction specimen to be used to supplement instruction materials.

Instruction materials are definitely provided for by a state ordinance. Text-books form the most important item of those materials.

Real objects, models, maps, reference books, experimental apparatus, musical instruments, agricultural training grounds, training workshops, etc. are the principal instruction specimen. The working of those specimen is still dull and incomplete in primary schools as well as in middle schools, with the exception of the City of Mukden where some high-class middle schools are more or less perfectly equipped with modern instruction specimen.

Such incompleteness in instruction specimen, although partly attributable to lack of expenses, is mostly due to the old Chinese method of instruction in which the instructors lecture from the platform and students are not allowed to ask questions.

Diffusion of Japanese Language

Since the founding of Manchoukuo, zeal for

study of the Japanese language has become specially conspicuous. In the Province of Mukden, the primary school curriculum was partly revised by the Provincial Education Department in order to give two hours a week for instructions in the Japanese language in higher grades. In Tsitsihar in the province of Heilungkiang, a Japanese language school was established for training instructors in Japanese. Four hours a week are set aside for Japanese lessons in the "Gakyo" Middle School. There are also a number of Japanese language schools, training institutes and studying classes in Mukden, Heilungkiang and Kirin Provinces. Because of the difficulty in securing a large number of instructors, however, the Japanese educational organs are mostly confined to city zones.

Government Students Sent Abroad

The Manchoukuo Government, besides making great efforts in the diffusion of school education within the nation, sends government students abroad to leading countries of the world in pursuit of progressive knowledge. All the business relating to the government students sent abroad was formerly entrusted to the respective provincial governments, but recently it has been taken over by the Central Government. Candidates for such government students are subjected to strict tests and examinations regarding their scholastic attainments, their thoughts and their physical conditions, before being given qualification certificates and permission to study abroad. There is also a subsidy system for students desirous of studying abroad, by which those who can not afford to pay their way through foreign schools are subsidized by government expenses. In view of the steady increase in the number of Manchurian students desirous of studying in Japan due to the closer relationship of Japan and Manchoukuo, the Manchoukuo Government is planning to devote greater efforts in this direction.

Teachers' Training Institutes

Apprehensive of the evil effects upon public thought and national education resulting from the old method of training teachers, which was exclusively based upon the political principle of the Chinese National Government, and in view of the keen necessity of acquainting teachers intimately with the noble spirit of peace and harmony among races as embodied in the Declaration of the Establishment of the New State of Manchoukuo, the Central Government established the Teachers' Training Institute in

Hsinking in April, 1933. To this institute, one hundred selected teachers of primary and middle schools all over Manchoukuo are summoned in turns and trained in the problem of the national spirit, internal affairs, international relations, economics and other essential elements in teaching, for three months.

Daido Gakuin. The Daido Gakuin, under the supervision of the General Affairs Board of the State Council, aims at educating and training the government officials and would-be government officials. The organization of this institute was announced by Ordinance No. 60 of the Education Ministry promulgated on July 11, 1932. The Daido Gakuin has its origin in the Provincial Autonomy Guiding Department established in Mukden shortly after the outbreak of the Manchurian Incident with Yu Chung-han as its leader for training instructors to be sent to different provinces for instructing the provincial officials in self government. This organ was abolished in March, 1932 with the founding of Manchoukuo, and its business was handed over to the Political Bureau of the State Council with new headquarters in Hsinking. With the abolition of the Political Bureau on June 20, 1932, this training institute was also broken up. In view of the urgent necessity of training and educating government officials and future government officials who would directly participate in the operation of national policies, however, the government established the present institute and admitted 97 students as the first class. They were graduated on the 10th of October of the same year after four months of training, and were immediately stationed in different provincial governments, including 54 in Fengtien Province, 11 in Kirin Province, 11 in Heilungkiang Province and 21 in the Central Government.

The educational policy of the Daido Gakuin exists in the cultivation of the fundamental spirit of sacrificing personal interests in provincial administration and in the reforming of past evils in the provincial administrative system for the exclusive purpose of establishing an ideal state in Manchoukuo. The school subjects include courses in State administration, military training, Manchoukuo and Japanese languages, Manchoukuo national affairs, foreign affairs, etc. In view of the fact that the school term, being six months, is apparently too short to clearly acquaint students with State administration and national policy, greatest possible efforts are made by the Government for selection of authoritative professors and lecturers on selected subjects.

Private Schools

Since the founding of Manchoukuo, many private schools were newly established in rapid succession. Within the walled zone of Fengtien Province alone, there are 132 private schools. The majority of such private schools are Japanese language schools, indicative of the increasing friendship between Japan and Manchoukuo. It should be noted that most of the private schools being newly established in different provinces aim at teaching the Japanese language.

Permission for the establishment of private elementary schools is given by directors of the bureau of education in the respective prefectures with the approval of the Director of the Education Department of the different provincial governments. In the North Manchuria Special District, the Governor of the Special District is authorized to give such permission through the Bureau of Education, while in the Hsinking Special Municipality, the Mayor of Hsinking has a similar authority.

Establishment of private middle schools requires the permission of the Department of Civil Affairs of the Central Government, application for such permission being filed through the provincial bureaux of education in the respective provinces and through the Mayor in the Hsinking Special Zone.

Applications for permission for the establishing of private schools of higher standing are filed to the Department of Civil Affairs with approval of the provincial governors in the respective provinces, the governor in the North Manchuria Special Zone, and the Mayor of the Hsinking Special municipality.

The educational system of Manchoukuo may be divided into two distinctly contrasting groups. One is the vocational educational system which specializes in giving practical instructions in agriculture, industry, commerce, medicine, etc., and the other is government employees' training system for educating those who are engaged or will be engaged in administration, law, education, etc. Those who are specially interested and talented in specific branches of scholastic pursuits may be given the opportunity to continue studies in the Gakujutsu Kenkyu Kikan or the Government Scholastic Research Institute.

Kokumin Gakko (National Schools)

The Kokumin Gakko are primary schools of six years' course. In some provinces and prefectures, the term is shortened to four years due to geographic factors. Generally, the term is

six years in city districts and four years in the country. Children come of school age at full six years. Vocational instructions are given in the fifth and six year classes in order to acquaint students with business routines. The curriculum includes arithmetic, ethics, national language, natural science, drawing, music, gymnastics, manual training, etc. in classes from the first to the fourth year grades. In the fifth and sixth year classes, history, geography and Japanese language are added. An outline of agriculture, commerce and industry is also taught in the higher grades. With the completion of the Kokumin Gakko Course common education is consummated.

Vocational Schools. The vocational school is open to all graduates of the Kokumin Gakko. The vocational school term is three years, and the curriculum includes practical lessons only. While there is no detailed restrictions regarding the establishment of small-scaled vocational schools, attached to factories, hospitals and corporations, preference is given to practical training instead of desk work. The curriculum of vocational schools includes ethics, national language, music, gymnastics, foreign languages and manual training. Of the weekly school hours, ten hours are given to desk works and twelve hours to practical training. The first half of the three-year term is given to practical training and inspection outside of schools. The curriculum includes agriculture, commerce, industry, sewing, handcraft, typewriting, bookkeeping, calculation, communications, printing, machine repairing, photography, draughtsmanship, surveying, gardening, etc.

Those completing the vocational school courses may be given higher instructions in special classes. As the average age of graduates from Kokumin Gakko is twelve full years, students may be graduated from vocational schools at fifteen full years of age in the normal course of promotion.

Technical Schools

Technical schools are higher-grade vocational schools with a five-year course. Of the five years, the first two are devoted to ordinary school lessons and the remaining three years to technical instructions. The first two-year classes are divided into agriculture, commerce and industry groups, to be chosen by students according to the nature of their future pursuits. The technical schools may be divided into agricultural schools, industrial schools and commercial schools. Agricultural technical schools give instructions

in citizenship, literature, mathematics, physics, chemistry, foreign languages, music, gymnastics, natural science, etc. in the first and second year classes, besides general instructions in agriculture, commerce and industry. The curriculum from the third year class and up consists mainly of citizenship, literature, foreign languages, laws, economics, and gymnastics in addition to agricultural training. Industrial technical schools pursue similar programmes in the third year class and up, however, the curriculum differs, including industrial economics, industrial bookkeeping, industrial management, draughtsmanship, drawing, etc. in addition to literature, citizenship, foreign languages and gymnastics. Special classes are also held for actual industrial training. Commercial technical schools adopt the same curriculum as agricultural and industrial technical schools in the first two years, the only difference being that in commercial technical schools students have to take up more than one of the three foreign languages including Japanese, Russian and English. In the three senior classes, commercial training is given instead of agricultural and industrial ones. Those completing the first two-year course at technical schools may be admitted into the Kohmu Gakko or the government-business school, and the graduates of the technical school are qualified to enter technical colleges or the state Teacher Training School.

Technical Colleges

Technical colleges have a course of three years. Graduates of technical college are qualified to enter the teachers' training schools.

Kohmu Gakko (Government-Business schools). The Kohmu Gakko is the organ for the training of junior government officials, and admits those who have completed the second year course at technical schools or those who have equal or higher education. The course is of three years and instruction in administration and law is given. The curriculum at this school includes citizenship, literature, geography, history, gymnastics, foreign languages (Japanese and English), and government subjects. The government subjects consist of law, economics, finance, statistics, and social policy. Field training is also given in the first half of the second and third years.

Kohmu Daigaku (Government-Business Colleges). The Kohmu Daigaku is the organ for the training of senior government officials who are to occupy higher administrative posts in government offices. Those graduating from the

Kohmu Gakko (Government-business schools) or those having equal or higher education are qualified for admission to the Kohmu Daigaku.

Teachers' Training Schools. Teachers' training schools specialize in training teachers for the above-mentioned schools. The Teachers' Training School is divided into two sections, A and B. In the A section, citizenship, educational psychology, ethics, philosophy, gymnastics, music manual training, and foreign language (to be selected from among Japanese, Russian and English) are the principal subjects. The B section curriculum consists of citizenship, educational psychology, gymnastics, music manual training, and Japanese. In both the A and B sections, field training is given during the third term. Section A of the Vocational Teachers' Training Schools takes two years to complete and Section B one year.

Enrollment. The total enrollment in primary schools, middle schools, normal schools, colleges and vocational schools on May 1, 1933 was 483,773 classified as follows:

Table 2

Enrollment at Primary Schools
(by provinces)

Province	No. of Students
Fengtien	349,340
Kirin	40,489
Heilungkiang	28,415
Jehol	933
Hsingan	2,007
North Manchuria Special District	16,003
Hsinking Special Municipality	3,446
Total	440,633

Table 3

Enrollment at Middle Schools
(by provinces)

Province	No. of Students
Fengtien	13,986
Kirin	2,267
Heilungkiang	912
Jehol	—
Hsingan	—
North Manchuria Special District	10,400
Hsinking Special Municipality	319
Total	27,882

Table 4

Enrollment at Normal Schools
(by provinces)

Province	No. of Students
Fengtien	5,250
Kirin	1,826

Heilungkiang	803
Jehol	—
Hsingan	39
North Manchuria Special District	150
Hsinking Special Municipality	—
Total	8,068

Table 5

Enrollment at Vocational Schools
(by provinces)

Province	No. of Students
Fengtien	4,212
Kirin	311
Heilungkiang	321
Jehol	—
Hsingan	62
North Manchuria Special District	163
Hsinking Special Municipality	—
Total	5,069

Table 6

Enrollment at Colleges
(by provinces)

Province	No. of Students
Fengtien	71
North Manchuria Special District	2,050
Total	2,121

Instructors. The number of instructors at primary, middle, normal and vocational schools was 17,977 on May 1, 1933. The number of instructors classified by kinds of institutions is as follows:

Table 7

No. of Instructors

Kinds of Schools	No. of Instructors
Primary	14,346
Middle	2,514
Normal	704
Vocational	413
Total	17,977

Curriculum. Primary School. (course 6 years). The curriculum is as follows:

Table 8

Classification and Hours of Subjects
Per Week

Subject	1st year	2nd year	3rd year	4th year	5th year	6th year
Ethics	2	2	2	2	2	2
National Language	10	10	12	12	10	10
Japanese Language	—	—	—	—	2	2
Arithmetic	5	6	6	6	5	5
History	—	—	—	—	2	2

Geography	—	—	—	—	2	2
Science	—	—	—	—	2	2
Drawing	—	1	1	1	1	1
Manual Training	—	1	2	2	2	2
Music	2	2	1	1	1	1
Gymnastics	3	3	3	3	3	3
Total	22	25	27	27	32	32

Middle School. (course 3 years). The curriculum is as follows:—

Table 9

Classification and Hours of Subjects
Per Week

Subjects	1st year	2nd year	3rd year
Ethics	1	1	1
Chinese Classics	1	1	1
National Language	6	6	6
Japanese Language	3	3	3
English Language	3	3	3
Mathematics	6	5	5
History	2	2	2
Total	22	21	21

Higher Middle School. (course 3 years). Divided into the departments of science and literature. The curriculum in the science department is as follows:

Table 10

Classification and Hours of Subjects
Per Week

Subjects	1st year	2nd year	3rd year
Ethics	2	2	2
National Language	4	4	5
Japanese Language	3	3	3
Foreign Language	3	3	4
Algebra	4	4	2
Geometry	4	2	—
Analytical Geometry	—	—	2
Differential and Integral Calculus	—	—	4
Analytical Science	—	—	2
Trigonometry	—	3	—
Physics	2	2	2
Practical Physics	—	2	—
Chemistry	2	2	2
Practical Chemistry	—	2	2
Dynamics	—	—	2
Biology	3	—	—
Geography & History	3	3	2
Mechanical Drawing	1	1	2
Gymnastics	1	1	1
Total	32	32	37

The curriculum in the literature department is as follows:

Subjects	1st year	2nd year	3rd year
Ethics	2	—	—
Chinese Classics	2	2	2
Logic	—	2	—
National Language	5	5	2
National Grammar	1	—	—
Outline of National Literature	—	—	3
Etymology	—	3	—
Japanese Language	3	3	3
Foreign Language	4	4	4
Mathematics	4	3	3
Geography & History	3	3	—
Physics	3	—	—
Chemistry	—	3	—
Biology	3	—	—
History of Literature	—	—	3
Outline of Literature	—	2	—
Philosophy of Life	—	—	2
Outline of Philosophy	—	2	—
Outline of Science	—	2	—
Sociology	—	—	2
Political Science	—	2	—
Jurisprudence	—	—	2
Economy	—	—	2
Gymnastics	1	1	1
Total	31	37	30

Normal School. (course 3 years). The curriculum is as follows:

Table 11

Classification and Hours of Subjects
Per Week

Subjects	1st year	2nd year	3rd year
Ethics	1	1	1
Chinese Classics	1	1	1
National Language	5	5	4
Japanese Language	3	3	3
English Language	3	3	3
Mathematics	4	3	3
History	2	2	2
Geography	2	2	2
Pedagogy	3	5	6
Natural Science	2	2	1
Physics & Chemistry	2	2	1
Drawing	1	1	1
Music	2	1	1
Gymnastic	2	2	2
Law & Economy	—	—	2
Technology	3	3	3
Total	36	36	36

School term. The school year begins February 1 and ends January 31 of the following year, and consists of two terms, the first term spanning the period from February 1 to July 31 and the second term from August 1 to January 31. The winter vacation is in all cases less than 60 days, and the summer vacation less than 30 days. The total number of days allowed for the aggregate of winter and summer vacations

is restricted to 70 days. One day every week, Sunday, is a holiday. National festive days, including the Emperor's Birthday, the Confucian Festivals, and Empire Day are also observed.

Japanese Educational Enterprises. Educational institutions owned and supervised by Japanese through the medium of the Kwantung Government and the South Manchuria Railway, continue to play an important role in the country. Started some thirty years ago the educational institutions supervised by the two organs have increased by leaps in the Japanese administrative regions consisting of the Kwantung Leased Territory (3,462 sq. km.) and the South Manchuria Railway Zone (290 sq. km.). The institutions are divided broadly into two classifications, (1) schools for Japanese and (2) schools for Manchurians. The number of Japanese controlled educational institutions in the Kwantung Leased Territory and the South Manchuria Railway Zone totalled 211 primary schools, and 65 middle schools at the end of 1931. The primary schools are divided into three categories, consisting of ordinary primary schools, the Kogakudo, giving special courses in Japanese, and the Futsugakudo maintained by village communities and devoted to Manchurians. Classified by number of schools, instructors and students they were as follows as on April, 30, 1934:—

Table 12

Japanese Managed Primary Schools

Kinds of Institutions	No. of Institutions		No. of Students	
	Leased Territory	S.M.R. Zone	Leased Territory	S.M.R. Zone
Primary School	23	39	20,143	23,248
Kogakudo	11	11	12,714	5,913
Futsugakko	114	—	31,834	—
Total	148	50	64,691	29,161

Table 13

Japanese Managed Middle Schools

Kinds of Institutions	No. of Institutions		No. of Students	
	Leased Territory	S.M.R. Zone	Leased Territory	S.M.R. Zone
Middle School	5	6	3,171	2,746
Girls' Middle School	4	5	2,673	2,308
Girls' Home Training Middle School	2	13	150	566
Technical School	6	3	2,472	1,327
Total	17	27	8,466	6,947

Besides, primary and middle schools the Japanese administration has established a few specialized educational institutions. The leading institutions are the following:

Manchuria Medical College: Established at Mukden by the South Manchuria Railway

in June, 1911 for Japanese and Manchurian students. Course: preparatory 3 yrs., college 4 yrs. Enrollment in 1934—College course, 279; preparatory course & special preparatory course, 272; Special course, 84. Clinic attached.

Port Arthur Engineering College: Formerly Port Arthur Engineering School. Elevated to college status August, 1922. Departments: mechanical engineering, electric engineering mining, metallurgy. Course: preparatory 3 yrs., college 4 yrs. Enrollment in 1934: Preparatory course, 245 (197 Japanese, 48 Manchurians); College course, 145 (136 Japanese, 19 Manchurians).

Russo-Japanese Association School: Established, 1920 at Harbin by the Late Count Goto. Course, 3 yrs., Special course 1 yr.

South Manchuria Technical College: Established at Dairen. Formerly, South Manchuria Technical School. Elevated to college status, 1922. Course, 3 yrs. Departments: architectural, mechanical. Enrollment in 1934: 25 students.

Industrial Training Schools: Established at Fushun and Penhsihu. Object: practical technical training. Course, 3 yrs. Enrollment in 1934: 255 students.

Agricultural Training Schools: Established at Kungchuling and Hsiungyocheng. Course, 1 to 2 yrs. With dormitory facilities.

Commercial Training Schools: Established at Yingkow and Liaoying in 1928. Course, 1 to 2 yrs. With dormitory facilities.

Education Budget. Appropriations for the Education Department in the government's budget for the semi-fiscal year (July, 1935—December 1935) amount to MY3,055,814. The appropriation consists of MY2,416,472 in the Ordinary Account and MY639,342 in the Extraordinary Account, and is classified as follows:

Table 14

Ordinary Expenditures

Education Office	M.Y. 305,669
Salary	M.Y. 145,135
Office Expense	103,220
Examination Expense	14,712
Relics Preservation	26,252
Confucius Festival	16,350
Social Education	48,115
Educational cinema	15,120
Encouragement, etc.	27,995
Higher Normal School	159,865
Salary	63,732
Office	60,633
Equipment	35,500
Agricultural Schools	68,420
Salary	36,492
Office and Equipment	31,928

Teacher's Training Schools	56,854
Salary	12,507
Office	44,346
Libraries	20,320
Salary	9,690
Office and Equipment	10,630
Museums	25,893
Salary	11,916
Office	13,977
Provincial Education	1,427,753
Salary	941,538
Miscellaneous	486,215
Cultural Organs	74,775
Salary	38,730
Miscellaneous	36,045
Studies Abroad	174,727
Teachers	17,500
Students	92,505
Bannermen	64,722
Miscellaneous	59,082
Total	M.Y. 2,416,472

Extraordinary Expenditures

Text Book Compilation	34,467
Salary	13,218
Office	21,248
Text Book Donations	336,700
Teachers' Training & Research	28,965
Language Training	5,708
Teachers' Training	11,327
Education Research	11,930
Ching Dynasty History Printing	114,500
Subsidies	427,948
Miscellaneous Undertakings	123,041
Provincial Education	304,907
Cultural Institute	10,118
Special Research of Jehol Relics	23,344
Total	M.Y. 639,342

GRAND TOTAL M.Y. 3,055,814

Private School Regulations. The provisional regulation governing private schools as promulgated by the government in July 13, 1933 is as follows:

Article I. The present Regulation shall be applicable to any school which may be established by a private person or private juridical person.

Article II. For establishing a middle school or school of equivalent of higher grades, the founder shall obtain the permission of the Minister of Education, while in the case of a primary school or other educational institutions the approval of the Provincial Governor concerned, the Administrator of the North-Manchurian Special District or the Mayor of the Special Municipality shall be required.

Article III. The application for the necessary approval mentioned in the preceding article shall contain the following points in full:

1. Purpose;
2. Name;

3. Location;
4. School regulation;
5. Titles and authors of textbooks and other books for use and grades or classes for which they are intended;
6. Area and drawings of the campus and buildings;
7. Properties and expenditures, and the method of maintenance;
8. Name and curriculum vitae of both the founder and the principal or director of the school.

In case a revision is to be made in any of the aforementioned items, the approval of the authorities shall be obtained according to the stipulation of the preceding article.

Article IV. The school regulation shall provide for the following items:

1. Purpose;
2. Terms or course of study, academic or school year, holidays and vacations;
3. Entrance, transfer, and leave or dismissal from school;
4. Capacity for enrollment and classes or grades;
5. Course of studies, curriculum, and weekly distribution of hours;
6. Tuition fees and method of collection;
7. Other important matters.

Article V. The government office concerned upon permitting the establishment of any private school without delay must submit a report on the matter to the Minister of Education.

Article VI. Whenever a private school is to be abolished, the permission of the authorities shall be sought by submitting the following facts:

1. Reason;
2. Date of abolition;
3. Disposal of teachers (or other members of school staff) and students;
4. Adjustment of properties and expenditures.

Article VII. In case a principal or director or a teacher or any other staff member is to be employed, the permission of the authorities shall be sought by submitting a statement containing his curriculum vitae, subjects to be taught or duties in his charge, and treatment to be accorded him.

Article VIII. In case a principal (director) or any member of the school staff is deemed unfit, the permission granted in accordance with the preceding article may be cancelled.

Article IX. The resignation or dismissal of the principal (director) or any member of the school staff shall be reported without delay together with the reasons for the same.

Article X. A private school shall possess the following books or records:

1. An account of the general conditions and regulation of the school

2. Curriculum vitae of each member of the school staff, attendance list, and chart of the distribution of duties;
3. Role of students, record of dismissed students, and record of graduates;
4. Record of students' attendance and chart of teaching hours;
5. Budget, statement of accounts, cash book and original statement of properties.

Article XI. A private school shall report on the following items within one month after the commencement of each school year:

1. Table showing the distribution of duties and treatment of the school staff members;
2. Number of classes and number of both male and female students in each;
3. Budget for expenditure of the new school year and balance sheet for the preceding school year;
4. Important matters executed during the preceding school year;
5. Statistics of attendance, entrance and dismissal during the preceding school year;
6. Condition of attendance of school staff members during the preceding year;
7. Number of graduates during the preceding school year and their conditions subsequent thereto.

Article XII. When a temporary closure of a private school extends over a month or more, Official approval shall be sought by presenting reasons therefor. This shall also apply in case the period is to be further extended.

Article XIII. In case the equipment, management or the teaching method of a private school shall be deemed inadequate or inappropriate, the permit of its establishment may be cancelled.

Article XIV. All applications or reports as provided for in the present Regulation shall be addressed to the authorities mentioned in Article II and shall be forwarded by the founder or the trustee of the school through the district (hsien) magistrate or substitute provisional administrative office, or the Administrator of the North Manchuria Special District or, the Mayor of the Special Municipality within whose jurisdiction the school is situated.

Article XV. The present Regulation shall come into force on the day of its promulgation.

Article XVI. A private school in existence prior to the date of enforcement of the present Regulation shall be considered as having been established in accordance with the provisions contained in the present Regulation.

All private schools mentioned in the preceding paragraph shall prepare and submit full statements as provided for in Article III to the authorities concerned in accordance with the stipulations of Article II within three months from the date of enforcement of the

present Regulation.

Preservation of Historic Remains. The Education Department has taken pains at preserving relics of historic importance and through the government promulgated the Law Governing the Preservation of Historic Remains on July 1, 1933. The text of the Law follows:

Article 1. The term historic remains as used in the present Law refers to ancient tombs, castles, watch towers, stations, temples and lamaseries, kilns, and other places of historic interest as well as other historic sites containing buried therein shells, stone vessels, earthenware, bone and horn implements.

Article 2. Any person who has discovered historic remains shall without delay notify the Chief of the North Manchuria Special District, the Mayor of a Special Municipality, the Governor of a Province, a hsien Magistrate, the Mayor of a city or other corresponding officials, as the case may be.

Article 3. In case the owner of the discovered historic remains is unknown, the said remains shall become the property of the State.

Article 4. In the course of an investigation for historic remains, if it is deemed necessary, the competent official or officials concerned may enter the land of any person, carry on excavations in the said land, remove obstructions, or set up stone or wooden signs.

Article 5. If it is deemed that certain historic remains require special care and preservation, such remains shall be so designated by the Minister of Education.

Article 6. In connection with the preservation of designated historic remains, the Minister of Education may designate the area concerned, and prohibit or limit certain acts therein, or may instruct the owner or the administrator concerned to adopt certain measures.

Article 7. In case any private person incurs any loss as a result of action taken under the provisions of Article 4, or of disposition or measures adopted by virtue of the provisions of the foregoing Article, the Minister of Education may grant to such person what he deems to be proper compensation.

Article 8. Without the permission of the Minister of Education, no person shall after the existing state of historic remains, or take any action which may affect the preservation of such remains.

In case it is necessary to alter the existing state of any historic remains for the construction of highways, railways, or any other enterprise concerning the public interest, the competent authorities concerned shall first consult the Minister of Education on the matter.

In case of urgent necessity, however, the competent authorities concerned may adopt appropriate measures in the case of undesignated historic remains, and shall

report to the Minister of Education to that effect.

Article 9. Designated historic remains owned by the State shall be administered by the Minister of Education.

Article 10. Any person who violates the provisions of Article 2 shall be punished with a fine not exceeding twenty (20) yuan.

Article 11. Any person who violates the prohibitions or limitations provided for in Article 6 or any other orders issued under the said Article shall be punished with a fine not exceeding one hundred (100) yuan.

Article 12. Any person who violates the provisions of paragraph 1 of Article 8 shall be punished with imprisonment for a period not exceeding 6 months or with fine not exceeding two hundred (200) yuan.

Article 13. Any person who throws away, wilfully damages or destroys a historic remain shall be punished with penal servitude for a term not exceeding five years or a fine not exceeding one thousand (1,000) yuan.

Article 14. The Minister of Education shall decide the necessary regulations for the enforcement of the present Law.

SUPPLEMENTARY REGULATIONS

Article 15. All owners or administrators of historic remains shall submit reports to the Chief of the North Manchuria Special District, the Mayor of a Special Municipality, the Governor of a Province, a hsien Magistrate, the Mayor of a city, or other corresponding officials, as the case may be, with one year after the date of enforcement of the present Law.

The provisions of Article 10 shall apply to cases involving violation of the provision of the foregoing paragraph.

Article 16. In the case of Hsingan Province the terms Minister of Education, and hsien Magistrates shall refer respectively to the Minister of the General Administrative Office of Hsingan Province and the banner Chiefs.

Article 17. The present Law shall take effect as from the date of its promulgation.

RELIGION

Religion. Religions in Manchoukuo include both native cults and religions introduced from Japan and other foreign countries.

Native Religions. There are various sects and denominations in the native religions, and each of them is intimately bound up with the social and political life of the people. Religious buildings are popularly called "miao" (shrines), or "ssuyuan" (temples). Native shrines, temples and churches in this country at the end of 1932 numbered as follows:

Table 15
Shrines, Temples etc.

Religions	Churches Shrines, Temples	Followers
Buddhism	793	756,496
Taoism	488	37,134
Mohammedanism ...	150	151,197
Lamaism	28	3,458
Roman Catholicism..	121	64,263
Protestantism	234	32,193
Total	1,814	1,044,741

Besides the above, there are 35 "Wen Miao" or Confucian shrines in Fengtien Province, 15 in Kirin Province and 12 in Heilungkiang Province.

Hungwanzschui or Red Swatika Society which is also regarded as a sect of Taoyuan exercises considerable influence over the Manchurians.

Religions among the Japanese. There are various sects and denominations of Shintoism, Buddhism and Christianity, practised by the Japanese, Buddhism has the strongest influence, with many temples, followed by Shintoism and Christianity.

Religions among other foreigners. When the first Christian missionaries, mostly Danish and French, settled in this country, they found it very difficult to cultivate the new field. At present various districts of this country are dotted with Roman Catholic churches, as well as with Protestant churches established mostly by British and American missionaries, particularly by Americans.

Buddhism. Buddhism in Manchoukuo has been divided into more than 30 denominations or sects, the most influential of which is Rinzai Zen. It is most popular and accordingly influential in Kirin province and also in Hunchung, Ningtow, Tsitsihar and elsewhere.

Alive to the importance of religion, Chinese in responsible posts created schools for priesthood and Chinese priests organised the Chinese Buddha Society. Laymen taking interest in Buddhism also set up a Buddhistic Association. The Chinese Buddha Society established colleges for all sects, instructional institutions, and training stations. These bodies give lectures or carry on social works. Other organisations do not remain idle. Chinese priests and laymen agreed upon co-operation, and formed the Chinese Society of Associated Buddhists. Briefly, Buddhism in the land is steadily spreading.

Taoism. Taoism is a doctrine preached by Lao-tse. This was not a religion in its origin. When a certain period passed after the introduction of Buddhism, Taoism adopted idol worship. Limitless longevity and conciliation with

nature are the doctrine it preaches. Taoism has 36 seats and 72 divisions.

Confucianism. Doctrines, principles, and precepts prevalent long before the birth of Confucius were compiled and systematised by him. Mencius was the most noted exponent of his ideas. During the Han Dynasty of China, Confucianism was made the national teaching and has since been influential for many centuries.

The State of Manchoukuo was founded in accordance with the principle of Royal Righteousness, an idea derived from Confucianism. Consequently, the Confucius Festival observed as the National Festival of Manchoukuo, and is conducted every year on September 5 throughout the country.

Mohammedanism. Mohammedanism is an appellation much disliked by Mohammed himself, whose conviction it was that the teaching of Allah was the only truth which all men could believe and the doctrine he preached he called Islam. Islam implies peace, safety, salvation and reverence, Mohammedans in Manchoukuo are mostly butchers, tanners, hotel-keepers, bathkeepers and the like. Their antipathy towards those believing in other religions is very strong. However, the Declaration of Independence of Manchoukuo contains an idea showing reverence to the Mohammedans, who are accordingly recognised in the national colour of the country. In consequence, they are so friendly to Manchoukuo that an All Manchoukuo Mohammedan Meeting was held under the direction of Mr. Mohamed Kurubangary, President of the Japan Mohammedanism League.

Lamaism. Lamaism is a religion prevalent chiefly in Mongolia. When the Manchu Dynasty subjugated China and her tributaries or subject

peoples, Manchu statesmen availed themselves of that religion to make the virile Mongols imbecile and to cow them into docility. Lamaism is by no means an independent religion, but a form of Buddhism. Lama is a Mongol word implying "superior being". Mongols are accustomed to address Mongol priests of high posts, saying Lama or Lamadom. The doctrine of Lama is in no way different from that of Buddhism. There are several divisions, the most influential being the Red and the Yellow Sects. Manchoukuo is mostly influenced by the Yellow Lama.

There is one more religion in Manchoukuo, known as Shamanism. This is a teaching indigenous to the soul of Manchus. It is believed by native Manchus in Northern Manchuria and by Siberian aborigines. Tsailism is another teaching, a school of which is said to have agitated the Boxers to rise in rebellion.

Taoism and World Buddha Scarlet Cross Society. Taoism was originated in Shantung Province in December, 9th Year of the Chinese Republican Regime. Its object of worship, Laoso, is considered the progenitor of all things in the universe and the source of the Great Path. It is the Great Principle of Confucianism personified. The World Buddha Scarlet Cross Society is conducting various descriptions of social work. Buddha Scarlet symbolizes great benefit of vast magnitude like that of the sun. Taoism and Buddha Scarlet Cross Society are mutually dependent, one inseparable from the other. Membership of one must be the membership of the other. It is said that these bodies have millions of members. The Buddha Scarlet Cross Society was founded in the 11th Year of the Chinese Republican Regime.

CHAPTER XI

STATE FINANCE

General

In the three and a half years since its establishment the state finances of Manchoukuo have been placed on a solid foundation. The Budgets have been consistently balanced without resorting to the flotation of large loans. This is due largely to the tax and tariff reform and also to a general systematization of the entire organ of national finance. In this connection, mention must also be made of the part played by Japan in the financial readjustment of the new state, since the condition of Japan's national finance will continue to exert a dominant influence over that of Manchoukuo.

The Budget estimates drawn up by the Manchoukuo Government since 1933 present several features. In the first place, they reveal a great reduction effected in the waste that was obtaining in the former Chang regime through a stupendous amount of money being spent on arms and on the maintenance of large standing forces. Secondly, they vividly reflect the effects of the centralization of government and the realization of strict supervision over the provinces in clogging the channels through which a considerable amount of money was uselessly spent. As a result of economization in this direction, the Government has been able to reduce taxes and duties to no small extent, and is still in a position to balance the Budget without feeling undue strain. Thirdly, the Budget estimates show the Government's increasing interest in developing the state industries. Especially noticeable is the fact that much effort has been directed towards the improvement of transport facilities. Fourthly, they indicate the Government's keen interest in affairs relating to education and justice, to which a goodly portion of the entire expenditure is allotted.

The yearly expansion of the state Budget is shown in the following table:

Year	(yuan)
1932.....	138,000,000
1933.....	170,000,000
1934.....	212,000,000
*1935.....	105,000,000

*Figures for six months only of the fiscal year.

The Latest Budget. The Manchoukuo Government's Budget for the abbreviated second fiscal year of Kangte extending from July 1, 1935, to December 31 of the same year, was approved by the Privy Council at its plenary session on June 25, 1935. The Budget covers only six months, as the fiscal year beginning 1936 will correspond to the calendar year, in accordance with a decision of the Government.

The new budget, exclusive of the Special Accounts, amounts to MY104,998,700 in both revenue and expenditure, an increase of MY10,636,171 as compared with one-half of the total budget estimates for the previous fiscal year, exclusive of the supplementary budgets. Inclusive of the latter, the increase is MY5,033,687. In the Special Accounts revenues total MY131,518,108, and expenditures, MY97,991,292.

Special care was taken, in compiling the budget, to ensure the maintenance of a balance between international receipts and international payments, and to avoid bringing pressure upon the monetary situation. At the same time precautions were taken to avoid the possibility of any undue expansion of the budget for the following fiscal year.

In drawing up the General Accounts Budget, the Government again observed its traditional policy of keeping regular expenditures within the limits of revenue by an exercise of strict economy and retrenchment. Thus the General Accounts Budget was again balanced without the aid of any new loans, the only loan item appearing in it being the 5,000,000 yuan borrowed for the construction of state highways in accordance with previously decided plans.

The policy of meeting regular expenses out of current receipts has also necessitated a fairly rigid curtailment of new demands. Authorization was given to only such new expenditures as are absolutely necessary and as are calculated to bring real and direct benefit to the people. Among such expenditures are those for such purposes as road construction, the building of bonded ware-houses, industrial development, local public works, municipal flood prevention work, the construction of sanitary establishments, and the

organization of new expenditures include items for preparations for the proposed abolition of extraterritoriality, such as the reform of penal institutions and the improvement of police systems and taxation offices.

In the Special Accounts, although the need for economy and retrenchment was observed as much as possible, the Government was forced to approve expenditures which will necessitate borrowing to the extent of MY19,200,000. This was due to the fact that such expenditures are for special purposes such as capital city construction work, the oil monopoly, the readjustment of state properties, and investment. In addition the Special Accounts contain a loan item of MY40,000,000, representing the new fiscal year's instalment on the North Manchuria Railway purchased by the Government.

Taxes and customs duties are again expected to provide by far the major portion of the total receipts, the aggregate revenue from them being estimated at MY75,664,000, an increase of MY5,122,207 over one-half of the total estimated income from the same source during the previous fiscal year. The continued expansion of Manchoukuo's foreign trade, the authorities believe, warrants this anticipated increase. Of the total revenue from taxes and customs duties, the latter are expected to furnish MY46,628,000, or

61 per cent.

Internal revenue taxes constituting the next main source of income are estimated to yield MY20,148,000. This represents a decrease of about MY3,266,740 compared with one-half of the receipts from the same source for the previous fiscal year. Actually, however, no such decrease is anticipated, as it has been the custom in this country of most of the internal revenue taxes to be paid during the first half of the calendar year. The same tendency accounts for the comparatively low revenue from the salt gabelle, which is estimated to supply MY8,880,000, as compared with MY21,616,000, the total estimated receipts for the previous fiscal year.

Estimated profits from the government monopolies amount to MY4,863,395, MY1,063,395 more than one-half of the total monopoly profits expected to be received during the current fiscal year. The increase will be due largely to the newly instituted oil monopoly.

The revenues also include a new item of MY3,000,000 representing the profit from the redemption of the old notes by the Central Bank of Manchou, which will be paid over to the Government upon the termination of the period of currency redemption. An estimated surplus of MY6,410,689 is also included.

The figures of the new budget are as follows:

Table 1

GENERAL ACCOUNTS BUDGET FOR 2ND FISCAL YEAR OF KANGTEH
(July 1, 1935—Dec. 31, 1935)

Revenue Estimates			
Jurisdiction	Ordinary	Extraordinary	Total
General Affairs Board	MY ...	MY 7,311,211	MY 7,311,211
Dept. of Civil Affairs	677,637	61,430	739,067
Dept. of Defence	782,333	34,686	817,019
Dept. of Finance	84,450,995	8,900,500	93,351,495
Dept. of Industry	809,820	40,070	849,890
Dept. of Communications	1,125,000	500	1,125,500
Dept. of Justice	301,864	42,270	344,134
Dept. of Mongolia Administration	55,941	1,300	57,241
Dept. of Education	402,143	1,000	403,143
Total	MY88,605,733	MY16,392,967	MY104,998,700

Revenue Estimates Ordinary

	2nd year Kangte	1st year Kangte, Estimate	Increase or Decrease
Taxes and Duties	MY 75,664,000	MY 141,083,587	× MY 65,419,587 (70,541,793)
Customs Duties	46,628,000	72,638,107	× 26,010,107 (36,319,053)
Internal Revenue	20,148,000	46,829,480	× 26,681,480 (23,414,740)
Salt Gabelle	8,888,000	21,616,000	× 12,728,000 (10,808,000)

Special Accounts Budget for 2nd Fiscal Year
of Kangtê

Revenues and Expenditures		
	Revenues	Expenditures
General Affairs Board		
Adjustment Fund for Old Loans Secured on Customs Duties and Salt Gabelle	MY36,173,052	
Capital Construction		
Bureau	6,018,080	MY 6,018,080
Supplies	5,233,010	5,171,918
Sinking Fund	4,756,502	4,756,502
Dept. of Defence		
Army Clothing		
Factory	3,148,797	3,143,419
Arsenal	2,000,000	2,000,000
Dept. of Finance		
Opium Monopoly	14,609,103	20,354,948
Salt Transportation		
Office	7,272,752	6,255,872
State Properties Adjustment Fund	2,924,079	2,548,537
Investments	11,724,144	11,724,144
Oil Monopoly	10,549,303	8,908,586
Railway Loans	24,659,356	24,659,356
Dept. of Communications		
Postal Administration	2,449,930	2,449,930
Total	MY131,518,108	MY 97,991,292

General Accounts Supplementary Budget and the Special Accounts Supplementary Budgets for the first fiscal year of Kangtê are given below.

General Accounts Supplementary Budget
(No. 1) (Nov. 22, 1934)
Revenues Extraordinary

General Affairs Board	
Transfer from Surplus for 2nd Fiscal year of Tatung	MY1,280,000
Total extraordinary	MY1,280,000
Expenditures Extraordinary	
Imperial Household Dept.	
Imperial Household	MY1,280,000
Total extraordinary	MY1,280,000

General Accounts Supplementary Budget
(No. 2) (Nov. 29, 1934)
Revenues Extraordinary

General Affairs Board	
Transfer from Surplus for 2nd Fiscal year of Tatung	MY4,019,139
Total extraordinary	MY4,019,139

Expenditures

General Affairs Board	
Extraordinary:	
Transfer to Sinking Fund Special Accounts	MY1,059,828
Total extraordinary	MY1,059,828

Civil Affairs Dept.

Ordinary:	
Salaries & other office expenses of Provincial Offices	MY 915,474
Office expenses of Hsien Offices	1,855
Secret Service Fund	70,000
Total ordinary	987,329
Extraordinary:	
Expenditures for Local Administrative Reform	465,368
Total extraordinary	465,368

Grand Total MY1,452,697

National Defence Dept.

Extraordinary:	
Special expenditures for Peace Preservation	MY1,500,000
Total extraordinary	1,500,000

Mongolian Administration Dept.

Ordinary:	
Salaries & other office expenses of Head Office	MY 15,059
Salaries & other office expenses of Hsingan Police	MY 4,794
Salaries & other office expenses of Hsingan Banner Office	MY 50,692
Total ordinary	MY 70,545

GRAND TOTAL OF EXPENDITURES (ORDINARY)	MY1,057,874
GRAND TOTAL OF EXPENDITURES (EXTRAORDINARY)	MY3,025,196
GRAND TOTAL OF EXPENDITURES (ORDINARY & EXTRAORDINARY)	MY4,083,070

Deduction from Expenditures of General Budget for 1st Year of Kangtê

Civil Affairs Dept.	
Ordinary:	
Salaries of Hsien Offices	MY 33,481
Salaries of Police Corps	30,450
Total ordinary	MY 63,931

General Accounts Supplementary Budget
(No. 3) (March 19, 1935)

Revenues Extraordinary	
General Affairs Board	
Transfer from Surplus of 2nd Fiscal year of Tatung	MY 889,375
Total extraordinary	MY 889,375

Expenditures Extraordinary	
Imperial Household Dept.	
Special Imperial Household Expenditure	MY 458,500
Total extraordinary	MY 458,500

Stamp Revenue	3,417,000	8,058,120	×	4,641,120
		(4,029,060)	×	(612,060)
Monopoly Profits	4,863,395	7,600,000	×	2,736,605
		(3,800,000)		(1,063,395)
Opium Monopoly Profits	2,019,533	4,000,000	×	1,980,467
		(2,000,000)		(19,533)
Oil Monopoly Profits	1,868,797	...	×	1,868,797
				(1,868,797)
Salt Transportation Office Profits	900,065	3,500,000	×	2,599,935
		(1,750,000)	×	(849,935)
Saltpetre and Nitrate Bureau Profits	75,000	100,000	×	25,000
		(50,000)		(25,000)
Revenues from State Industries and Other South	4,661,338	6,599,617	×	1,938,279
		(3,299,809)	×	(1,361,529)
Total	MY 88,605,733	MY 163,341,324	×	MY 74,735,591
N.B. × indicates decrease.		(81,670,662)		(6,935,071)

Revenues Estimates Extraordinary

General	4,556,736	3,019,880		1,536,856
		(1,509,940)		(3,046,796)
From Special Accounts	425,642	750,000	×	324,458
		(375,000)		(50,542)
Loan Funds	5,000,000	5,000,000		...
		(2,500,000)		(2,500,000)
Surplus from Previous Year .	6,410,689	16,613,854	×	10,203,165
		(8,306,927)	×	(1,896,238)
Total	MY 16,392,967	MY 25,383,734	×	8,990,767
		(12,691,867)	×	(3,701,100)
Grand Total	MY 104,998,700	MY 188,725,058	×	MY 83,726,358
		(94,362,529)		(10,636,171)

N.B.—The figures in the second column of the above table without the brackets are for the estimates for the whole of the previous fiscal year, while those with brackets in the same column represent one-half of such estimates.

— × indicates decrease.

General Accounts for 2nd Fiscal Year of Kantō

(July 1, 1935—Dec. 31, 1935)

Expenditures

Jurisdiction	Ordinary	Extraordinary	Total
Imperial Household	MY 1,000,000	MY	MY 1,000,000
General Affairs Board	4,339,172	19,254,866	23,594,038
Dept. of Civil Affairs	13,428,664	7,904,869	21,333,533
Dept. of Foreign Affairs	608,349	366,256	974,605
Dept. of Defence	25,529,612	6,621,046	32,150,658
Dept. of Finance	7,095,394	3,725,135	10,820,529
Dept. of Industry	1,527,522	1,725,897	3,253,419
Dept. of Communications	1,299,604	1,282,108	2,581,712
Dept. of Justice	4,602,259	107,189	4,709,448
Dept. of Education	2,416,472	639,342	3,055,814
Dept. of Mongolia Administration	1,069,978	454,966	1,524,944
Total	MY 62,917,026	MY 42,081,674	MY 104,998,700

General Affairs Board	
Transfer to Sinking Fund Special Accounts	MY 177,875
Special Expenditures for Information & Propaganda	56,000
Secret Service Fund	175,000
Total extraordinary	MY 408,875
Foreign Affairs Dept.	
Expenditures for Reception of the Emperor at Manchoukuo Legation, Tokyo	MY 22,000
Total extraordinary	MY 22,000
GRAND TOTAL EXTRAORDINARY	MY 889,375

General Accounts Supplementary Budget
(No. 4) (Apr. 1, 1935)
Revenues Extraordinary

General Affairs Board	
Miscellaneous receipts	MY 600,000
Transfer from Surplus for 2nd Fiscal year of Tatung	4,416,453
Total extraordinary	MY 5,016,453

Expenditures Extraordinary

General Affairs Board	
State Highways Bureau	MY 490,000
Office Expenditure	15,000
Expenditure for Enterprises	475,000
Expenditure for Constructing 7th Govt. Building	320,000
Transfer to Sinking Fund Special Accounts	883,291
Total extraordinary	MY 1,693,291

Dept. of Civil Affairs	
State Grants to Hsien Offices..	MY 1,630,000
Expenditure for Local Public Works	523,162
Repair of Roads in Tungpientao.	353,163
Construction of Special Bridge ..	170,000
Expenditure of Public Peace Preservation Societies	1,364,000
Total extraordinary	MY 3,517,162

Dept. of Education	
State Educational Grants to Localities	MY 126,000
Total extraordinary	MY 126,000
Grand Total	MY 5,336,453

Deductions from Expenditures of General Budget for 1st year of Kantō

General Affairs Board	
Expenditure for Construction of Metropolitan Police Headquarters and Other Buildings	MY 320,000
Total extraordinary	MY 320,000

Special Accounts Supplementary Budget Revenues Extraordinary (July 18, 1934)	
Dept. of Finance	
Revenue from Interest of Loans.	MY 382,466
Revenue from National Loans ..	9,800,000
Total extraordinary	MY 10,182,466

Expenditures Extraordinary	
Dept. of Finance	
Loans to Hsinking and Harbin Special Municipalities	MY 9,631,000
Miscellaneous Expenses of National Loans Accounts	551,466
Total extraordinary	MY 10,182,466

Special Accounts Supplementary Budget
(Jan. 24, 1935)
Revenues Extraordinary

Dept. of Finance	
Monopoly Bureau	
Funds from Loans	MY 4,300,000
Total extraordinary	MY 4,300,000

Expenditures Ordinary

Expenditures for Operating Opium Monopoly	MY 4,300,000
Total ordinary	MY 4,300,000

Special Accounts Budget (March 23, 1935)
Railway Loan

Revenues Extraordinary	
Dept. of Finance	
Revenue from National Loan..	MY 61,361,250
Revenue from the Railways Commissioned to South Manchuria Railway Co.	2,037,768
Total extraordinary	MY 63,399,018

Expenditures Extraordinary

Dept. of Finance	
Expenditures for Purchasing North Manchuria Railway ...	MY 61,361,250
Miscellaneous expenses of National Loans Accounts	937,768
Reserves	1,100,000
Total extraordinary	MY 63,399,018

Special Accounts Budget (April 1, 1935)
Revenues Ordinary

Dept. of Finance	
Oil Monopoly	
Revenue from Oil Monopoly	MY 4,161,032
Total ordinary	MY 4,161,032

Expenditures	
Funds from Loans	MY1,100,000
Total extraordinary	MY1,100,000
Grand Total	MY5,261,032
Expenditures Ordinary	
Expenditure for Operating Oil Monopoly	MY4,191,630
Transfer to the Special Accounts of the General Monopoly Bureau	165,908
Expenditure for Purchase of Oil	4,011,972
Interest on Loans	18,750
State Emergency Funds	505,000
First Emergency Funds ..	500,000
Second Emergency Fund ..	5,000
Total ordinary	MY4,696,630
Extraordinary	
Building Expenditure	MY 30,000
Total extraordinary	MY 30,000
Grand Total	MY4,726,630

Special Accounts Supplementary Budget Revenues Ordinary (Apr. 1, 1935)	
Dept. of Finance	
Monopoly Bureaux (No. 2)	
Transfer from Oil Monopoly	
Special Accounts	MY 165,908
Total ordinary	MY 165,908
Expenditures Ordinary	
Expenditure for Operating Opium	MY 165,908
Salaries and Allowances.....	42,244
Office Expenses	119,439
Bonus and other disbursements	4,225
Total ordinary	MY 165,908
Dept. of Communications	
Receipts from the Postal Administration	MY 332,505
Total ordinary	MY 332,505

Expenditures Ordinary	
Postal Administration Expenditure	MY 332,505
Salaries and Allowances	23,878
Expenditure for Enterprises..	308,627
Total ordinary	MY 332,505

State Debts

A steady but conservative increase has been yearly observable in the state debts of Manchoukuo. At the end of August, 1935 internal loans floated since the establishment of the present Government amounted to 56,720,000 yuan and external loans to 120,000,000 yuan. The largest items have been for the purchase of railways. In the first eight months of 1935 the Government floated foreign loans aggregating 60,000,000 yuan in order to meet the initial instalments on the purchase of the North Manchuria Railway from the Soviet Union. Internal loans issued in the same period amounted to 11,800,000 yuan.

Such portion of the debts contracted by the Chang regime as was considered to deserve recognition has been shouldered by the present Government. It has already raised a loan of 5,147,950 yuan to redeem a part of the debts. The Government is also prepared to take over a part of the former Chinese loans which were secured by mortgaging the Customs Revenue and the Salt Gabelle. The total of such foreign loans which China contracted aggregates 1,668,624,973 yuan.

The Maritime Customs

The revenue from the Maritime Customs represents an important part of the entire Ordinary Revenue of the Manchoukuo Government. In 1934 the sum collected from the Customs amounted to approximately forty percent of the total Ordinary Revenue of the state, or 72,041,000 yuan.

Table 2

INTERNAL JAPANESE LOANS OF THE MANCHOUKUO GOVERNMENT

Name of Loan	Amount of Issue	Rate percent	Issued	Redemption
Internal:				
A. Central Bank of Manchou Loss Recouping Loan	M.Y.33,000,000	5.0	Feb. 4, 1933	Apr. 25, 1943
B. Old Regime Debts Readjustment Loan	5,147,950	3.0	Sept. 27, 1933	June 30, 1953
C. Shen-hai, Hu-hai & Ssi-ko Railways Purchasing & Compensating Loan	11,928,000	6.0	Dec. 25, 1933	Dec. 25, 1933
D. Customs Officers' Grant Loan.	3,650,000	5.0	May 1, 1934	Apr. 20, 1944
E. National Foundation Grant Loan	8,150,000	5.0	July 3, 1935	1960

Japanese:				
F. National Foundation Loan ..G.Y.	30,000,000	5.0	Dec. 20, 1932	Jan. 10, 1940
G. Chosen Bank Loan	20,000,000	4.0	May 5, 1932	May 4, 1944
H. Enterprising Investment Loan	10,000,000	4.0	July 18, 1934	Aug. 20, 1947
I. North Manchuria Railway Purchasing Loan (1)	30,000,000	4.0	Mar. 21, 1935	Apr. 25, 1945
K. North Manchuria Railway Purchasing Loan (2)	30,000,000	4.0	July 17, 1935	Aug. 15, 1945

Note: A—Depreciation fund for dead assets taken over from the former Provincial Banks.
B—Payment of Old Regime debts.
C—Purchasing of the three railways.
D—Betterment of treatment of former Customs officers.
E—Special grants to those who made meritorious services in the cause of the founding of Manchoukuo.
F—Administrative expenses after the foundation of Manchoukuo.
G—Reserve against Currency issue of Central Bank of Manchou.
H—Loan to public corporations.
I—Purchasing of North Manchuria Railway.
K—

Table 3

FORMER CHINESE FOREIGN LOANS

Secured by Customs Revenue;		
18,982,860 Pounds	M.Y.	298,737,264
Secured by Salt Gabelle.		
66,699,598 Pounds		1,049,664,913
104,525,481 Gold Dollars		319,158,103
993,092 Florins		1,064,993
Total	M.Y.	1,668,624,973

Table 4

REDEMPTION FUND ON SAME EFFECTED BY MANCHOUKUO

Year	Secured by Custom Revenue:	Salt Gabelle:	Total
1932	M.Y. 11,050,419	M.Y. 2,335,773	M.Y. 13,386,192
1933	9,892,721	1,955,934	11,848,655
1934	8,062,426	2,070,300	10,132,726
Total	M.Y. 29,005,566	M.Y. 6,362,007	M.Y. 36,367,573

Prior to the establishment of Manchoukuo, the Maritime Customs of Manchuria was under the control of the Nanking Government but was supervised by foreigners who annually reduced a fixed amount from the total revenue to service certain of the foreign debts incurred by China, as had been agreed upon between China and the contracting Powers. Manchoukuo acknowledged the international aspect of the issue and made its position clear in the following terms:

1. Manchoukuo respects the integrity of the Maritime Customs administration, that is to say, it will not disturb the present personnel of the Manchurian Customs offices, and is willing to place them under the supervision of the Inspector-General of Customs at Shanghai provided, however, that their ultimate control rests with the Manchoukuo Government, just as the ultimate control of customs in China proper

2. Manchoukuo will remit to the Inspector-General the requisite sum to meet its share of annual payments on the foreign obligations secured on customs revenue.
3. Manchoukuo will keep for its own use the residue after the above obligations have been met.

China expressed her opposition to the above stand of Manchoukuo whereupon a deadlock lasting three months ensued. At the end of this period Manchoukuo ordered the suspension of payments to the Inspector-General. This act was immediately countered on the part of the Inspector General by the discharge of the Japanese Customs Commissioner at Dairen. Manchoukuo then set up her own Customs at Dairen and subsequently took full control of the rest of the Customs at other localities in her territory. The steps taken by Manchoukuo have not

nullified the government's promise as regards effecting her share of the payments on foreign debts and yearly a fixed amount is being laid aside for this purpose.

LAW CONCERNING THE NORTH MANCHURIA RAILWAYS LOANS

Promulgated March 14, 2nd year of Kangtê (1935)

Translation

Article I

For defrayment of expenses in connection with the cession to Manchoukuo of the rights of the Union of Soviet Socialist Republics concerning the North Manchuria Railway, the Government may, from time to time, float loans to the amount not exceeding 180,000,000 yen in total in Japanese currency, or may receive advance payments on such loans.

Article II

The rates of interest on the above-mentioned loans and advance payments on the same, the prices of issue, matters relating to redemption of principal and payment of interest, as well as all other matters concerning such loans and advance payments on the same, shall be determined by the Minister of Finance.

Article III

All properties and revenues of the North Manchuria Railway shall be offered as security for the loans and advance payments on the same herein mentioned.

Article IV

Each issue of the loans and each advance payment on the same herein mentioned may enjoy prior rights over all other claims, in respect of the security mentioned in the foregoing Article, and may receive equal and common treatment in matters concerning their redemption.

Supplementary Regulation

The present Law shall come into force on the day of its promulgation.

REGULATIONS CONCERNING THE DIVISIONS OF THE GENERAL MONOPOLY BUREAU

Promulgated May 13, 2nd Year of Kangtê (1935)

Translation

ARTICLE 1.

The following six sections shall be established within the General Monopoly Bureau (Hsinking):

1. General Affairs Section;
2. Accounts Section;

3. First Enterprise Section;
4. Second Enterprise Section;
5. Manufacture Section;
6. Section for the Detection of Illicit Acts.

ARTICLE 2.

The General Affairs Section shall have charge of matters relating to:

1. Confidential affairs;
2. Personal;
3. Custody of official seals;
4. Receipt, despatch, compilation and preservation of documents;
5. Statistics and reports;
6. Books, official gazettes, laws and regulations;
7. Various investigations in connection with the monopolies;
8. Translation and interpretation;
9. Affairs not under the jurisdiction of the other Sections.

ARTICLE 3.

The Accounts Section shall have charge of matters relating to:

1. Budgets, settlement of accounts, revenue and expenditure;
2. Receipts and disbursements in, and the custody of, money, securities and certificates;
3. Capital;
4. Objects and accounts;
5. State property;
6. Various agreements not coming under the jurisdiction of the other Sections;
7. Rented land and the preservation, building and repair of rented houses;
8. Employment, and the supervision of employees;
9. Maintenance of order within the offices.

ARTICLE 4.

The First Enterprise Section shall have charge of matters relating to:

1. Manufacture, importation and exportation of oil products;
2. Purchase, receipt and storage of oil products;
3. Inspection and grading of oil products;
4. Experimental research concerning oil products;
5. Plans for the sale of oil products by the Government, the official and market sale prices of such products;
6. Orders for the storage of oil products;
7. Sales districts of the general wholesale oil dealers or agents (appointed by the Government);
8. Appointment and supervision of oil whole-

9. Government sale, market sale, distribution and transportation of oil products;
10. Guaranty by oil wholesale agents and their securities for deferred payments;
11. Receipt, delivery and storage of oil products;
12. Mineral oils other than oils (monopoly products).

ARTICLE 5.

The Second Enterprise Section shall have charge of matters relating to:

1. Production, collection and purchase of opium;
2. Designation of districts for opium cultivation and their areas;
3. Experimental cultivation of opium and guidance and supervision in respect to opium cultivation;
4. Plans for the sale of opium by the Government, the official and market sale prices of opium;
5. Government sale, market sale, distribution and transportation of opium;
6. Receipt, delivery and storage of opium,
7. Sales districts of opium wholesale agents,
8. Appointment and supervision of opium wholesale agents and opium purchasing agents, and the cancellation of the appointments of such opium wholesale agents and opium purchasing agents;
9. Determination of the value of guaranty to be given by opium wholesale agents and opium purchasing agents and the return of such guaranty;
10. Manufacture, importation, Government sale, receipt, delivery and storage of opium and instruments for smoking opium.

ARTICLE 6.

The Manufacture Section shall have charge of matters relating to:

1. Manufacture of opium to be sold by the Government;
2. Testing and grading of opium;
3. Physical and chemical research concerning opium;
4. Establishment of opium factories;

ARTICLE 7.

The Section for the Detection of Illicit Acts shall have charge of matters relating to:

1. Illicit manufacture and smuggling of, and illicit traffic in, oil products, and offences by oil sellers;
2. Illicit manufacture and smuggling of, and illicit traffic in, opium and instruments for smoking opium, and offences by opium sellers;
3. Regulation of the illicit cultivation of opium.
4. Statutory public announcements concerning confiscated opium and confiscated instruments for opium smoking;
5. Determination of the value of rewards for encouraging the detection and confiscation of illicit opium;
6. Guidance of opium inspectors and opium employee-inspectors;
7. Regulation of infractions of the other relevant laws and regulations.

Supplementary Provisions

The present Regulations shall come into force on April 1, 2nd year of Kangtê (1935).

The Regulations concerning the Divisions of the Monopoly Bureau, 2nd year of Tatung (1933) shall be repealed.

CHAPTER XII

CURRENCY

General

Manchoukuo is at present on a managed currency system. The yuan nominally containing 23.91 grams of pure silver is the standard of unit. The right of minting and issuing of notes are an exclusive right of the Manchoukuo Government and they are carried out by the Central Bank of Manchou through Government orders. The yuan is divided decimally into the "Chiao" (1/10 of the yuan), the "fen" (1/100 of the yuan) and the "li" (1/100 of the yuan).

The Central Bank of Manchou must have a reserve fund in gold or silver bullion, reliable foreign money, or gold or silver money deposited in foreign banks, corresponding to not less than 30 percent of the total value of the notes issued by the Bank. Notes issued above the amount of the reserve fund must be backed with public bonds, bills issued or guaranteed by the Government, or other safe bills and bonds.

Recent Situation. The rise in the price of silver reached such a point in August 1935 as to force the government to abandon the anchorage on silver and to hitch the yuan to the Japanese yen at the equivalent of one hundred yuan to one hundred yen. This step was taken due to the sharp fluctuation of silver. The yuan which fell during the silver debacle of 1932 to the vicinity of ¥.70 rose by August of 1935 to upwards of ¥1.20. Had the yuan remained hitched to silver it would have risen still further to approximately ¥1.70 by the middle of October of 1935. The action of the government in this case proved thus to be timely.

In October 1935 officials of the Finance Ministry of Manchoukuo conferred with the Japanese Finance Ministry in Tokyo with a view to obtaining the support of Japan in stabilizing the exchange rate of the yuan. At the conference the following fundamental policy was agreed upon:

1. The basis of the Japan-Manchoukuo currency policy should adapt itself to the economic development of Manchoukuo.

2. Efforts should be made by Manchoukuo to maintain the stability of her currency by means of improving her international credit and by developing an industrial policy.

3. Manchoukuo should persistently enlarge the sphere of the Manchoukuo currency circulation in cooperation with the S.M.R. Co. and the Kwantung Army.

4. Regarding the notes circulated in Manchoukuo by the Bank of Chosen, Manchoukuo should devise a method for appropriating these notes hereafter as convertible reserves of the Central Bank of Manchou by securing the moral support of the Bank of Chosen. The Chosen notes should be replaced by Manchoukuo currency.

5. Manchoukuo should promulgate a currency law for preventing capital from escaping abroad, and for controlling future speculations.

6. Exchange rates of the currencies between Japan and Manchoukuo should be maintained always at par, but there is no need of establishing a reserve fund to maintain a balance between the two currencies.

Statement by Japan.—The Japanese Government issued on November 4, 1935 the following statement through the Kwantung Army with regard to the stabilization of the currency of Manchoukuo:

"The Manchoukuo yuan having virtually severed its connections with silver insofar as its external price is concerned owing to the rise in the silver price since last year, the Manchoukuo authorities, who have been making investigations with regard to the present currency system, plan to strengthen the national finances, improve Manchoukuo's international accounts, adopt a proper currency policy, and also to enforce exchange control, thereby stabilizing the external price of the yuan, especially Japan-Manchoukuo exchange. The Manchoukuo authorities have already launched a portion of the above plans.

"In view of the special intimate relations existing between Japan and Manchoukuo, the Japanese Cabinet at its meeting held today decided upon the following policy in order to cooperate in the stabilization of the price of yuan and the unification of currency in Manchoukuo.

"Japan's national policy toward Manchoukuo and Mongolia was decided on the occasion of the independence of Manchoukuo. On her part, Manchoukuo has established the Central Bank of Manchou and is making every effort to control

the currency situation and financial circles. As a result, it may be said that the functions of the Japanese bank-notes in circulation in Manchoukuo have undergone some changes and that the maintenance of the status quo in regard to the Japanese banknotes not only complicates the currency system to no purpose but will also hinder the stabilization of the external price of the yuan. The policy of the Japanese Government is that the Japanese bank-notes in circulation in Manchoukuo should be unified under the yuan at some proper time in order to contribute to the stabilization of the yuan. However in unifying the currency in the country, there is not only a necessity of taking the best possible measures in order not to obstruct Japan-Manchoukuo economic collaboration, especially Japanese investments in Manchoukuo, but a most careful consideration should also be paid to such questions as the abolition of Japanese extraterritorial rights, readjustment and transfer of administrative right in the South Manchuria Railway Zone, and possible effects upon Japanese banks following the unification of currency. Consequently the currency unification should be undertaken gradually after ample preparations have been made. The Kwantung Leased Territory, however, shall not be brought within the scope of the unification program.

"As a first step in the execution of this policy, necessary control should be exercised over the business conducted in Manchoukuo by the Bank of Chosen, and a suitable agreement should be concluded between it and the Central Bank of Manchoukuo for this purpose. In order to produce satisfactory results in the enforcement of the proposed exchange control law, the Japanese Government will give proper consideration and will see to it that Japanese banks in Manchoukuo give the necessary cooperation. Moreover, the S.M.R. Company, the Kwantung Army and other Japanese organs in Manchoukuo shall make payments in Manchoukuo yuan as much as possible."

Currency Unification. One of the most notable achievements of the Finance Ministry has been the unification of the currency which had been in a state of general disorder in the previous regime. In October 1935 it was estimated that roughly 98 percent of the old currency had been redeemed and replaced by the Manchoukuo yuan. The government undertook to standardize the currency soon after the founding of the state and by June, 1934 it was announced that 93.1 percent of the old currency had been redeemed. The official rate of exchange for old currency against the new, as decreed in June 1932 is given below:

Table 1.

Exchange Rate of New Currency for Former Currencies
(Standing July, 1932)

Former Currencies	Exchange rate against one yuan of New Currency
(1) Convertible Notes issued by the Provincial Bank of Three Eastern Provinces (not including Tientsin notes)	1.00 yuan
(2) Convertible Notes issued by the Frontier Bank (not including Tientsin notes)	1.00
(3) Convertible Notes issued by the Joint Reserve Fund of Four Liaoning Banks*	1.00
(4) Exchange Notes issued by the Provincial Bank of Three Eastern Provinces†	50.00
(5) Copper Notes issued by Kungchi Pingshih Bank†	60.00
(6) Harbin Tayang-piao issued by the Kirin Provincial Bank (bearing supervisor's official seal)	1.25
(7) Harbin Tayang-piao issued by the Provincial Bank of Three Eastern Provinces (bearing the supervisor's official seal)	1.25
(8) Harbin Tayang-piao issued by the Heilungkiang Provincial Bank (bearing supervisor's official seal)	1.25
(9) Harbin Tayang-piao issued by the Frontier Bank (bearing supervisor's official seal)	1.25
(10) Kuantieh issued by the Kirin Provincial Bank	500.00 tiao
(11) Hsiao-yang-piao issued by the Kirin Provincial Bank	50.00 yuan
(12) Tayang-piao issued by the Kirin Provincial Bank	1.30
(13) Kuantieh issued by the Heilungkiang Provincial Bank	1,680.00 tiao
(14) 4% Debentures issued by the Heilungkiang Provincial Bank	14.00 yuan
(15) Tayang-piao issued by the Heilungkiang Provincial Bank	1.40

* (1), (2) and (3) are the so-called Hsien Tayang-piao.

† So-called Fengtien Hsiao-yang-piao.

The amount of old notes redeemed as on June 31, 1934 amounted to M.Y. 132,351,370.07, representing 93.1% of the total old notes. The total amount of old notes redeemed on the corresponding date of 1933 amounted to M.Y. 85,514,-

808. Thus in the intervening period the government was able to redeem more than M.Y. 46,837,000 in such notes. Figures subjoined show the situation as standing on June 31, 1934.

Table 2.
Amount of Old Notes Redeemed
(As on June 31, 1934)
(In Manchoukuo Yuan)

Old notes issued by	Old notes taken over by the bank of Manchou	Old notes redeemed	Current amount of old notes	%
Bank of Three Eastern Provinces	68,102,561	62,738,426.90	5,364,134.17	92.1
Frontier Bank	16,822,360	15,849,340.83	973,019.71	94.2
Bank of Kirin Province	31,693,477	29,453,243.69	2,240,234.19	92.9
Bank of Heilungkiang Province	25,616,481	24,310,358.65	1,306,122.86	94.9
Total	142,234,878	132,351,370.07	9,883,510.93	93.1

The amount of new notes issued by the Bank of Manchou as at the end of August 1935 aggregated M.Y. 124,664,528 and reserves in gold and silver amounted to M.Y. 64,027,161, showing a coverage of 51.3% over the total issue. The following table shows the situation since July 1932.

Table 3.
Note Issue and Amount of Reserve
(In Manchoukuo Yuan)

Year	Month	Notes Issued	Reserve (Gold & Silver)	Reserve %	Security Reserve
1932	July 1	142,234,881	80,490,183	56.6	61,744,698
	July End	139,055,877	79,158,142	56.9	59,879,735
	Dec. "	151,865,395	77,849,097	51.3	74,016,298
	1933	Jan. End	154,851,603	87,859,438	56.7
Feb. "	146,441,161	83,033,097	56.7	63,408,064	
Mar. "	136,353,347	79,065,676	58.0	57,287,671	
Apr. "	130,081,041	73,621,509	56.6	56,459,532	
May "	124,193,390	73,257,756	59.0	50,935,634	
June "	112,263,519	76,059,565	67.8	36,203,953	
July "	110,365,267	75,356,550	68.3	35,008,716	
Aug. "	107,490,441	71,933,352	66.9	35,557,089	
Sept. "	108,410,647	69,142,610	63.7	39,268,037	
Oct. "	111,869,568	62,904,601	56.2	48,964,967	
Nov. "	113,653,729	63,033,943	55.5	50,619,785	
Dec. "	129,223,637	67,567,820	52.3	61,655,817	
1934	Jan. End	129,809,868	68,529,237	52.8	61,280,631
	Feb. "	134,027,574	68,687,439	51.2	65,340,134
	Mar. "	125,596,693	68,050,855	54.2	57,545,838
	Apr. "	115,857,923	64,807,891	55.9	51,050,031
	May "	106,145,320	58,409,465	55.0	47,735,865
	June "	100,540,656	59,961,651	59.6	40,579,304
	July "	102,121,225	59,861,651	58.6	42,259,603
	Aug. "	109,311,712	62,130,131	56.8	47,181,580
	Sept. "	114,011,386	64,618,440	56.7	49,392,946
	Oct. "	122,796,905	68,118,784	55.5	54,678,120
	Nov. "	144,145,210	75,482,599	52.4	68,662,610
	Dec. "	168,332,756	74,818,912	44.4	93,513,843
1935	Jan. End	172,562,335	81,216,756	47.1	91,345,579
	Feb. "	161,949,780	71,424,597	44.1	90,525,183
	Mar. "	146,913,588	66,430,409	45.2	80,483,179
	Apr. "	131,099,596	60,779,579	46.4	70,320,017
	May "	120,675,939	58,382,948	48.4	62,293,891

(Continued) 1935	Notes Issued	Reserve (Gold & Silver)	Reserve %	Security Reserve
June "	113,692,412	59,595,593	52.4	54,096,819
July "	114,561,696	62,938,579	54.9	51,623,117
Aug. "	124,664,528	64,027,161	51.3	60,637,367

Table 4.
Amount of Subsidiary Coins Issued
(in M.Y.)

Year	Month	Nickel Coins		Copper Coins		Total	
		1-Chiao Pieces	5-Fen Pieces	1-Fen Pieces	5-Li Pieces		
1933	May End	7,000	2,950	—	—	9,950	
	June "	125,000	19,450	—	—	144,450	
	July "	242,600	28,600	—	—	271,200	
	Aug. "	248,700	29,050	8,200	2,120	288,070	
	Sept. "	428,800	30,200	14,310	2,170	475,480	
	Oct. "	733,800	36,500	14,510	2,170	786,980	
	Nov. "	1,250,800	79,000	14,510	2,170	1,346,480	
	Dec. "	1,999,800	151,500	15,210	2,320	2,168,830	
	1934	Jan. End	2,232,200	180,700	93,460	2,320	2,508,680
		Feb. "	3,708,200	217,850	123,560	2,320	4,051,930
		Mar. "	4,550,200	513,900	225,460	2,320	5,291,880
		Apr. "	5,768,200	720,900	325,560	52,970	6,867,630
May "		9,086,200	720,900	325,560	52,970	10,185,630	
June "		9,341,200	720,900	567,160	101,220	10,730,480	
July "		9,341,200	1,254,400	770,860	114,820	11,481,280	
Aug. "		9,341,200	1,254,400	936,760	127,570	11,686,930	
Sept. "		9,341,200	1,254,400	1,093,660	157,620	11,846,880	
Oct. "		9,341,200	1,254,400	1,273,860	170,320	12,039,780	
Nov. "		10,648,200	1,636,400	1,273,860	178,770	13,737,230	
Dec. "		12,683,200	1,636,400	1,273,830	178,770	15,772,230	
1935	Jan. End	13,914,200	1,908,900	1,273,860	178,770	17,275,730	
	Feb. "	15,200,200	1,908,900	1,273,860	178,770	18,561,730	
	Mar. "	16,380,200	2,222,400	1,273,860	178,770	20,055,230	
	Apr. "	16,535,200	2,222,400	1,347,560	178,770	20,283,930	
	May "	16,535,200	2,222,400	1,347,560	178,770	20,283,930	
	June "	16,535,200	2,222,400	1,347,560	178,770	20,283,930	
	July "	16,535,200	2,222,400	1,347,560	178,770	20,283,930	
	Aug. "	16,535,200	2,222,400	1,347,560	178,770	20,283,930	

Table 5.
Manchoukuo Yuan Foreign Exchange Rates
Hsinking

Year	Month	On Japan		On New York		On London		On Shanghai		
		Rate (¥)	Index	Rate (\$)	Index	Rate (s.d.)	Index	Rate (Yuan)	Index	
1932	July	73.19	100.0	20.10	100.0	1-1.56	100.0	95.72	100.0	
	August	85.58	116.9	20.99	104.0	1-2.69	108.3	95.96	100.3	
	September	91.79	125.4	21.71	108.0	1-2.99	110.5	98.83	103.2	
	October	92.96	127.0	21.63	107.6	1-3.25	112.5	99.30	103.7	
	November	105.21	143.8	21.80	108.5	1-3.94	117.6	100.38	104.9	
	December	96.82	132.3	20.19	100.4	1-2.75	108.8	100.70	105.2	
	Average	90.93	124.2	21.07	104.8	1-2.84	109.4	98.48	102.9	
	1933	January	97.57	133.3	20.25	100.7	1-2.50	106.9	99.45	103.9
		February	98.11	134.0	20.43	101.6	1-2.31	105.5	99.30	103.7
		March	96.00	131.2	20.77	103.3	1-2.50	106.9	98.90	103.3
April		96.10	131.3	21.24	105.7	1-2.32	105.6	98.09	102.5	
May		98.59	134.7	23.47	116.8	1-2.34	105.7	96.72	101.0	
June		99.37	135.8	25.16	125.2	1-2.66	108.1	97.70	102.1	
July		99.83	136.4	28.20	140.3	1-2.61	107.7	98.21	102.6	
August		100.80	136.5	26.79	133.3	1-2.28	105.4	97.29	101.6	
September		106.60	145.6	28.61	142.3	1-2.74	108.7	97.92	102.3	
October		105.52	144.2	28.79	143.2	1-2.79	109.1	97.75	102.1	

(Continued) 1933	On Japan		On New York		On London		On Shanghai	
	Rate (¥)	Index	Rate (\$)	Index	Rate (s.d.)	Index	Rate (Yuan)	Index
November	108.17	147.8	32.00	159.2	1-3.03	110.8	99.80	103.7
December	109.39	149.5	32.56	164.0	1-3.37	113.3	100.32	104.8
Average	101.34	138.5	25.72	128.0	1-2.62	107.7	98.41	102.8
1934								
January	111.78	152.7	33.00	163.7	1-3.66	115.4	98.49	102.9
February	112.70	154.0	32.83	163.3	1-3.72	115.9	98.06	102.4
March	112.68	154.0	33.15	164.9	1-3.63	115.2	97.55	101.9
April	109.61	149.8	32.76	163.0	1-3.30	112.8	97.05	101.4
May	105.27	143.8	31.58	157.1	1-2.79	109.1	98.18	102.6
June	107.27	146.6	31.90	158.7	1-3.06	111.1	97.82	102.2
July	108.89	148.8	32.36	161.0	1-3.39	113.4	96.52	100.8
August	111.57	152.4	33.28	165.6	1-3.76	116.1	96.04	100.3
September	112.98	154.4	33.45	166.4	1-4.04	118.2	95.38	99.6
October	115.38	157.6	32.88	163.6	1-3.94	117.5	96.90	101.2
November	112.17	153.3	32.40	161.2	1-3.59	115.0	99.00	103.4
December	109.70	149.9	31.43	156.3	1-3.23	112.2	99.00	103.4
Average	110.83	151.4	32.59	162.1	1-3.51	114.3	97.50	101.8
1935								
January	109.40	149.5	30.91	158.8	1-3.17	111.8	98.25	102.6
February	111.34	152.1	31.38	156.1	1-3.47	114.0	94.41	98.6
March	111.36	152.1	31.01	154.3	1-3.59	114.9	89.59	93.6
April	109.74	149.9	30.95	154.0	1-3.36	113.2	85.31	89.1
May	106.60	145.6	30.41	151.3	1-2.95	110.2	82.93	86.6
June	104.33	142.5	30.00	146.3	1-2.58	107.4	79.88	83.5
July	103.60	141.5	29.97	149.1	1-2.50	106.9	78.48	82.0
August	100.91	137.9	29.43	146.4	1-2.23	104.9	81.04	84.7

History

Prior to the establishment of the new state the situation in Manchuria as regards currency was in general disorder. An immense amount of paper money issued by the order of Chang Tso-lin and his successor, Chang Hsueh-liang, without adequate reserve, had flooded the market. Each province had its own currency, or

attached a different value to other currency. No port or city in the same province had a currency the same as that of its neighbour. Antung, Mukden and Newchwang each had a different currency, while Harbin, Kirin and Changchun (now Hsinking) in Kirin Province had their own special currencies. The money which was in circulation in Manchuria in 1930 was extremely varied as the following table shows:

Table 6.

Kinds of Old Currency

Native Currency	Coins	Copper cash (Chihchien), Copper coin (Tungyuan), Silver coin (Yangchien), Sycee (Yinting)
	Notes	Government copper cash notes (Kuantieh), Copper coin notes (Tungyuanpiao), Silver coin notes (Yangchienpiao), Mukden notes (Fengtienpiao)
	Book Currency	Transfer tael
Foreign Currency	Coins	Japanese silver yen, Mexican dollar, Japanese subsidiary coins
	Notes	Bank of Japan gold notes, Bank of Chosen gold notes, Yokohama Specie Bank silver notes

Of the native currencies in Manchuria, the hard money, particularly subsidiary or smaller silver coin of less fineness than the standard silver was issued in immense quantities for near-

ly ten years up to 1916. Since the latter years, when the price of silver rose owing to the European war, the issue of the smaller silver coins was decreased, and the note issue, nominally

based on the silver coin, came into prominence. Although measures for removing the financial disturbance in Manchuria caused by chaotic currencies were introduced in 1917 with the co-operation of the Japanese Chamber of Commerce at Mukden, nothing could be carried into effect.

Meanwhile, one civil war after another took place between North and South, and the note issue was accelerated year by year.

The table subjoined gives an estimate of the varied currencies circulating in Manchuria at the end of December, 1930.

Table 7.
Currencies in Circulation

Name of Currency	Estimated amount in Circulation	Exchange Rate against 100 Silver Dollars	Value in Silver Dollars	Circulation Area
Mukden Notes	1,180,000,000 Yuan (Mukden Dollar)	6,000 Yuan	19,670,000	Mukden Province
Silver Dollar Notes	67,227,000 Yuan	300 Yuan	67,227,000	" "
Harbin Tayan Notes	39,000,000 Yuan	140 Yuan	27,857,000	Harbin and C.E.R. Zone
Government Notes of Kirin Province	9,500,000,000 Tiao	23,000 Tiao	41,300,000	Kirin Province
Kirin Yungheng Tayan Notes	10,000,000 Yuan	145 Yuan	6,897,000	" "
Government Notes of Amur Province	12,000,000,000 Tiao	20,000 Tiao	6,000,000	Amur Province
Amur Kuanghsin Tayan Notes	10,000,000 Yuan	140 Yuan	7,143,000	" "
Sycee kept in Antung	2,000,000 Taels	82 Taels	2,488,000	Antung
Transfer Account in Newchwang	15,000,000 Taels	210 Taels	7,143,000	Newchwang
Silver Dollars	1,000,000 Yuan	100 Yuan	1,000,000	Manchuria and Inner Mongolia
Small Silver Coins	5,000,000 Yuan	114 Yuan	6,386,000	Manchuria
Total			191,111,000	

The central administration of the Chinese Republic had never been strong enough to establish a stable currency. So far as the circulation of money is concerned, most provinces in China proper are feudalistic, while those in Manchuria were more independent. The Central Government, regional military chiefs, the provincial government, and private guilds or persons have each in the past constituted themselves an issuing authority. In addition, foreign currencies have prevailed at all the open ports. Moreover, some of the issues are on a copper basis, some on a silver basis, and others, again on a gold basis. All issues have circulated indiscriminately side by side, with no fixed rate of exchange. More recently, the indiscriminate issue of inconvertible bank notes under the authority of military leaders (tuchun) had but added to the currency confusion. In Mukden Province alone, the circulation of such paper as that popularly called the "Mukden Note," in the vernacular, "Fengtienpiao," was estimated in December, 1929, to reach the enormous total of 3,000,000,000 Chinese dollars. Its rate, at that time, was 6,000 against a hundred silver dollars. Although the issue of the Fengtien-piao was decreased in 1930, the rate fell to 11,800 in December in that

year chiefly due to the depression in silver. Such a chronic state of monetary confusion proved to be prejudicial to the economic welfare of the Chinese themselves and inimical to the interests of all people trading with China.

Copper Cash

Among native coins, copper cash (Chichien), round in form with a square hole in the center, is the oldest coin of China, and is recorded as existing at the beginning of the Chou Dynasty (B.C. 1122—781). Manchu peoples of the Tribal Kingdoms in the twelfth century used copper cash minted by Chinese during the Sung Dynasty. Since the Manchu Dynasty came into existence this cash bore the characters of the calendar name of each Emperor. Cash first bore two characters—one the Chinese and the other the Manchu. Since the period of Emperor Yung Cheng (1723—36) only two Manchu characters were imprinted on each cash. "Chichien" itself signifies "Official money." Meanwhile Ssuehien, cash made by private guilds or persons, came into existence, besides those brought from China proper, and the old Korean and Japanese cash which were exchanged in the barter trade. In the middle of the nineteenth century, many

varieties of cash circulated in Manchuria. The Peking Government issued an order in 1852 to each province to readjust its cash, but the Mukden and Kirin Governments, not easily finding access to copper ore, minted silver coins and printed silver notes. In 1901, the Kirin Government first started to coin cash on a large scale, establishing four mints to meet the ever-increasing demand. Since the Kirin and Mukden Governments established official mints and began to produce copper coins after the Western fashion, the circulation of this cash has gradually diminished. The closing down of the mints in China proper and later in Manchuria, the exportation of the cash abroad in consequence of the high price of copper, and the inconvenience of cash as money, caused this currency practically to disappear from the towns along the railway except in out-of-the way places. But the new copper coin and the Government note were originally issued on the basis of this cash, and were still calculated in terms of tiao and wen.

Copper Coinage

Copper coins, or Tungyuan, to use the native term, were soon turned out in large quantities by the Government mints of Mukden and Kirin. Amur Province received its supplies of copper coin from the Mukden and Kirin mints. The value of this new coin was measured by the old cash, and has inscribed on it 5 cash, 10 cash, or 20 cash according to size. The coin, being more regularly minted than the old cash, soon became popular. At one time it circulated extensively and constituted an indispensable currency in Manchuria. But it was not long before the greed for mintage profit resulted in its value being debased. The Peking Government in February, 1908 ordered the closing of the provincial mints with a view to putting an end to the evil practice. Subsequently the Mukden and Kirin Governments stopped the further

minting of the copper coin. But the Mukden Government resumed the minting in September, 1908 supplying the whole to Manchuria, particularly after the Republic regime was inaugurated. Up to 1917, the Mukden Government had issued 232,000,000 of these coins. But large quantities were taken home each year by coolies from Shantung in the form of savings, and further, the Tungyuan-piao (note) nominally based on this copper coin and issued by the Amur and Mukden Governments, resulted in reducing the supply of the coins in Manchuria to an extremely small amount.

Silver Coins

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

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

Table 8.
Coins Minted

Denomination	No. of Coins minted at Mukden	No. of Coins minted at Kirin	Total	Value in Yuan or Silver Dollars
1 Yuan	11,709,259	4,734,717	16,443,976	16,443,976
5 Chiao	—	12,719,553	12,719,553	5,781,615
2 Chiao	249,219,912	22,508,562	271,728,473	49,404,995
1 Chiao	1,078,450	935,875	2,032,325	184,847
Total				71,815,433

From the above table it will be seen that 55,000,000 dollars of subsidiary coins had been minted against 16,000,000 dollars of the standard. Indeed, the relationship of standard and

subsidiary coinage originally intended for the different grades of silver coins could hardly be maintained under such circumstances. Having its own quotation in the market, each gradually

became an independent currency. Of these new silver coins, yangchien, one yuan silver, is called tayangchien signifying large yangchien, and the rest of smaller denomination hsiaoyangchien signifying small yangchien. The tayangchien circulated but little in Manchuria owing to the smallness of its issue, having been driven out of circulation by the smaller coins. Those which circulated in Manchuria were mostly the hsiaoyangchien, especially of the 2 chiao denomination; these were used mostly in Antung and Kwantung Leased Territory.

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

Sycee

The sycee is a silver ingot that passes as money by weight. It is often called "Shoe" or "shoe silver," since it is moulded in the shape of a shoe. This silver ingot is said to have come into existence in the latter period of the Sung Dynasty (960-1280). Moulding bar silver or coined silver into sycee is entrusted to a few reputable private concerns, called Loofang. Every shoe bears the firm name of the melter, with the particulars of weight and fineness stamped upon it with a die. The weight and value of sycee vary according to province or locality. Shanghai shoes weigh very closely to 50 taels, while Newchwang shoes weigh on an average 53½ taels. Shoe silver, though rudimentary and inconvenient as money, is an important medium of currency, as it is often used in the settlement of interport trade balances in China. The sycee was once widely used in Manchuria. Transactions of large amount were conducted by means of this silver ingot especially in Newchwang, Antung, Mukden, and Kirin. But the introduction of the so-called "transfer" or "book transfer" in the settlement of mercantile transactions of Newchwang, the financial chaos following in the wake of the civil war after the Revolution of 1911, and the rise in the price of silver as a consequence of the war in Europe, were the chief factors bringing about the gradual diminution of circulation of sycee. Today it has practically disappeared from

all commercial centers in Manchoukuo.

Paper Currency

Paper currency came to hold a preponderant position in Manchuria due to the irregularities that were practised under war-lords for years. In time paper currencies were not only gradually taking the place of the metal moneys, but overwhelming all currencies without the backing of substantial reserves. They flooded the market beyond control. This was particularly true on occasions when military authorities under the dictatorship of Chang Tso-lin and later of Chang Hsueh-liang penetrated within the Great Wall as they frequently did on their military campaigns.

Cash and Copper Notes

Kirin and Amur Provinces first issued Government notes in 1889, the Kuantieh, based on copper cash, with the object of replacing the obnoxious private notes called Tiehtzu. In their earlier days, they were readily converted into cash, and naturally maintained credit. As time went on, however, the financial disorders of these governments made conversion difficult and their value gradually declined. Yet, in the absence of better money, they circulated widely in these two provinces, but at a large discount.

There was another Government note in the Amur Province issued on the modern copper coin, and called Tungyuan-piao, or copper note. The Amur Government, possessing no mint, had this coin supplied by the Mukden and Kirin Governments. But not having a steady supply of the copper coinage, Amur Province started to issue copper notes, nominally based on the coins. The copper note was issued in enormous quantities, also, by the Mukden Government, and the value in circulation was estimated at about 90,000,000 yuan in 1929.

Silver notes are called Yangehien-piao. Notes issued on the Chinese silver dollar are called Tayang-piao and those to be issued on smaller silver coins Hsiaoyang-piao.

Silver Notes

The hsiaoyang-piao was not necessarily limited to the smaller denomination. For example, the 5 yuan (dollar) note, if the issue bank promises to pay bearer fifty ten-cent pieces, is called the hsiaoyang-piao, or smaller silver coin note. From the outset, tayang-piao based on the silver dollar could not be easily issued as there was not an adequate amount of silver dollar coins or other reserves. Government Banks and

authorized banks in Manchuria issued more smaller silver coin notes, called Hsaiyang-piao. This currency was originally a note convertible into small silver coins. But the wanton issue of the note by these banks in Mukden, especially by the (Government) Bank of the Three Eastern Provinces, Mukden, made their conversion into specie or coin impossible. The disorder resulted in financial disturbances in Manchuria, the interest of the Japanese communities being also seriously affected. To remedy this financial chaos, six great banks in Manchuria made an agreement which came into force in August, 1917. By this agreement, the tayang-chien, or Chinese silver dollar, was to be stopped, and those in circulation were to be changed for the new tayang-chien, with the exception of the small notes under 10 chiao; and the exchange ratio of hsiaoyang to tayang was to be 10 to 12. The issue banks enjoyed such little public credit that as soon as the new notes were on the market not only were the old hsiaoyang notes presented for exchange into tayang notes, but the new tayang note itself was presented for conversion into cash. The result was that the tayang note became as inconvertible as the hsiaoyang note.

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

The Mukden note was first issued in December, 1917, by the Bank of the Three Eastern Provinces, by order of the Mukden Government.

Mukden Note

The privilege was extended to the Bank of China and the Bank of Communications in 1919, each to the extent of 50,000,000 dollars, and later to the Frontier Territorial Bank. The use of this note being compulsory, it circulated extensively. It became the common practice of the provincial governments to relieve their financial embarrassments simply by the issue of new notes through these official banks, little trouble being taken about the reserves to cover the issues. In the year 1922, when civil war broke out between the Peking and Mukden factions, the issue of these Mukden notes increased to 30,000,000 dollars. During the civil war between the North and South (1926-28), there were further issues, the total being estimated at from 800,000,000 to 1,300,000,000 dollars at the end

of 1928. During the warfare that resulted from the Sino-Soviet dispute in 1929, the total issue of Mukden notes was estimated at over 3,000,000,000 dollars in November of that year. The notes were bank notes not backed by security, but dependent upon the credit of the military authorities at Mukden. Their value steadily declined since 1918. It dropped to 167 dollars against 100 silver dollars in 1922; 600 in 1926; 1,390 in 1928, 6,000 in 1929 and 11,800 in 1930 (which means that the market value of the Mukden ten dollar note is less than ten cents in silver). This phenomenon brought disaster upon the Manchurian farmer. Owing to the complaints of the general public against the ever-falling value of the Fengtienpiao, these leading banks, May 17, 1929, set up a "joint treasury reserve" of silver, as the reserve for a convertible note issue. But this measure did little toward remedying the situation of Fengtienpiao.

Foreign Currency

Mexican and Hongkong dollars circulated at Newchwang, as in Shanghai and Tientsin, after its opening to foreign trade in 1860. When the construction work of the Chinese Eastern Railway was commenced in 1879, Russian gold roubles circulated in the railway zone in Manchuria. In the same year, the Russo-Asiatic Bank established branch offices at Newchwang and Harbin, which financed the huge transactions in railway materials.

The Russian rouble note was once the most commonly used foreign currency in Manchuria. It circulated all over the three provinces, as freely in Newchwang, Port Arthur, Dairen, and Mukden, as in Harbin and the northern areas. During the Russo-Japanese war (1904-5), both belligerents issued enormous amounts of military notes. The Japanese military notes alone at one time went up to 150,000,000 yen, and the Russian issue was probably greater. But after the Russo-Japanese war, the sphere of circulation of the Russian roubles was limited to the North. Prior to the Great War in Europe, the total amount of Russian currency circulating in Manchuria was estimated at over sixty million roubles. After the outbreak of war in 1914, the ever-increasing issue of paper regardless of specie reserve caused the rouble note to become inconvertible, and the situation was aggravated by the outbreak of the revolution in 1917 in European Russia, which was followed by political chaos in the Chinese Eastern Railway Zone. After the establishment in 1922 of the State Bank of Soviet Russia with the

issue of a new gold rouble note named the "chervonetz", a branch of the Dalbank established in 1922 in Harbin tried to restore Russian credit in the C.E.R. zone. Subsequently, however, Russian influence being overshadowed by the vigorous policy of Chang Tso-lin, Chinese paper currency, and to a certain extent Japanese currency, penetrated the Railway Zone of the C.E.R.: the chervonetz fell off, and its circulation was limited to the Russian community in Harbin.

Japanese Currency

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

This bank-note is of four denominations, of 1, 5, 10, and 100 yen, all payable in Japanese silver yen, and called by the Chinese yin-piao (silver note), or chaopiao. The note must be issued only by the branch office of the Bank in Dairen, and is payable only at this branch. The note-issue progressed favorably for the first several years, and amounted to over 7,000,000 yen at the end of the year 1911. But the fluctuation in the price of silver was so acute that the Kwantung Government had to adopt in 1908 the unit of the gold yen in the valuation of its revenue and the South Manchuria Railway in payment of wages, especially for the Japanese employees. In the meantime, the Japanese population gradually increased in the Leased Territory of the Kwantung Peninsula and in the Railway Zone, where the Japanese gold notes issued by the Bank of Japan and the auxiliary currency naturally circulated. In 1913, the Yokohama Special Bank was finally authorized by an Imperial Ordinance to issue notes on gold coins or notes of the Bank of Japan. For this reason the circulation of the Yokohama Specie Bank silver notes steadily declined, until at the close of the year 1915 the amount of those in circulation was but 2,257,000 yen. The gold note issue of this bank

was continued until 1917, when this privilege was transferred exclusively to the Bank of Chosen. By discontinuing the issue of gold notes, the note issue on silver by this Bank did not increase. On the contrary, the note based on silver became more and more difficult owing to the rise in price of silver. Moreover, the Japanese and other foreign dealers in Manchurian beans preferring the gold unit in their transactions, the Produce Exchange of Dairen adopted the gold unit account in 1921. This movement also affected the silver notes issued by the bank, which fell off to 1,037,000 at the end of 1922. Meanwhile the acute fluctuation in the price of silver stopped, and the Produce Exchange of Dairen readopted (in 1923) the silver unit for account settlements.

The Currency Law

Ordinance No. 25

Promulgated June 11, First year of Tatung (1933)

Article I.—The right of minting and issuing currency shall belong to the Government and, the Central Bank of Manchou shall execute the same for the Government.

Article II.—Twenty-three point ninety-one (23.91) grammes of pure silver in weight shall be the unit of monetary value to be called a "Yuan."

Article III.—The computation of the currency shall be according to the decimal system; one-tenth of a "Yuan" shall be designated "Chiao", one-hundredth of a "Yuan" "Fen", and one-thousandth of a "Yuan" "Li."

Article IV.—The currency shall consist of the following nine denominations:

Paper money:—

One Hundred (100) Yuan, Ten (10) Yuan, Five (5) Yuan, One (1) Yuan, Five (5) Chiao;

Nickel coins:—

One (1) Chiao, Five (5) Fen;

Copper coins:—

One (1) Fen, Five (5) Li.

Article V.—The paper money shall be Legal Tender for any amount. The coins shall be Legal Tender up to the sum equivalent to one hundred (100) times the face value.

Article VI.—The fineness and weights of the coins shall be as follows:—

(1) Nickel coins of One Chiao—

8 grammes in weight (Nickel, 25%; Copper, 75%)

(2) Nickel coins of Five Fen—

- 2 grammes in weight (Nickel, 25%;
Copper, 75%)
- (3) Copper coins of One Fen—
3.5 grammes in weight (Copper, 95%;
Tin, 4%; Zinc, 1%)
- (4) Copper coins of Five Li—
2.5 grammes in weight (Copper, 95%;
Tin, 4%; Zinc, 1%)

Article VII.—Matters relating to the designs, minting, and issuing of currency, as well as those concerning the exchange of damaged currency and destruction of currency shall be made public by Ordinance.

Article VIII.—Coins or notes which are exceedingly soiled, defaced, or damaged shall be exchanged at their face value by the Central Bank of Manchou without any charge of fees.

Article IX.—Any coin whose design cannot be recognized, or which bears privately stamped marks or which is found to be otherwise intentionally damaged shall possess no validity as money.

Article X.—The Central Bank of Manchou shall possess as reserve a sum equivalent to thirty (30) per cent. or more of the total amount of notes issued in gold and silver bullions, reliable foreign currencies and deposits with foreign banks in gold and silver accounts.

Article XI.—The Bank's reserve for the balances after deducting the aforementioned reserve from the total note issue shall be possessed in bonds, notes issued or certified by the Government, or gilt-edged securities or commercial papers.

Article XII.—The Central Bank of Manchou shall prepare and submit reports to the Government on daily statements regarding the increase and decrease of the amount of notes and coins issued and of the reserve, and a weekly average balance-sheet of notes and coins issued and of the reserve. The weekly average balance-sheet

shall be made public.

Article XIII.—The Government shall cause the Supervisor of the Central Bank of Manchou to superintend especially the minting and issuing of currency. The Supervisor may examine at any time the amount of currency issued and un-issued and also the Bank's books.

Article XIV.—Coins and notes hitherto in circulation shall be regulated by the provisions contained in the Regulation governing the Adjustment of the Old Currency.

Supplementary

The present Law shall come into force on the day of its promulgation.

The Regulation Governing the Adjustment of the Old Currency

Ordinance No. 38

Promulgated June 27, First Year of Tatung

Article I.—Coins and notes which have hitherto been in circulation shall from now on be prohibited from further circulation with the exception of those which shall be designated by the present Regulation.

Article II.—With the enforcement of the present Regulation, the following listed Notes, which have been in circulation heretofore, shall be treated equally with the notes to be issued anew, at fixed exchange rates, for the period of two years only but shall be considered invalid after the expiration of the period herein designated.

1. Convertible Notes issued by the Bank of the Three Eastern Provinces (exclusive of the Tientsin Notes).
2. Convertible Notes issued by the Frontier Bank (Tientsin Notes excluded).
3. Convertible Notes issued by the Four Joint Reserve Banking Corporation of Liaoning.

CHAPTER XIII

BANKING

The Central Bank of Manchou is the sole bank of issue in the country and is authorized to handle exclusively the funds of the National Treasury. It controls the currency and regulates its circulation, and conducts the ordinary business of a commercial bank. The Central Bank is capitalized at MY30,000,000 and came into being as a result of the amalgamation of the four old note issuing banks of Manchuria, namely, the Bank of the Three Eastern Provinces, the Bank of Kirin Province, the Bank of Heilungkiang Province and the Frontier Bank. Its branches number 125, including agencies throughout the country.

In the formation of the Central Bank of Manchou three important objectives were laid out:—

- (1) To unify and stabilize the currency;
- (2) To function not only as a central banking institute for Manchoukuo, but also to engage in general banking business and give necessary aid to enterprises; and
- (3) To effect the unity and control of the monetary system, to perfect the various financial organs, and to assist in the development of the credit system.

As a result of the merger of the aforementioned four banks with the Central Bank of Manchou, the notes issued by the old banks were taken over by the new institution together with all assets and liabilities. In order to ascertain the assets of the old banks, a special committee was appointed and any deficit found in consequence of such an enquiry is to be compensated for by the Manchoukuo Government.

The union of the old banks with the new necessitated the taking over of the following number of offices and their employees by the latter:

Table 1.

No. of bank offices	128
No. of their employees	1,940
No. of subsidiary firms	132
No. of their employees	3,539

The subsidiary firms mentioned in the foregoing had been dealing chiefly in Manchurian staple products, besides engaging in other commercial, industrial, lumbering and mining enterprises. In accordance with the stipulations

contained in the Law of the Central Bank of Manchou, a corporation named the Tahsing Co. was established at Hsinking in the spring of 1933 to deal in pawning business, brewing, oil-refining and sundry goods besides popular financing. However, such commercial and industrial enterprises as lumbering, flouring, paper-manufacturing, mining and cereal transactions, which had heretofore been undertaken by the Industrial Bureau of the Bank, are placed in the hands of the general merchants. The new firm, which was capitalized at 6,000,000 yuan, has decided to establish its branch offices at Mukden, Kirin, Harbin and Tsitsihar.

Business of the Central Bank

1. To discount or purchase Government bills and cheques, and mercantile bills.
 2. To make loans on the security of gold or silver bullion, or of foreign money.
 3. To buy and sell gold and silver bullion, and foreign money.
 4. To receive money on deposit, and to make overdraft.
 5. To take charge of gold and silver bullion, foreign money, precious articles, bills and bonds, etc.
 6. To make loans on the security of Government bills, or other bills or bonds guaranteed by the Government.
 7. To make loans generally on safe security.
 8. To collect money on bills for banks and firms having account with the Bank.
 9. To draw cheques and documentary bills.
- Besides the above, the Bank is authorized to purchase national bonds, provincial bills and bonds, and also valuable papers specified by the Government.

The Central Bank of Manchou is legally a joint stock company of the government and the public, but hereto investments have been made only by the government. The capital of 30,000,000 yuan which consists of 300,000 shares of 100 yuan each, may be increased by resolution of shareholders with the sanction of the government. In 1934 the government had subscribed 15,000,000 yuan, or one-half of the authorized

References: 1—Manchoukuo Nienpao (Official Annual Report of Manchoukuo), 1934. Table 2—Research of Central Bank of Manchou. Tables 3, 4, 5—Keizai Kinyu Gaikyo (Economic & Financial Summary, a monthly report published by the Central Bank of Manchou. Table 6—Manchoukuo Nienpao (Official Annual Report of Manchoukuo), 1934. Tables 7, 8—Research of S.M.R.

capital, this being the extent to which the government may subscribe in accordance with the law of the Central Bank of Manchou. The other half was left for later subscription. The first payment on shares by the government to the extent of 7,000,000 yuan, being equivalent to one-half of the face value of shares to which

it has subscribed, was made in compliance with the stipulations of the law.

The supervisory staff of the Central Bank of Manchou consists of a Governor, a Vice-Governor, five or more Directors and three or more Auditors

Table 2

BALANCE STATEMENT
of
THE CENTRAL BANK OF MANCHOU

As at the Close of Business

I. Assets

	June 30, 1934	Dec. 31, 1934	June 30, 1935
Capital Unpaid	MY 15,000,000.00	MY 15,000,000.00	MY 15,000,000.00
Advances to the Government	19,100,000.00	24,600,000.00	33,746,452.46
Time Loans	19,873,521.71	23,343,903.11	12,525,194.07
Time Loans on Mortgage	32,651,139.61	46,039,784.95	40,529,372.71
Overdrafts	28,656,577.81	60,965,209.23	46,639,299.75
Bills Discounted, etc.	926,430.70	2,298,412.87	4,389,308.24
Loans Outstanding	8,796,821.09	7,845,609.28	8,652,947.65
Deposits with other Banks .	60,546,691.96	50,439,837.05	41,359,429.85
Liabilities of Customers against Acceptance and Guarantee	576,576.90	504,039.90	280,779.51
Suspenses (Short-term Advances)	14,915,015.78	11,896,427.35	10,719,361.33
Various Securities	57,289,364.49	58,973,071.95	58,653,838.30
Bullions	37,080,687.61	38,538,535.76	40,490,064.82
Bank Properties	19,223,063.71	21,312,495.76	18,590,039.50
Cash on hand	7,902,696.63	7,566,166.44	10,432,923.38
Total	MY 322,538,568.00	MY 369,323,493.65	MY 342,009,011.57

II. Liabilities

Capital Subscribed	MY 30,000,000.00	MY 30,000,000.00	MY 30,000,000.60
Legal Reserve	525,000.00	777,000.00	1,050,000.00
Notes Issued	100,540,956.43	168,332,756.45	113,692,412.75
Government Deposits	54,867,174.48	51,210,365.04	73,476,568.53
Fixed Deposits	6,718,183.97	7,886,991.02	7,279,434.39
Current Deposits	28,126,952.53	22,430,640.57	24,875,025.87
Special Current Deposits ...	3,954,612.88	5,480,372.88	6,449,253.79
Deposits at Notice	31,764,015.08	11,402,062.76	19,823,113.45
Bills Issued	96,223.49	—	—
Other Deposits	1,651,687.24	2,960,425.92	5,393,361.72
Loans from Other Banks ...	18,430,700.88	20,753,810.46	17,389,838.25
Bills Payable	2,088,405.58	2,011,180.97	1,416,881.41
Acceptance and Guarantee ..	576,576.90	504,039.90	280,779.51
Suspenses (Short-term Deposits)	42,230,849.33	44,520,000.13	39,604,045.84
		230,229.21	295,847.55

	June 30 1934	Dec. 31 1934	June 30 1935
Balance Carried Over	160,087.46	823,618.34	932,448.33
Net Profit for the Half Year	807,141.75	MY 369,323,493.65	MY 342,009,011.57
Total	MY 322,538,568.00		

Profit and Loss Account

Total Gross Profit for the Period	MY 6,521,237.71	MY 6,445,147.09	MY 8,554,211.86
Total Gross Loss for the Period	5,714,095.96	5,621,528.75	7,621,763.53
Net Profit for the Period .	807,141.75	823,618.34	932,448.33
Balance Carried Over	160,087.46	230,229.21	295,847.55
Total	MY 967,229.21	MY 1,053,847.55	MY 1,228,295.88

Allocation of Profits

Reserve against Loss and Contingencies	MY 65,000.00	MY 68,000.00	MY 100,000.00
Reserve for Dividend	17,000.00	25,000.00	30,000.00
Special Reserve	170,000.00	180,000.00	200,000.00
Bonus for Executives	35,000.00	35,000.00	35,000.00
Dividend for Shareholders (6% per annum)	450,000.00	450,000.00	450,000.00
Balance Carried forward .	230,229.21	295,847.55	413,295.88

Native Banks

There were in 1934 seven prominent native banks in Manchoukuo, including the Central Bank. The larger banks in Manchoukuo are located chiefly in Hsinking and Mukden. A table of Manchoukuo banks in the country in 1935 is given below:

Table 3
Principal Native Banks in Manchoukuo (1935)

	Head office	No. of Branches	Established	Capital	
				Normal	Paid up
Central Bank of Manchou	Hsinking	138	1932	(MY) 30,000,000	15,000,000
Ifa Bank	Hsinking	—	1934	1,000,000	500,000
Huihua Bank	Hsinking	—	1934	250,000	250,000
Mukden Commercial Bank	Mukden	—	1934	1,000,000	1,000,000
Mukden Commercial & Industrial Bank	Mukden	—	1934	2,200,000	2,200,000
Itung Commercial Bank	Hsinking	—	1934	1,000,000	500,000
Eastern Frontier Commercial Bank	Antung	—	1929	1,500,000	1,500,000
Shihhokung Bank	Mukden	—	1934	500,000	250,000
Yingkow Commercial Bank ...	Yingkow	—	1933	1,000,000	1,000,000
Kungchengyu Bank	Kirin	—	1934	500,000	500,000
Far Eastern Bank	Harbin	—	1924	500,000	500,000

Table 4

Assets and Liabilities of Native Ordinary Banks and Chinese Banks in Manchoukuo
(as on 31st June, 1935) Unit: MY

	Fengtien Province	Kirin Province	Chinchow Province	Antung Province	Sankiang Province
No. of Bank	18	2	13	7	1
Capital Unpaid	850,000	—	—	—	—
Loans	13,535,014	1,271,309	482,005	3,041,807	116,756
Deposits with Other Bank ...	573,943	252,345	146,932	160,111	—
Futures Bought	205,893	768,078	—	—	—
Various Securities	151,684	10,828	—	179,608	—
Bullions	—	17,304	257	2,128	—
Bank Properties	4,210,650	123,626	14,633	508,761	2,145
Cash on Hand	488,517	114,983	82,233	170,126	559
Others	524,281	105,530	120,869	111,935	38,092

BANKING

(Continued)	Fengt'en Province	Kirin Province	Chinchow Province	Antung Province	Sankiang Province
Total	20,539,982	2,668,913	846,929	4,174,476	157,552
Capital Subscribed	6,245,000	520,000	83,600	2,105,000	24,000
Reserves	587,886	71,567	46,732	851,478	13,500
Deposits	2,912,620	722,493	415,874	783,498	5,101
Loans from Other Banks	9,574,457	13,982	27,978	235,713	—
Money Orders	312,080	8,135	155,732	34,007	41,690
Futures Sold	207,499	780,205	—	—	—
Others	700,440	547,531	117,013	164,785	73,261
Total	20,539,982	2,668,913	846,929	4,174,476	157,552

	Hsingan Province	Hsinking	Harbin	Total	Chinese Banks	Grand Total
No. of Banks	4	4	13	62	4	66
Capital Unpaid	110,000	1,000,000	50,000	2,010,000	—	2,010,000
Loans	358,126	5,979,524	9,015,941	33,800,482	20,709,688	64,510,170
Deposits with Other Banks	81,954	422,977	8,078,406	9,667,068	5,812,418	15,479,486
Futures Bought	1,377,082	3,889,805	4,982,913	11,223,770	14,317,906	25,541,676
Various Securities	—	48,406	63,892	454,418	5,293,122	5,747,540
Bullions	4,432	32,257	—	56,378	3,372	59,750
Bank Properties	20,396	146,063	537,171	5,563,445	8,383,008	13,946,453
Cash on Hand	79,005	106,465	584,621	1,626,419	1,549,169	3,175,588
Others	143,438	2,329,659	866,156	4,238,960	17,774,733	22,013,893
Total	2,104,443	13,874,156	24,179,449	68,640,940	73,843,616	142,484,556
Capital Subscribed	310,000	2,270,000	1,850,000	13,407,600	—	13,407,600
Reserves	7,864	300,274	3,587,667	5,476,963	—	5,476,963
Deposits	256,792	4,191,216	8,563,050	17,850,644	43,899,991	61,750,635
Loans from Other Banks	13,439	1,206,945	3,494,148	14,566,662	258,430	14,825,092
Money Orders	66,284	1,602,721	664,519	2,884,168	817,269	3,701,437
Futures Sold	1,342,631	3,928,658	4,852,816	11,111,809	14,422,049	25,533,858
Others	107,423	474,343	1,158,299	3,343,094	14,445,877	17,788,971
Total	2,104,443	13,874,156	24,179,449	68,640,940	73,843,616	142,484,556

FOREIGN BANKS

Foreign banking institutions, representing chiefly the countries of Japan and China with a sprinkling of American and European banks, play an important part in Manchoukuo's commercial transactions. Among such foreign banks those of Japanese capitalization have been most active in the last few years due greatly to

the increasing volume of business between the two countries. There were in 1935 10 prominent Japanese banks, five Chinese, and ten European and American banks in Manchoukuo.

A table of leading foreign banks located in Manchoukuo, together with their capitalization, reserves, etc. is given below:

Table 5
Principal Japanese Banks in Manchoukuo (1935)

	Head Office	Branches in Manchoukuo	Est.	Capital		Reserves (¥)
				Normal (¥)	Paid-up (¥)	
Yokohama Specie Bank	Yokohama	6	1180	100,000,000	100,000,000	122,750,000
Bank of Chosen	Keijo	13	1909	40,000,000	15,000,000	6,501,027
Shoryu Bank	Dairen	12	1908	12,000,000	5,624,375	621,832
Manshu Bank	"	18	1923	10,000,000	2,906,623	851,000
Nikka Bank	Tiehling	—	1919	500,000	500,000	56,818
Hsinking Bank	Hsinking	—	1917	1,000,000	400,000	165,100
Antung Commercial Bank	Antung	—	1919	500,000	125,000	135,069
Kyosei Bank	"	—	1920	1,000,000	250,000	117,264
Manshu Shokusan Bank	Mukden	—	—	500,000	500,000	8,700
Kirin Bank	Kirin	—	1920	300,000	75,000	51,000

Branch Office:

Shoryu Bank—Yingkow, Mukden, Port Arthur, Hsinking, Fushun, Kaiyuan, Ssuping kai, Harbin, Antung, Anshan, Kungchuling, Sian.

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Manshu Bank—Chinchow, Pitzuwo, Pulantien, Anshan, Mukden, Hsiasikuan, Fushun, Penhsihu, Antung, Hinglungkai, Kunchuling, Fanchiatun, Hsinking, Kirin, Harbin, Kaiyuan, Haicheng, Shanchengchen.
Yokohama Specie Bank—Dairen, Yingkow, Mukden, Hsinking, Harbin, Kaiyuan.
Bank of Chosen—Dairen, Mukden, Hsinking, Kaiyuan, Yingkow, Ryojun, Liaoyang, Antung, Tiehling, Harbin, Fuchiatien, Ssuping kai, Lungchingtsun.

Table 6
European and American Banks in Manchoukuo (1935)

	Head office	Estab-lished	Capital			Branches in Manchoukuo
			Normal	Paid-up	Reserves	
Hongkong & Shanghai Banking Corporation	Hongkong	1865	\$ 50,000,000	20,000,000	128,357,143	Dairen, Mukden
National City Bank of New York	New York	1812	G\$124,000,000	124,000,000	36,046,503	Dairen, Harbin,
Chartered Bank of India, Australia and China	London	1853	£ 3,000,000	3,000,000	4,000,000	Harbin, Dairen
Banque Franco-Chinois, S. A.	Paris	1915	Frs. 200,000	200,000	—	Mukden
Banque Franco-Asiatique, S. A.	Paris	1929	Frs. 2,000,000	2,000,000	—	Harbin, Hsinking, Antung, Mukden

Table 7
Principal Chinese Banks in Manchoukuo (1935)

	Head Office	Branches in Manchoukuo	Estab-lished	Capital	
				Normal	Paid-up
Bank of China	Mukden	12	1905	(M¥) 25,000,000	24,712,200
Bank of Communications	Harbin	7	1907	10,000,000	8,715,600
Chincheng Bank	"	—	1917	10,000,000	7,000,000
Tachung Bank	"	1	1929	4,000,000	2,600,000

The business returns of Japanese banks located in Manchoukuo show a steadily growing volume of business in recent months. The following table gives light to the situation in 1932, 1933 and the first few months of 1934.

Table 8
Business Returns of Japanese Banks in Manchoukuo

(in Gold Yen, Silver Yen and the Manchoukuo Yuan)

1933		Deposits	Loans	Cash on hand at the end of month	June	
					Gold	Silver
January	Gold	229,804,477	198,846,998	5,234,172	251,318,411	181,877,623
	Silver	49,201,365	18,158,162	6,840,713	26,803,049	8,234,889
February	Gold	226,965,278	200,656,948	5,174,445	250,465,708	175,551,728
	Silver	42,232,811	15,366,988	6,777,277	22,833,016	7,787,413
March	Gold	231,921,576	189,849,695	4,793,645	248,804,198	179,897,138
	Silver	33,827,768	14,068,186	7,464,343	18,890,662	5,365,820
April	Gold	235,913,702	190,000,520	5,160,236	242,183,929	179,165,021
	Silver	24,345,064	10,040,774	5,729,131	21,319,400	5,112,699
May	Gold	241,460,962	185,560,807	5,661,252	247,433,736	184,381,124
	Silver	25,869,461	8,681,478	6,069,992	26,545,423	6,902,968
June	Gold	245,409,359	190,829,549	10,672,046	251,318,411	181,877,623
	Silver	24,557,439	7,137,512	6,326,621	26,803,049	8,234,889
July	Gold	219,496,828	191,085,760	6,313,142	250,465,708	175,551,728
	Silver	24,057,374	7,651,861	5,966,687	22,833,016	7,787,413
August	Gold	228,162,139	191,928,642	7,058,410	248,804,198	179,897,138
	Silver	28,550,823	9,439,888	6,258,124	18,890,662	5,365,820
September	Gold	228,162,139	191,928,642	7,058,410	242,183,929	179,165,021
	Silver	24,345,064	10,040,774	5,729,131	21,319,400	5,112,699
October	Gold	220,624,167	196,655,113	5,209,379	247,433,736	184,381,124
	Silver	29,619,190	12,383,194	5,757,564	26,545,423	6,902,968
November	Gold	220,624,167	196,655,113	5,209,379	245,409,359	190,829,549
	Silver	29,619,190	12,383,194	5,757,564	24,557,439	7,137,512
December	Gold	220,624,167	196,655,113	5,209,379	219,496,828	191,085,760
	Silver	29,619,190	12,383,194	5,757,564	24,057,374	7,651,861
1934	Gold	220,624,167	196,655,113	5,209,379	248,804,198	179,897,138
	Silver	29,619,190	12,383,194	5,757,564	18,890,662	5,365,820
January	Gold	220,624,167	196,655,113	5,209,379	242,183,929	179,165,021
	Silver	29,619,190	12,383,194	5,757,564	21,319,400	5,112,699
February	Gold	220,624,167	196,655,113	5,209,379	247,433,736	184,381,124
	Silver	29,619,190	12,383,194	5,757,564	26,545,423	6,902,968

March			
Gold	253,670,176	204,847,427	7,529,347
Silver	34,060,338	11,427,181	6,839,839
M.Y.	10,422,000	11,794,000	716,000
April			
Gold	263,524,299	211,171,229	7,444,823
Silver	36,673,212	9,667,270	6,767,186
M.Y.	13,667,000	11,702,000	663,000
May			
Gold	283,441,000	206,689,000	7,277,000
Silver	32,821,000	10,449,000	6,719,000
M.Y.	13,129,000	13,411,000	616,000
June			
Gold	261,322,000	197,774,000	9,035,000
Silver	24,958,000	3,384,000	6,177,000
M.Y.	16,925,000	13,168,000	549,000
July			
Gold	255,382,000	198,004,000	9,283,000
Silver	23,254,000	5,563,000	7,308,000
M.Y.	17,356,000	13,211,000	367,000
August			
Gold	286,660,000	206,916,000	8,715,000
Silver	17,673,000	6,049,000	6,142,000
M.Y.	20,503,000	14,346,000	430,000
September			
Gold	265,060,000	210,794,000	9,248,000
Silver	17,037,000	6,378,000	5,845,000
M.Y.	23,485,000	16,489,000	569,000
October			
Gold	271,441,000	224,604,000	9,771,000
Silver	19,612,000	8,244,000	6,370,000
M.Y.	24,154,000	21,858,000	489,000
November			
Gold	267,272,000	238,880,000	11,842,000
Silver	24,802,000	10,515,000	6,012,000
M.Y.	18,000,000	29,957,000	662,000
December			
Gold	255,220,000	263,796,000	12,574,000
Silver	26,631,000	14,701,000	6,269,000
M.Y.	17,552,000	39,093,000	947,000
1935			
January			
Gold	255,536,000	246,370,000	9,861,000
Silver	19,616,000	14,790,000	6,062,000
M.Y.	17,210,000	44,216,000	688,000
February			
Gold	256,564,000	246,370,000	9,954,000
Silver	14,657,000	11,983,000	6,279,000
M.Y.	17,067,000	43,618,000	487,000
March			
Gold	263,797,000	232,572,000	8,976,000
Silver	12,856,000	13,555,000	5,743,000
M.Y.	14,852,000	43,417,000	754,000
April			
Gold	257,373,000	239,242,000	9,161,000
Silver	9,522,000	11,754,000	5,560,000
M.Y.	14,244,000	40,632,000	689,000
May			
Gold	249,111,000	241,401,000	9,575,000
Silver	8,473,000	10,845,000	5,485,000
M.Y.	15,826,000	34,355,000	491,000

HISTORY

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

shops: Piao Chuang, Chien Chuang, Yinlu, and Chienpu, as well as Tangpu or pawnshops.

These exchange shops, though principally conducting local business by exchanging the different currencies, often received deposits and made loans. The Yinlu originally participated in minting coins, and later limited their activities to a sort of ordinary banking exchange business, granting loans, and receiving deposits. The Piao Chuang at one time extensively engaged in the exchange of bills and notes especially among the Shanghai people, but in 1931 this was practically done away with. The Tangpu is the pawnshop, which is an important monetary organ, especially for the coolie class. There is another shop called Liangchan, conducting warehousing and brokerage business in grains; these shops also rendered financial service to farmers.

Japanese banking institutions in Manchoukuo first appeared in January, 1900 when the Yokohama Specie Bank opened a branch at Newchwang. In 1902 the Tientsin branch of the Bank started to issue bank notes, and later the Newchwang branch also commenced to issue notes. The opening of the Russo-Japanese War suddenly stimulated the activity of the Bank of those districts.

By the Imperial Ordinance No. 247 issued in September, 1906 the Yokohama Specie Bank was recognized as the note issuing bank in Manchuria, and at the same time the branches of the Bank in Manchuria came to handle the business of the Japanese Government Treasury. In 1907, with the unparalleled fall of the world silver price, the rate of exchange between the Hsiao-piao and gold notes became extremely unstable. Because of this situation the Government of Kwantung Leased Territory decided to use the gold notes as the standard for its revenue in order to stabilize its financial condition. The South Manchuria Railway Company also adopted the same system, which was adopted by other private Japanese business organizations as well. Thus the two systems of silver and gold came to be adopted for business.

When the Yokohama Specie Bank obtained the privilege of issuing silver notes in Manchuria, the bank hoped to become able to unify the currencies in that country. But as the economic activities of Japanese in Manchuria suddenly developed, the demand for gold capital steadily increased. Thus the Yokohama Specie Bank was obliged to adopt a new policy. By the Imperial Ordinance issued in July, 1913, the bank was permitted to issue notes convertible to gold coins or to Bank of Japan notes, besides silver

notes which it had been formerly issuing. In October, 1913, the Bank made its first issue of gold notes.

Due to the development of economic conditions of Manchuria, the Japanese Government recognized the need of the special banking institutions for the benefit of Japanese businessmen and also for the development of Manchuria, and in November, 1917, they transferred the privilege of issuing gold notes and of handling the affairs of the Japanese Government Treasury from the Yokohama Specie Bank to the Bank of Chosen. Furthermore, the Government made compulsory the circulation of the Bank of Chosen gold notes. Also the Government commissioned the Oriental Development Company which entered the field of Manchuria to undertake the task of providing funds required for real estate deals. Thus the Yokohama Specie Bank was obliged to return to its original field of an exchange bank.

In this way, the Yokohama Specie Bank, the Bank of Chosen, and the Oriental Development Company came to be the three main Japanese banking organizations in Manchuria, in their respectfully designated fields.

The Japanese banking policy in Manchuria started with the silver standard, and then a system of permitting the use of the gold standard along with the silver standard was adopted, in order to gradually unify the currency by the gold standard.

Chinese Banks

As provincial government institutions, there were four banks in Manchuria in 1931. The Three Eastern Provincial Government Bank was established in 1909 by amalgamation with the original Mukden Government Bank which was created in 1905. This bank absorbed in 1924 the Mukden Industrial Bank and increased its capital to 20,000,000 Mukden dollars. The bank had branches in the principal towns along the South Manchuria Railway, the Chinese Eastern Railway, and Chinese railways in Manchuria. The bank acted as a central bank for Mukden Province and was authorized to issue the famous Mukden note and Harbin note, the issue of which reached enormous amounts in 1931. Beside issuing notes and doing an ordinary banking business, including exchange, the bank conducted the purchase of Manchurian beans, and manufactured fibres, flour, bean-oil, etc. The Frontier Bank was originally established at Tientsin in 1924 by Chang Tso-lin, but was transferred to Mukden in 1928, when Chang retreated from

Peking and Tientsin. Its authorized capital was 20,000,000 Mukden dollars, and the principal shareholder was Marshall Chang Hsueh-liang. The bank not only acted as the treasury of the Mukden Government, but issued Mukden and Harbin notes together with the Three Eastern Provincial Bank. This bank also engaged in the ordinary banking business and dealt in Manchurian beans. Generally speaking, the bank acted as a Government bank side by side with the Three Eastern Provincial Government Bank.

The Kirin Yungheng Government Bank was established at Kirin in 1909 with authorized capital of 10,000,000 Chinese dollars, it being an amalgamation of the Minting Bureau and Note Issue Bureau of Kirin Province. Being the central bank of Kirin Province, there were formerly two banks: Kuanghsin Kungssu, established in 1904 with a capital of 512,000 taels, and the Amur Government Bank, established in 1908 with the capital of 300,000 taels. These banks were amalgamated in 1919 under the name of the Amur Province Kuanghsin Kungssu with increased capital amounting to 1,000,000 taels. The notes issued by this bank reached 10,000,000 Chinese dollars at the end of 1929.

The Bank of China and the Bank of Communications established branches in Manchuria, and had issued notes under authority in Manchuria to a limited extent since 1907. In addition to the above mentioned, more than twenty banks were established in Manchuria and Inner Mongolia during the period 1914-29, and still others were contemplated. Most of the Chinese banks in Manchuria, acting as the agents of the military authorities of the Chang family, and issuing notes indiscriminately, were in a bankrupt condition at the time of the Manchurian Incident.

Other Foreign Banks

The Russo-Chinese Bank, established in St. Petersburg in December, 1895, with an initial of 6,000,000 gold roubles derived from French sources, was possibly the first banking institution in Manchuria, especially financing the construction of the Chinese Eastern Railway and other Russian activities in Manchuria. To the capital of the Bank the Chinese Government was said nominally to have contributed 5,000,000 Kuping taels, in order to participate in the profits of the enterprise. The name of the bank was changed in 1910 to "Russo-Asiatic Bank." At one time, it conducted an extensive business, especially in North Manchuria. As a result of the Bolshevik revolution, however, there was

much negotiation between China, France and Russia regarding the nationality of the bank, and France finally took it over, in 1920, when it was reorganized in Paris. But after the Revolution its activities were much reduced, and the bank to-day exists only in name.

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

The Hongkong & Shanghai Banking Corporation, of British registry, gradually penetrated the financial field in Manchuria as the business of the Russo-Asiatic Bank declined. The British bank, with its established credit, is playing an important part in the foreign exchange business

in Manchuria. It has branches at Dairen, Harbin and Mukden. The Chartered Bank of India, Australia & China, of London, opened branches in Dairen and Harbin in 1928.

The National City Bank of New York has opened branches at Dairen, Harbin and Mukden.

Table 9
P.O. Money Orders Issued and Paid (1934)

	Issued		Paid	
	No. of Cases	Amount (M¥)	No. of Cases	Amount (M¥)
Jan. ..	36,156	1,004,484.54	26,395	761,155.49
Feb. ..	26,112	816,887.71	23,797	746,131.65
Mar. ..	30,523	858,616.12	21,153	633,488.05
Apr. ..	31,807	773,675.07	25,496	690,612.62
May ..	36,102	891,299.50	26,948	680,489.44
June ..	35,192	861,909.17	27,396	669,398.93
July ..	29,121	735,333.18	22,816	564,050.34
Aug. ..	40,305	933,046.44	27,539	663,583.88
Sept. ..	43,619	977,319.47	28,623	664,066.35
Oct. ..	36,926	868,187.04	23,771	576,336.26
Nov. ..	51,141	1,144,427.61	34,548	800,047.29
Dec. ..	48,957	1,194,339.46	30,854	732,746.84
Total	445,961	11,059,525.31	319,336	8,182,107.14

Table 10
(A) Domestic P.O. Money Orders Issued (1934 & 1st half of 1935)

	Ordinary Money Order		Petit Money Order		Total Amount
	No. of Cases	Amount (M¥)	No. of Cases	Amount (M¥)	
1934:					
January ..	28,648	785,977	—	—	785,977
February ..	20,103	649,792	—	—	649,792
March ..	21,449	602,284	—	—	602,284
April ..	21,622	509,240	—	—	509,240
May ..	25,995	630,277	—	—	630,277
June ..	26,454	625,494	—	—	625,494
July ..	21,827	520,956	—	—	520,956
August ..	22,625	557,323	4,141	47,406	604,729
September ..	23,609	575,076	3,650	35,960	611,036
October ..	18,277	484,049	3,404	41,808	525,357
November ..	24,580	640,026	8,157	113,520	753,546
December ..	24,832	679,810	5,984	77,170	756,980
Total ..	280,021	7,260,304	25,336	315,364	7,575,668
1935:					
January ..	26,712	702,003	7,395	97,772	799,775
February ..	19,666	510,946	10,369	136,430	647,376
March ..	19,333	530,078	9,639	124,373	654,451
April ..	22,868	619,028	13,254	172,493	791,521
May ..	23,004	592,272	13,383	170,479	762,751
June ..	23,735	573,341	14,566	185,564	758,905
Total ..	135,318	3,527,668	68,606	887,111	4,414,779
Grand Total ..	415,339	10,787,972	93,942	1,202,475	11,990,447

(B) Domestic P.O. Money Orders Paid (1934 & 1st half of 1935)

	Ordinary Money Order		Petit Money Order		Total Amount (M¥)
	No. of Cases	Amount (M¥)	No. of Cases	Amount (M¥)	
1934:					
January ..	25,908	736,003	—	—	736,003
February ..	23,312	711,584	—	—	711,584
March ..	20,522	589,161	—	—	589,161
April ..	24,832	641,163	—	—	641,163
May ..	26,209	636,179	—	—	636,179
June ..	26,865	637,029	—	—	637,029
July ..	22,248	534,939	—	—	534,939
August ..	23,306	574,011	3,144	36,178	610,179

	Ordinary Money Order		Petit Money Order		Total Amount (M¥)
	No. of Cases	Amount (M¥)	No. of Cases	Amount (M¥)	
September ..	23,371	573,719	3,631	44,418	618,137
October ..	18,692	491,955	3,228	39,435	531,390
November ..	24,565	639,106	7,951	109,119	748,225
December ..	23,152	613,202	5,640	71,519	684,721
Total ..	282,982	7,378,051	23,594	300,669	7,678,720
1935:					
January ..	25,862	691,957	7,049	93,952	785,909
February ..	23,375	578,887	10,664	140,846	719,733
March ..	17,984	511,023	9,496	123,199	634,222
April ..	24,062	623,089	13,032	169,163	799,252
May ..	23,013	589,527	13,142	168,011	757,538
June ..	24,754	606,363	14,612	187,256	793,619
Total ..	139,050	3,600,846	67,995	882,427	4,483,273
Grand Total ..	422,032	10,978,897	91,589	1,183,096	12,161,993

Table 11

(A) P.O. Money Orders For Japan Issued (1934 & 1st half of 1935)

	Ordinary Money Order		Petit Money Order		Total Amount (M¥)
	No. of Cases	Amount (M¥)	No. of Cases	Amount (M¥)	
1934:					
January ..	7,508	218,508	—	—	218,508
February ..	6,009	167,096	—	—	167,096
March ..	9,074	256,332	—	—	256,332
April ..	10,185	264,435	—	—	264,435
May ..	10,107	261,022	—	—	261,022
June ..	8,378	236,415	—	—	236,415
July ..	7,294	214,377	—	—	214,377
August ..	6,429	224,425	7,110	103,892	328,317
September ..	7,568	240,980	8,702	125,304	366,284
October ..	5,931	206,669	9,314	136,161	342,830
November ..	6,262	213,327	12,142	177,553	390,880
December ..	7,198	280,985	10,943	156,374	437,359
Total ..	91,943	2,784,571	48,211	669,284	3,483,855
1935:					
January ..	4,374	142,551	8,575	126,499	269,050
February ..	6,289	203,430	16,682	237,146	530,576
March ..	5,602	189,529	17,213	241,805	431,334
April ..	8,105	227,237	19,545	278,071	505,308
May ..	7,923	219,533	18,748	265,463	484,996
June ..	7,278	250,015	20,466	294,800	544,815
Total ..	39,571	1,322,295	101,299	1,443,784	2,766,079
Grand Total ..	131,514	4,106,866	149,440	2,143,068	6,249,934

(B) P.O. Money Orders For Japan Paid (1934 & 1st half of 1935)

	Ordinary Money Order		Petit Money Order		Total Amount (M¥)
	No. of Cases	Amount (M¥)	No. of Cases	Amount (M¥)	
1934:					
January ..	487	25,153	—	—	25,153
February ..	485	34,548	—	—	34,548
March ..	631	44,327	—	—	44,327
April ..	664	49,450	—	—	49,450
May ..	739	44,311	—	—	44,311
June ..	531	32,370	—	—	32,370
July ..	568	29,112	—	—	29,112
August ..	478	44,847	611	8,548	53,395
September ..	283	28,076	1,338	17,845	45,921
October ..	236	23,750	1,615	21,195	44,945
November ..	263	27,724	1,769	24,098	51,822
December ..	209	23,666	1,853	24,361	48,027
Total ..	5,574	407,334	7,186	96,047	503,381
1935:					
January ..	215	17,669	1,269	17,629	35,298
February ..	353	34,582	2,561	35,761	70,343
March ..	313	35,344	2,913	39,625	74,969
April ..	384	46,721	3,658	48,047	94,768
May ..	385	44,464	3,704	52,070	96,534
June ..	368	53,895	4,255	47,470	101,365

(Continued)					
Total	2,018	232,675	18,360	240,602	473,277
Grand Total ..	7,592	640,009	25,546	336,649	976,658

Table 12

P.O. Money Orders For China Issued & Paid (Feb.-July, 1935)

1935:	Issued		Paid	
	No. of Cases	Amount (MY)	No. of Cases	Amount (MY)
February	2,298	108,546	351	11,975
March	9,646	449,616	1,649	63,232
April	7,561	276,794	1,996	68,782
May	4,056	131,146	1,951	68,404
June	3,445	106,724	1,975	68,761
July	3,465	101,281	1,643	57,822
August	3,512	100,137	1,800	55,969
Total	33,983	1,274,244	11,365	394,945

Table 13

Money Order Issued and Paid by Native Ordinary Banks and Chinese Banks in Manchoukuo (1932-33)

(Unit: MY)

	Foreign Money Order		
	Issued	Paid	Total
1st half of 1932	79,177,505.93	21,551,208.15	100,728,714.08
2nd half of "	69,634,435.44	24,408,357.44	94,042,792.88
1st half of 1933	47,619,760.34	16,082,874.16	63,702,634.50
2nd half of "	47,177,486.06	16,204,522.20	63,382,008.26
1932	148,811,941.37	45,959,565.59	194,771,506.96
1933	94,797,246.40	32,287,396.36	127,084,642.76
Total	243,609,187.77	78,246,961.95	321,856,149.72
	Domestic Money Order		
	Issued	Paid	Total
1st half of 1932	26,117,932.53	20,698,903.68	46,816,836.21
2nd half of "	20,160,221.45	18,745,774.20	38,905,995.65
1st half of 1933	13,426,004.27	14,495,593.84	27,921,598.11
2nd half of "	8,103,431.06	11,543,248.02	19,646,679.08
1932	46,278,153.98	39,444,677.88	85,722,831.86
1933	21,529,435.33	26,038,841.86	47,568,277.19
Total	67,807,589.31	65,483,519.74	133,291,109.05
	Grand Total		
	Issued	Paid	Total
1st half of 1932	105,295,438.46	42,250,111.83	147,545,550.29
2nd half of "	89,794,656.89	43,154,131.64	132,948,788.53
1st half of 1933	61,045,764.61	30,578,468.00	91,624,232.61
2nd half of "	55,280,917.12	27,747,770.22	83,028,687.34
1932	195,090,095.35	85,404,243.47	280,494,338.82
1933	116,326,681.73	58,326,238.22	174,652,919.95
Total	311,416,777.08	143,730,481.69	455,147,258.77

BANKING LAW OF MANCHOUKUO
Promulgated Nov. 9, Second Year
of Tatung (1933)

Translation

Article I.—Any person or persons or concern engaged in any of the business transactions or activities coming within the purview of any of the following, irrespective of the trade name, shall be regarded as a bank:

1. When the receiving of deposits is combined with the making of loan or the discounting of bills of exchange;
2. Buying and selling drafts.

Any person or persons or concern engaged in receiving deposits as its business shall be regarded as a bank, except as otherwise provided for by the Minister of Finance.

Article II.—No person or persons or concern shall be allowed to carry on banking business, unless permission is obtained from the Minister of Finance for such business.

Article III.—A bank shall not be allowed to carry on business transactions or activities other than the business collateral with banking, unless a sanction is obtained from the Minister for Finance for such transactions or activities.

Article IV.—A bank shall be required to obtain the sanction of the Minister of Finance for any of the following cases:

1. In case a bank desires to change its trade name;
2. In case a bank desires to change the amount of capital;
3. In case a juridical person desires to change its organization;
4. In case a bank desires to establish or close its branch office, business office or agency;
5. In case a bank desires to change the seat of its principal or head office, branch office, business office or agency;
6. In case a bank desires to promote its business office or agency to the status of a branch office;
7. In case a bank desires to transfer its business to others or discontinue the same or in case a juridical person desires to dissolve itself;
8. In case a bank desires to merger itself with any other bank;
9. In case a banking corporation desires to appoint or change its staff employees and supervisors who execute its banking business.

Article V.—A bank having the status of a joint-stock company shall be required to set aside reserve every business year a sum equivalent to more than one-tenth of its net profit for the said period until the authorized capital is fully paid up.

Articles VI.—A business year of a bank shall not exceed one year.

Article VII.—A bank shall be required to make public a balance sheet and submit a business report to the Minister of Finance every business year.

Article VIII.—The business hours of a bank shall be from 9 a.m. to 3 p.m. The hours may, however, be extended when business transactions so require or they may be shortened when a sanction is obtained from the Minister of Finance.

Article IX.—The holidays of a bank shall be limited to the red-letter days, Sundays and other holidays generally observed at the particular locality or place where the bank is situated.

When, however, a bank temporarily closes its business because of natural calamity or other unavoidable incidents, it shall be required to make public to that effect without delay and notify the same to the Minister of Finance.

Article X.—When a bank suspends the refunding or payment of deposits, it shall be required to make public to that effect without delay and notify the same to the Minister of Finance with due reasons therefor.

Article XI.—The Minister of Finance may at any time cause a bank to make a report on its business or to submit ledger book and other documents to him.

Articles XII.—The Minister of Finance may at any

time order officials in the service of his Ministry (Department) to inspect the business and financial conditions of a bank.

Article XIII.—The Minister of Finance, when he deems it necessary in view of the business or financial conditions of a bank, may order the bank to suspend its business totally or partially or may take other necessary measures.

Article XIV.—In case a bank carries on any transaction or activities in contravention of the laws and regulations of the country, articles of association of the bank or orders of the Minister of Finance or acts in any way prejudicial to public interests, the Minister of Finance may suspend its business totally or partially, or may order a re-election of or change in the staff employees or supervisors who execute the bank's business, or may cancel its business permit or license.

Article XV.—The Minister of Finance may cancel the business permit or license of a bank, whose business has been suspended by his order previously, in case he shall deem necessary according to the condition of its readjustment.

Article XVI.—In case a bank, which has its principal or head office at some place outside the area of jurisdiction of the present Law, desires to carry on banking by establishing a branch office, business office or agency at a place within the area of jurisdiction of the present Law, it shall be required to appoint its respective representative for every such business office or agency and secure permission in accordance with the provisions of Article II of the present Law.

When a bank is granted a permit in accordance with the provisions of the preceding paragraph, its business office or agency shall be regarded as a bank as regards the application of the present Law.

When the Minister of Finance grants a permit to a bank in accordance with the provisions of the first paragraph of the present Article, he may especially place certain necessary restrictions to the said permit and may stipulate some special provisions in the form of an order as regards the control or regulation of a bank which has secured permission in accordance with the provisions of the first paragraph of the present Article.

Article XVII.—Any person or persons or concern who carries on banking without due permission from the Minister of Finance shall be punished with a fine not exceeding five thousand yuan (MY5,000).

Article XVIII.—A bank (in case of a banking corporation, a staff employee or employees executing the business of the said corporation) shall be punished with a fine not exceeding one thousand yuan (MY1,000) in any of the following cases:

1. When a bank violates the provisions of Articles III, IV, V, VIII, or IX;
2. When a bank fails to submit the ledger books

and other documents to the Minister of Finance in accordance with the present Law or fails to record necessary matters required for the ledger books and other documents or records a *mala fide* statement in the ledger books and other documents;

3. When a bank fails to submit the report on business or fails in making reports or notifications or makes *mala fide* reports or notifications to the Minister of Finance as are provided for in the present Law;
4. When a bank, in the case of an inspection of the bank by the competent authorities in accordance with the present Law, conceals its ledger books and other documents or make a *mala fide* statement or interferes with or otherwise rejects the inspection;
5. When a bank violates the orders issued by the Minister of Finance in accordance with the present Law.

In case a bank which has its principal or head office at some place outside the area of jurisdiction of the present Law comes under the purview of any of the preceding paragraphs, its branch office, or agency established within the area of jurisdiction of the present Law shall be subject to the provisions contained in the preceding paragraphs.

Article XIX.—Detailed Regulations for the enforcement of the present Law shall be determined by the Minister of Finance.

Supplementary

Article XX.—The present Law shall come into force on the day of its promulgation.

Article XXI.—Any person or persons or concern actually carrying on the transactions or activities as mentioned in Article I of the present Law at the time of the enforcement of the present Law shall be required to secure permission from the Minister of Finance by the end of December, Third year of Tatung (1934).

The provision in the preceding paragraph shall apply *mutatis mutandis* to any business other than banking to be conducted subject to the sanction to be secured in accordance with the provisions of Article III.

The application for permission or sanction as provided for in the preceding paragraphs shall be filed by the end of June, Third year of Tatung (1934).

Article XXII.—Any person or persons or concern actually carrying on banking business at the time of the enforcement of the present Law after having secured permission from the Minister of Finance, prior to the enforcement of the present Law, shall be regarded as having secured permission in accordance with the stipulations of the present Law.

DETAILED REGULATIONS FOR THE ENFORCEMENT OF THE BANKING LAW

Promulgated Nov. 9, Second Year of Tatung (1933)

Translation

Article I.—A newly established juridical person desiring to carry on banking business shall file an application with the Minister of Finance together with the signatures and seals of all its staff employees executing the said business, as well as the following documents:

1. Articles of association or incorporation;
2. A document indicating the localities of business offices;
3. A daily balance sheet prepared on the day immediately preceding the filing of the application;
4. Deposit certificates.

In the case of a joint stock company, it shall be required to attach the following documents to the application in addition to the documents mentioned in the preceding paragraph, and in the case of a company composed of members with unlimited liability and shareholders, it shall likewise be required to attach corresponding documents to the application:

1. A document adequately certifying the acceptance of shares;
2. An application form for the subscription of shares, a document bearing the full names or trade names and addresses of applicants, together with the number of shares subscribed;
3. Reports of investigations and attached documents prepared by a managing-director and auditors or examiners;
4. A duplicate copy of reports prepared by examiners, in case the reports have been subjected to the legal proceedings;
5. A document relating to the election of a managing-director and auditors in case they have been elected by the promoters;
6. A record of the resolutions passed at the inaugural meeting.

Article II.—In case a juridical person already established desires to carry on banking business by changing its object, it shall be required to file an application with the Minister of Finance, together with the signatures and seals of all its staff employees executing the said business, as well as the following documents:

1. Articles of association;
2. A duplicate copy of the register-book for a juridical person;
3. A daily balance sheet prepared on the day immediately preceding the date of application;
4. A document explaining the nature of transactions actually carried on at the time of application;

5. Documents such as the latest balance sheet, inventory, profit and loss account sheet, and profit allocation sheet;

6. A document indicating the localities of branch offices and other business offices in the case of a juridical person which has such offices.

In the case of a joint stock company and a company composed of members with unlimited liability and shareholders, documents bearing the full names of shareholders, trade names and number of shares held shall be attached to the application in addition to the above-mentioned documents.

Article III.—Any person or persons without the status of a juridical person and who desire to carry on banking business shall be required to submit to the Minister of Finance an application bearing their trade names, amounts of capital and localities of their principal or head offices, branch offices and other business offices, together with the following documents:

1. Curriculum vitae;
2. Certificates of identity;
3. Statements of assets and liabilities.

Article IV.—Any juridical person which has its principal or head office at a place outside the area of jurisdiction of the Banking Law of Manchoukuo and which desires to carry on banking business by establishing its branch offices and business offices or agencies within the area of jurisdiction of the said Banking Law, shall be required to submit to the Minister of Finance an application bearing the localities of its branch offices and business offices or agencies, full names and addresses of its representatives who manage such offices, together with the signature or signature and seal of the representative of the juridical person, attaching thereto the following documents:

1. A document certifying the existence of the principal or head office;
2. A document certifying the capacity of the representative of the juridical person;
3. A duplicate copy of a permit issued by other Government offices (including foreign Government offices), in case the establishment of business offices requires a permit from such offices;
4. Contract papers with agencies, in case such agencies are established;
5. Articles of incorporation or a document indicating the nature of the juridical person;
6. Documents such as the latest balance sheet, inventory, profit and loss account sheet, profit allocation sheet, and other documents indicating the business conditions of the juridical person;
7. A document bearing the full names of the principal shareholders and executive official of the juridical person, together with their nation-

alities and addresses.

The preceding provisions shall apply *mutatis mutandis* to a person or persons with non-judicial status who have their principal or head offices at some place outside the area of jurisdiction of the said Banking Law, and who desire to carry on banking business by establishing branch offices, business offices or agencies at places within the area of jurisdiction of the said Banking Law.

Article V.—In case a bank desires to carry on some business other than banking, in accordance with Article 3 of the Banking Law, it shall be required to submit to the Minister of Finance an application stipulating the nature of business to be transacted, together with a statement of business conditions or business projects.

Article VI.—A bank which has commenced banking business or other business combined with banking shall without delay notify to that effect to the Minister of Finance.

Article VII.—A sanction obtained by a bank from the Minister of Finance for banking business or other business combined with banking shall become null and void unless the bank commences its business within six months from the date the sanction is obtained. This, however, shall not apply to the case wherein a bank has obtained a sanction from the said Minister for the postponement of the opening of business transactions due to unavoidable circumstances.

Article VIII.—In case a bank desires to obtain a sanction from the Minister of Finance for cases as provided for in paragraphs 1, 2, 3, 4, 5, 6, and 7 and 9 of Article 4 and the proviso mentioned in the second paragraph of Article 8 of the Banking Law, it shall be required to present an application to the said Minister, attaching thereto the following documents:

1. A documents explaining reasons therefor;
2. In case any matters for which a juridical person desires to obtain a sanction from the Minister of Finance cause *ipso facto* a change in the Articles of Association; the resolutions approved of at the general meeting of shareholders in the case of a joint stock company; a document certifying the unanimous approval of all the members of partners in the case of an unlimited partnership and a limited partnership; and the resolutions approved of at the general meeting of shareholders and a document certifying the unanimous approval of all the members of partnership in the case of a company composed of members with limited liability and shareholders;
3. In case a juridical person desires to change the amount of capital, a balance sheet and inventory in accordance with the provisions of the first paragraph of Article 48 of the Company Law of

Manchoukuo as well as a document certifying that a juridical person has issued notices, announcements, notifications, public notices or declarations as provided for in the second paragraph of Article 48 and the first paragraph of Article 198 of the said Company Law;

4. In case a juridical person desires to change a limited partnership into an unlimited partnership, a balance sheet, articles of association and a document endorsing the unanimous approval of all members of unlimited partnership as regards the reorganization of the partnership;
5. In case a juridical person desires to change a company composed of members of unlimited liability and shareholders into a joint stock company, a balance sheet, articles of association, resolutions approved of at the general meeting of shareholders as regards the reorganization of the company and a document endorsing the unanimous approval of all the members of unlimited partnership;
6. In case a juridical person desires to close its branch offices, business offices or agencies, a document bearing the date on which the closing of business of such office or agencies takes place, and measures to be taken for the depositors;
7. In case a juridical person desires to dissolve itself or discontinue banking business, the latest daily balance sheet, documents explaining the latest conditions of its assets and liabilities and measures to be taken for the refunding of deposits;
8. In case a bank having a status of a juridical person desires to appoint its staff employees and auditors or to change the appointment of such employees and auditors, papers and reports on assets and liabilities of each of the staff employees and auditors, in addition to the documents as mentioned in (2) of the present Article;
9. In case a bank desires to transfer banking business to some other person, persons or a juridical person, contracts countersigned by parties interested as regards the transfer of business and the documents as mentioned in Articles 1, 2 and 3 of the present Regulations.

In case a bank desires to obtain a sanction as provided for in (8) of Article 4 of the Banking Law, it shall file with the Minister of Finance an application together with the following documents:

1. A document explaining reasons therefor;
2. Documents as mentioned in (2) of the first paragraph of the present Article;
3. Contracts as regards the merger;
4. Articles of association of the juridical person which shall continue in existence as a result of the merger, or the juridical person to be estab-

lished as a result of the merger;

5. A balance sheet and inventory prepared in accordance with the provisions of the first paragraph of Article 48 of the Company Law;
6. A document certifying that the juridical person has issued notices, notifications, announcements, public notes or declarations as provided for in the second paragraph of Article 48 of the Company Law.

Article IX.—In case a bank fails to execute matters as mentioned in 1, 2, 3, 4, 5, and 6 of Article 4 of the Banking Law within six months as from the date the sanction is obtained from the Minister of Finance, the said sanction shall become null and void. This, however, shall not apply to the case wherein the bank has obtained a sanction from the said Minister for the postponement of the opening of business transactions due to unavoidable circumstances.

The preceding provisions shall apply mutatis mutandis to the business offices designated in the letter in accordance with the stipulations of (2) of the first paragraph of Article 1, and also to the business offices designated in the application for permission or sanction as mentioned in Article 3 and the second paragraph of Article 8 of the present Regulations.

Article X.—A bank shall submit to the Minister of Finance a business report as mentioned in Article 7 of the Banking Law within one month after the lapse of the business year, together with documents showing its business conditions, as well as a balance sheet, profit and loss account sheet, and profit allocation. A bank may, however, postpone the presentation of the aforementioned report and documents by obtaining a sanction to that effect from the Minister of Finance, in case unavoidable circumstances arise.

In the case mentioned in the preceding paragraph, a bank carrying on banking combined with any other business shall submit to the Minister of Finance a balance sheet and profit and loss account sheet for banking and the same sheets for the business other than banking, respectively, together with the combined sheets for both banking and business other than banking.

Article XI.—In case a bank suspends the refunding or payment of deposits, it shall, without delay, present to the Minister of Finance the following documents after issuing notifications in accordance with Article 10 of the Banking Law:

1. A daily balance sheet prepared on the day immediately before the suspension of the refunding or payment of deposits and a document designating the number of accounts for all varieties of deposits and advances;
2. A document containing an account of the process leading up to the suspension of the refunding or payment of deposits;

Supplementary

Article XIV.—The present Regulations shall come into force on the day of promulgation.

Article XV.—A juridical person desiring to obtain permission for banking business in accordance with the Banking Law, shall submit to the Minister of Finance an application bearing the full names and seals of all the staff employees executing its business, together with the documents as provided for in Article 2 of the present Regulations.

Article XVI.—A person or persons without the status of a juridical person desiring to obtain permission for banking business in accordance with the provision of Article 21 of the Banking Law, shall submit to the Minister of Finance an application bearing matters to be entered in an application as mentioned in Article 3 of the present Regulations, together with the documents mentioned in the said Article 3, in addition to the following:

1. A daily balance sheet prepared on the day immediately prior to the presentation of the application;
2. A document describing the business conditions.

Article XVII.—A branch office, business office or agency at some place within the area of jurisdiction of the present Regulations with its principal or head office situated at a place outside the area of jurisdiction of the present Regulations desiring to obtain permission for banking business in accordance with the provision of the Banking Law, shall submit to the Minister of Finance an application bearing the signature or signature and seal of its representative, together with the documents as mentioned in (1) of the first paragraph of Article 4 and those as in (4), (5), (6), and (7) of the same paragraph of the said Article of the present Regulations.

Article XVIII.—A bank desiring to obtain a sanction for some non-banking business combined with banking in accordance with the provisions of Article 21 of the Banking Law, shall submit to the said Minister an application to which shall be attached documents showing the nature of the business and its general conditions.

REGARDING PARTICULAR CASES IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 16 OF THE BANKING LAW

Promulgated Nov. 9, Second Year of Tatung (1933)

Order No. 30, Department of Finance

Translation

Article I.—A bank which has its principal or head office at some place outside the area of jurisdiction of the Banking Law of Manchoukuo and which car-

3. A document showing the amounts of assets and liabilities;

4. A document containing explanations of measures to be taken or policies to be followed for the refunding or payment of deposits;

Article XII.—A bank shall without delay send a notice, with due reasons therefor, to the Minister of Finance, for any of the following cases:

1. In case a bank has executed matters sanctioned by the Minister of Finance in accordance with the provisions of Article 4 and the proviso of Article 8 of the Banking Law;
2. In case a bank has extended its business hours in accordance with the proviso of Article 8 of the Banking Law;
3. In case a representative staff employee or the manager of a bank or a representative of its business office or agency as mentioned in the first paragraph of Article 16 of the Banking Law has assumed or resigned his duties;
4. In case contracts with its agency have been changed, cancelled or renewed;
5. In case a bank which has been suspending its business temporarily due to reasons as mentioned in the second paragraph of Article 9 has reopened its business;
6. In case a bank which had been suspending the refunding or payment of deposits has resumed the same business;
7. In case a bank has been declared bankrupt, or has entered a complaint against the declaration of bankruptcy or in case a decision has been rendered by the court for or against a complaint;
8. In case a bank has been declared bankrupt, or has entered a complaint against the declaration of bankruptcy or in case a decision has been rendered by the court for or against a complaint;
9. In case a decision has been established for sanctioning an arbitration or in case an arbitration has lost its validity.

In the case of (1) of the preceding paragraph, the documents as mentioned in (2) of the first paragraph of Article 8 of the present Regulations; in the case of (1) and (5) of the first paragraph of the said Article, documents containing matters which have been altered; and in the case of (7) of the first paragraph of the said Article, a daily balance sheet prepared on the day immediately before the commencement of the refunding or payment of deposits, shall, respectively, be attached thereto.

Article XIII.—A bank (in case of a bank with the status of a juridical person, a staff employee who executes the business of the juridical person), which has failed to submit the notice or documents to the Minister of Finance in accordance with the provisions of the present Regulations, or has entered false statements in the said notice or documents, or has concealed the true facts, shall be punished with a fine not exceeding five hundred yuan (MY500).

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ries on banking business by establishing a branch office, business office or agency at some place within the area of jurisdiction of the said Law, shall not be subjected to the provisions of Articles 4 and 5 of the said Banking Law, but shall be subjected to the provisions of the present Order.

Article II.—In case the bank as mentioned in the preceding Article desires to change its locality or class or status of a business office or agency as mentioned in the first paragraph of Article 16 of the said Banking Law, or transfer the banking business carried on by the business office or agency to other or close the same office or agency, a representative of the same office or agency shall be required to obtain a sanction for the same from the Minister of Finance.

Article III.—In case the bank as mentioned in Article I of the present Order discontinues the banking business carried on by one of its business office or agency in accordance with the first paragraph of Article 16 of the Banking Law, but still maintains some other business office or agency in accordance with the first paragraph of Article 16 to the said Banking Law, the Minister of Finance may allow such other business office or agency to succeed to the banking business thus discontinued.

The foregoing shall likewise be applied to the case wherein the permission obtained for the business as mentioned in the first paragraph of Article 16 of the said Banking Law has been cancelled.

Article IV.—In case the bank as mentioned in the provisions of Article I of the present Order has undergone changes mentioned in the following, a representative of the business office or agency as mentioned in the first paragraph of Article 16 of the Banking Law shall notify without delay of the change effected to the Minister of Finance:

1. Change of trade name;
2. Change in the amount of capital;
3. Recognition in the juridical person;
4. Change of the seat of the principal or head office;
5. Discontinuance of banking business by the principal or head office;
6. Dissolution or merger.

Article V.—The Minister of Finance may order the bank mentioned in the provisions of Article I of the present Order which carries on banking business by establishing a business office or agency at some place within the area of jurisdiction of the Banking Law, to deposit a certain amount of money as deemed necessary for each of the said business office or agency.

The deposit of money as mentioned in the preceding paragraph may be made in the form of national bonds or securities duly sanctioned by the Minister of Finance.

Supplementary

Article VI.—The present Order shall come into force on the day of its promulgation.

References: 1, 2—Report of the Central Bank of Manchou. Tables 3, 4—Research of the Bank Section, Finance Department. Table 5—Manchu Keizai Tokai Geppo (Monthly Economic Statistical Report), published by the Research Bureau, S. M. R. Tables 9, 10, 11, 12—Research of Postal Administration Bureau, Communications Department. Table 13—Researches of Bank Section, Finance Department.

CHAPTER XIV

TRANSPORTATION AND COMMUNICATION

General

Modern transportation facilities have made much headway in Manchoukuo in recent years. The country as a whole rests in a vast plain, permitting easy rail and road traffic. At present there is a network of railways aggregating over 8,000 kilometers in length. The country has about 5,500 kilometers of motor highways. River navigation is another important mode of transportation and routes operating on the Sungari, Amur, Liao, Nonni and Yalu aggregate about 5,000 kilometers in summer. Air travel was inaugurated on a scheduled basis shortly before the founding of Manchoukuo, and at present the important points in the country are within easy access by the crafts of the Manchoukuo Air Transportation Company.

The communications system in Manchoukuo, as regards telegraph and telephone have been under the control of the Manchuria Telegraph and Telephone Company, a joint Manchoukuo-Japanese semi-governmental enterprise, since August 1933.

Highways

Highways suitable for motor traffic aggregated some 5,500 kilometers in the spring of 1934. The plan of the government calls for the building of some 60,000 kilometers of roads in ten years. A three-year road construction program was instituted in 1932 for the establishment of 62 routes (total length, 7,550 kilometers) at a cost of 15,000,000 yuan. Of this project, 25 routes (total length, 1,586 kilometers) were completed by February, 1934.

The highways under construction or to be built may be classified as follows:

1. Highways between the Capital (Hsinking) and principal cities.
2. Highways between the principal cities.
3. Highways between the capital of each Hsien.
4. Highways necessary for national defence, internal peace preservation and industrial development.
5. Roads connecting the aforementioned highways with railway stations, junctions and other communication organs.

Table 1

Roads Newly Constructed by the Highway Construction Bureau
(Standing Nov. 1934)

Fengtien Construction Bureau	
	(Kms.)
Peishanchengchen-Liuho	37.00
Liaoyang-Lishan	21.10
Anshan-Taokantzu	11.70
Chuangho-Chengtzutung	55.70
Peipiao-Chaoyang	39.40
Lingyuan-Pingchuan	92.00
Penhsihu-Yuchang	20.00
Chiaotao-Taanpei	24.60
Liaoyang-Liaochung	59.00
Antung-Tahushan	89.50
Tahushan-Chuangho	71.00
Chaoyang-Lingyuan	130.00
Chienso-Iyuankou	32.40
Tiehling-Faku-Kangping	82.00
Kuantien-Changtienhokou	50.00
Anshan-Chilingtzu	14.70
Hsinking Construction Bureau	
*Kungchuling-Huaiteh	22.00
Kungchuling-Itung	53.80
Hsinking-Itung	69.00
Harbin Construction Bureau	
Hailin-Muling	86.00
Muling-Suifenho	83.00
Hailin-Tungkingcheng	66.70
Tsitsihar Construction Bureau	
Noho-Nenkiang	86.40
Taonan-Wangyehmiao	110.00
Hailar-Chiangchunmiao	179.00

* Sectionally Constructed.

Motor Transportation

With a view to encouraging the development of auto traffic in Manchoukuo and thereby to assist the government railway facilities, a Motor Car Section was established in the General Direction of State Railways in 1932.

As the result of the expansion of the business under its charge, the section was later enlarged into a bureau so that its efficiency might be worked out to the best advantage.

The automobile business under the charge of the General Direction includes the running of bus lines to supplement the projected railway lines or to be convenient connecting media for

principal railway lines in the country. The government bus service in Manchoukuo was opened on March 10, 1933 when 5 buses made a maiden trip between Peipiao and Chaoyang. The second regular auto-bus service was opened between Chaoyang and Lingyuan on April 15 of the same year.

Table 2
Opened & Projected National Bus Lines of Manchoukuo

(Standing Aug., 1935)

Antung-Tatungkou-Takushan-Chuangho-Chengtzutung	216.2
Mukden-Tungling-Fushun	43.0
Shanchengchen-Tunghua-Liuho	135.0
Hsinking-Tapingling-Tashuiho-Kirin	111.3
Hsinking-Nungan-Fuyu	164.0
Peipiao-Chaoyang-Lingyuan-Peichuan-Chengteh	213.4
Chaoyang-Chienping-Chihfeng	187.0
Chihfeng-Weichang-Chengteh	237.0
*Chienso-Chiumen-Iyuankou	40.0
*Lingyuan-Ssutaoliangtzu-Shihchutzu-Lengkou	130.0
*Pingchuan-Takikou-Hsifengkou	92.0
Tunhua-Ningan-Hailin	223.7
†Noho-Nenkiang-Algun-Heiho	366.4
†Taonan-Wangyehmiao-Solun-Handagaya-Changchuanmiao	542.0
*Chentung-Taitung-Chinghsing-Nientzushan	236.0
Harbin-Hulan-Tungho-Fangcheng-Iran-Chiamusu-Huachuan-Tungkiang	695.0
Fenghuangcheng-Taotaoyanghang-Paichi-Takushan	95.0
*Tashihchia-Hsiuyen-Hochiapaotzu-Takushan	171.0
*Tunghua-Ertaokangtzu-Tapingkou-Chian	94.0
*Tunghua-Tiehchangtzu-Pataokiang-Lankiang	139.0
*Tunghua-Kunitangmaotzu-Shuanglingtzu-Huanjen	101.0
†Hunchun-Tumentzu-Tungning-Suifenho	297.1
*Tungning-Tuntienying-Ertaoho-Ningan	210.0
*Tungning-Wanlukou-Muling	170.0
*Hailin-Muling-Suifenho	168.0
†Muling-Mishan-Hulin	391.0
*Iran-Tulungshan-Poli-Mishan	355.0
*Chiamusu-Iran	85.0
*Chikoto-Hsunho-Erchan	150.0
*Anganki-Tsitsihar-Kannan-Chalantun-Palin	225.0
*Hailar-Kanhuissu-Yenhsissu-Soluntsochi-Chiangcunmiao	179.0
†Fuyu-Talai-Ankan-Taonan	201.0
Taonan-Liuchiatzu-Tuchuan	100.0
†Tungliao-Kailu-Tienshan-Lintung-Linshichingpeng	566.0
Linsi-Hapachilu-Tachengtzu-Chihfeng	143.0
*Kailu-Bulutaimiao-Wushihchiatzumiao-Chuchiawantzu-Chihfeng	290.0
Chengteh-Lwanping-Fengning	50.0
*Lingyuan-Lingnan-Suichung	188.0
†Mukden-Faku-Kangping-Liaoyuan	217.0

†Mukden-Fengtien-Liaoyang-Anshan-Taokangtzu-Haicheng-Niuchuang-Yingkow-Kaiping	233.0
*Ningan-Moutankiang	33.0
*Hailin-Moutankiang	20.0
Tunhua-Muling	50.0
Tunhua-Mahao	30.0
Noho-Pusi	30.0
Weichang-Tolin	12.3
Hsinmin-Changwu	62.0
Kangtakai-Hailar	224.0

Note: *—Projected line.
†—Sectionally operated line.

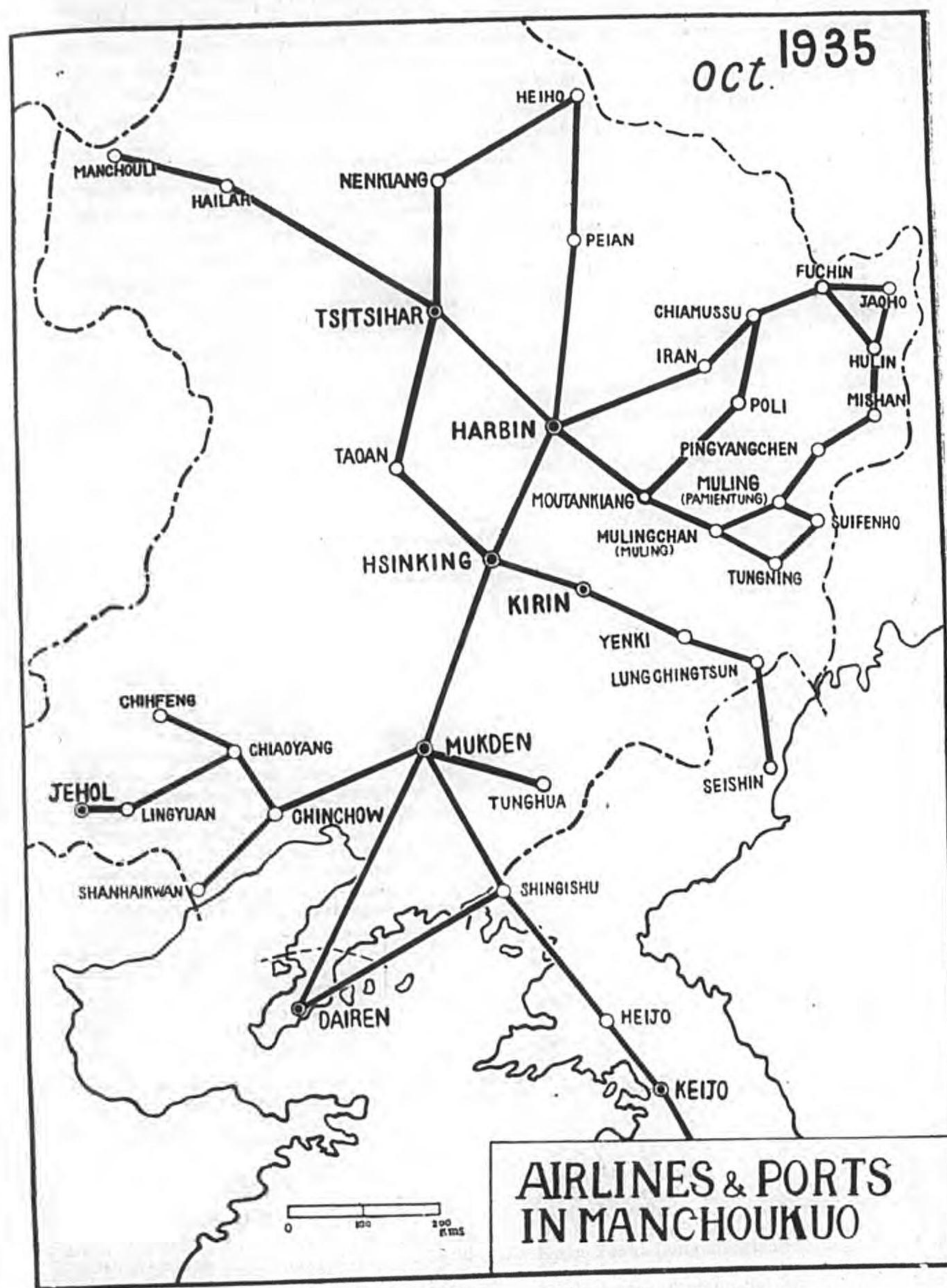
Table 3
Private Bus Lines of Manchoukuo (Standing Sept., 1934)

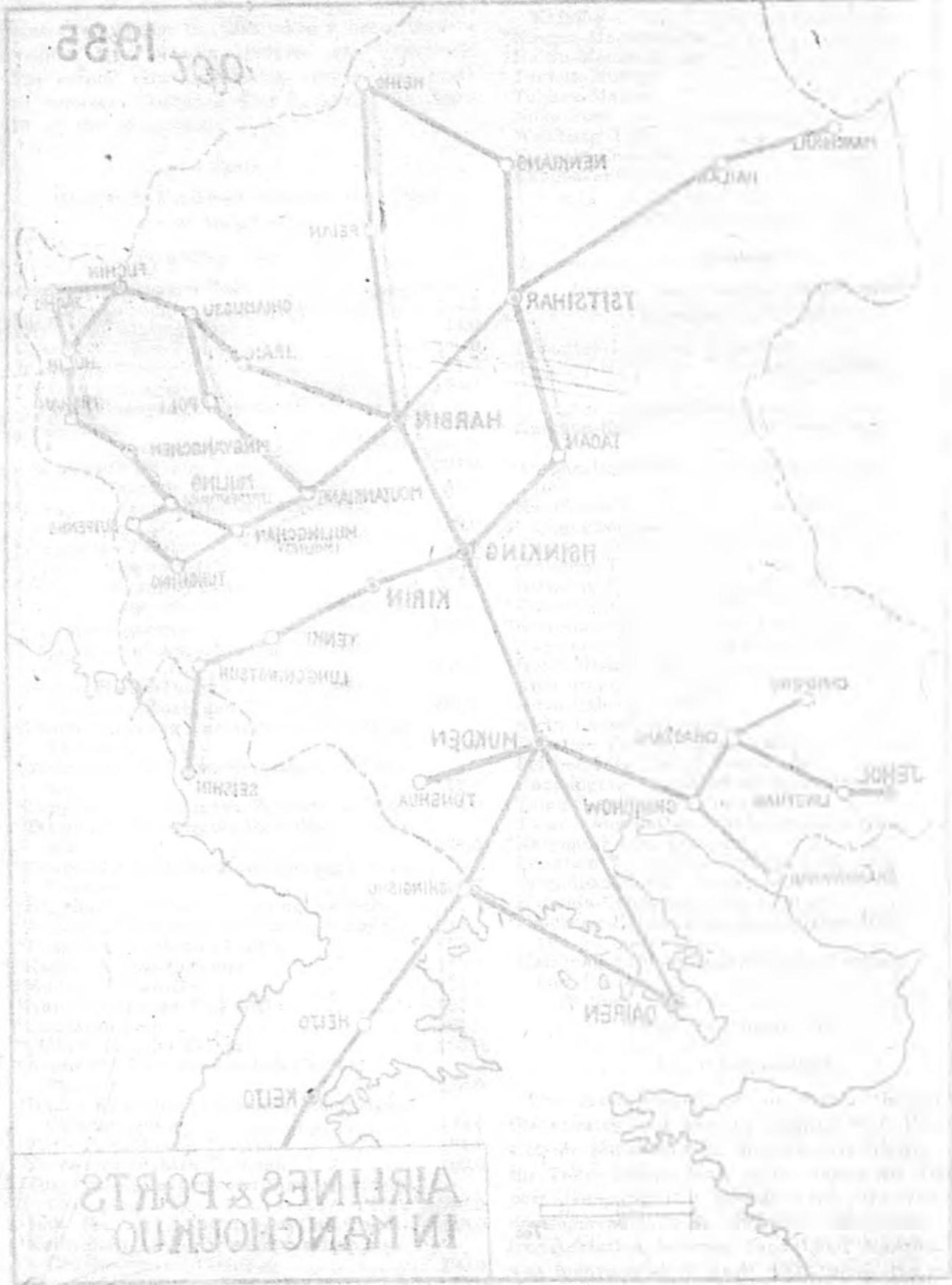
Chengteh-Luanping-Kupeikou	80.0
Tiehling-Huchiatzu-Tiaopingshan-Faku	50.0
Hsinking-Shihlipao-Taling-Faku	48.0
Changtui-Changtu-Tungkiangkou-Faku	88.0
Kaiyuan-Kaiyuani-Tungkiangkou-Kangping	75.0
*Antung-Hsiaokou-Changkangtzu-Kuantien	91.0
*Kuantien-Changling-Changtiencheng-Changtienhokou	41.0
Yingkow-Takuantun-Tienchuangtai	26.0
Hsinking-Tanantun-Itung	72.0
Hsinking-Fanchiatien-Shuangyang	56.0
*Kungchuling-Taheilingtzu-Huaiteh	46.8
Kungchuling-Kaoshantun-Itung	52.0
Nantsamu-Hsinlai-Tunghua	189.0
Hulin-Mishan-Lishuchen	387.0
Kirin-Huatien-Panshin	252.0
Kirin-Ilahsi-Chaluo	72.0
Kirin-Jihchitun-Hsulan	114.0
Tungliao-Taotehyingtzu-Kailu	106.0
Peichen-Liaochiatun-Koupangtzu	35.3
Koupangtzu-Chienhechiakou-Luyangi	10.6
Taian-Sanglintzu-Tahushan	38.0
Taian-Yangchiatun-Suchiatun-Liaochung	32.0
*Kaiyuan-Pashu-Tsaoshin	131.0
Fengtien-Yangtutun-Payintai-Liaochung	86.0
Ssupingkal-Lishu-Yushutai	41.4
Hsinmin-Changwutaimen-Changwu	76.0
*Haicheng-Hsimucheng-Hsiaokushan-Hsiuyen	100.0
Haicheng-Ertaokang-Ssufangtai-Tengao-pao	32.0
28 lines	2,428.1

Note *—Projected line.

Air Transportation

The establishment of air routes throughout the country and also to connect with the Soviet air route between Moscow and Irkutsk and the Tokyo-Dairen route of the Japan Air Transport Company will greatly serve the cultural development of Manchoukuo. The first air transportation between Japan and Manchoukuo was inaugurated in April, 1929, along the route between Tokyo to Dairen via Osaka, Fukuoka, Urusan, Keijo and Heijo, the service being for





mail only, but in September, the same year, the passenger carrying service was started. As the air route from London to Moscow via Paris and Berlin has been extended as far as Irkutsk, the Japanese Post Office at Hsinking is acting as a ready station for the Europe-Asia air mail service.

In October, 1932, the Manchoukuo Air Transport Company was established, with headquarters at Mukden and 12 branch office including sub-branches at various important places such as Hsinking, Tsitsihar, Harbin, Dairen, etc., as a joint Manchoukuo-Japan enterprise. The capital amounting to 3,850,000 yen was for greater part borne by the Manchoukuo Government, the South Manchuria Railway Company, and the Sumitomo Company. The service was started on November 3 the same year, and the through-traffic service with the Japan Air Transport Company was also started the same year at Dairen and Shingishu.

The total regular air routes now in operation aggregates 6,000 kilometers in length, about double that of the Japan Air Transport Company. The Manchoukuo Air Transport Co. has under contemplation the opening of air service between Europe and Far Eastern points. Thus the creation of the new air routes have considerably shortened the distance between Manchoukuo and Japan.

Plans were on foot in the autumn of 1935 to speed up the air service between Japan and Manchoukuo by more than two hours, thus permitting travellers to negotiate the distance from Osaka to Dairen in eight hours. The Japan Air Transport Company is understood to have placed an order with the Air Speed Company in England for one of five high speed planes of the Envoy type to be used for the speeding up of the service. The concern is expected to purchase the other planes, with accommodations each for six passengers, in 1936.

Table 4
Scheduled Flights
(Standing Oct., 1935)

Air Route	Distance (kilometers)	Time (hours)	Flight days a week
*Dairen-Mukden-Harbin	865	4.50	Everyday
*Hsinking-Taoan-Tsitsihar	—	3.50	Thu. & Sat.
*Hsinking-Harbin-Tsitsihar	510	3.00	Everyday
Tsitsihar-Hailar-Manchouli	575	3.40	Mon. & Thu.
Manchouli-Hailar-Tsitsihar	575	3.20	Tue. & Fri.
*Tsitsihar-Nenkiang-Taheiho	—	2.40	Wed. & Sun.
*Harbin-Paianchen-Taheiho	510	2.55	Tue. & Sat.
*Harbin-Iran-Chiamussu-Fuchin	465	2.40	Everyday
Harbin-Moutankiang-Muling-Tungning-Suifenho-Pamientung-Pingyangchen-Mishan-Hulin-Jaoho-Fuchin	—	7.40	Sun. & Wed.
Fuchin-Jaoho-Hulin-Mishan-Pingyangchen-Pamientung-Muling-Moutankiang-Harbin	—	6.15	Mon. & Thur.
*Chiamussu-Poli-Moutankiang-Harbin	—	3.25	Sun. & Wed.
*Hsinking-Kirin-Yenki-Lungchingsun-Seishin (Chosen)	—	3.05	Tue. & Sat.
*Mukden-Tunghua	—	1.10	Wed.
*Mukden-Shingishu	210	1.15	Everyday except Mon.
*Mukden-Chinchow-Chaoyang-Lingyuan-Chengteh	515	3.25	Everyday except Mon.
*Chinchow-Shanhaikwan	170	0.55	Tue., Thu. & Sat.
*Chinchow-Chaoyang-Chihfeng	230	1.25	Wed.

Note: Lungchingsun-Seishin line will be opened in Dec. 1935.
Hsinking-Taoan-Tsitsihar-Nenkiang-Taheiho line will be operated only between Oct. 1 -Dec. 31, 1935.
* Flights both way.

Table 5
Air Line Fares

Dairen-Mukden	¥ 16.00
Mukden-Hsinking	18.00
Hsinking-Harbin	21.00
Harbin-Tsitsihar	22.00
Tsitsihar-Hailar	48.00

Hailar-Manchouli	21.00
Hsinking-Taoan	24.00
Taoan-Tsitsihar	19.00
Hsinking-Kirin	10.00
Kirin-Yenki-Lungchingsun	27.00
Yenki-Lungchingsun	5.00
Yenki-Lungchingsun-Seishin	12.00
Mukden-Tunghua	21.00

(Continued)

Mukden-Shingishu	MY17.00
Mukden-Chinchow	15.00
Chinchow-Shanhaikwan	11.00
Chinchow-Chaoyang	12.00
Chaoyang-Lingyuan	14.00
Chaoyang-Chihfeng	21.00
Lingyuan-Chengteh	18.00
Harbin-Iran	42.00
Iran-Chiamussu	12.00
Chiamussu-Fuchin	24.00
Fuchin-Jaoho	27.00
Jaoho-Hulin	17.00
Hulin-Mishan	26.00
Mishan-Pingyangchen	11.00
Pingyangchen-Pamientung	10.00
Pamientung-Suifeng	14.00
Suifeng-Tungning	8.00
Tungning-Muling	17.00
Muling-Pamientung	8.00
Muling-Moutankiang	8.00
Moutankiang-Harbin	47.00
Chiamussu-Poli	15.00
Poli-Moutankiang	23.00
Harbin-Peianchen	28.00
Peianchen-Taheiho	28.00
Tsitsihar-Nenkiang	23.00
Nenkiang-Taheiho	25.00

Air ports of Manchurian Air Transport Co.
Mukden Branch: Mukden, Chinchow, Chaoyang, Chihfeng, Shanhaikwan, Lingyuan, Chengteh, Dairen, Shingishu, and Tunghua.
Hsinking Branch: Hsinking, Yenki, Tumen, Lungchingsun, Tunhua, Kirin, and Ranan.
Harbin Branch: Harbin, Tsitsihar, Manchouli, Hailar, Peianchen, Taheiho, Moutankiang, Iran, Fuchin, Pamientung, Taotan, and Nenkiang.

Air Mail Regulation

Article I. Ordinary mail or parcels may be delivered by the Air Mail Service in accordance with the stipulations provided herein.
 Article II. The routes for the Air Mail Service shall be announced by separate notification.
 Article III. In addition to the ordinary postage stamps required, all mail matters for air delivery shall pay special air mail postage according to rates listed in the accompanying table (All in Manchoukuo national currency yuan):

Table 6
Air Mail Rates

Kind of Mail	Weight	Within the Jurisdiction of Manchoukuo		
		Leased Territory	Korea	Japan
Letters	For every 20 Centigrammes or fraction thereof	0.15	0.20	0.35
Post Cards	Single	0.07	0.10	0.18
	With Carte Repondée	0.07 (for each)	0.10 (for each)	0.18
Newspaper, Books, Printed Matters, Commercial Papers	Within 100 Centigrammes	0.25	0.50	0.75
	Within 250 Centigrammes	0.50	1.00	1.50
	Within 500 Centigrammes	1.00	2.00	3.00
	Within 1 Kilogramme	2.00	4.00	6.00
	Within 2 Kilogrammes	4.00	5.00	12.00
Samples, Patterns Series	Within 3 Kilogrammes	6.00	12.00	18.00
	(This weight is only applicable to books mailed by single volume).			
Parcels	Within 100 Centigrammes	0.25	0.50	0.75
	Within 250 Centigrammes	0.50	1.00	1.50
	Within 350 Centigrammes	1.00	2.00	3.00
	Within 500 Centigrammes	1.50	3.00	4.50
Parcels	Within 1 Kilogramme	—	2.00	3.00
	For Over 1 Kilogramme, every 500 Centigrammes or fraction thereof	—	1.00	1.50

Article IV. All matters for air delivery shall be marked "Air Mail" on the cover or envelope.
 Article V. All mail matters for air delivery shall be taken to the Post Office, but ordinary unregistered matters may be posted into postboxes.
 Article VI. In case both the ordinary postage and the special air mail postage on mail matters for air delivery which are received in the post-boxes are un-

derpaid, the Post Office may deliver them through ordinary Postal Service by cancelling the words "Air Mail" marked on the cover. But such mail matters 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 Manchuria Incident of four 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

Shipyards, the Navigation Administration and the Water-course Bureau.

After the "Incident" these organizations were taken over by the Government which 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 Navigataion 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, Nonni and Yalu. The routes operating now totaling 4,944 kilometres, are as follows in kilometres:

Harbin-Fuchin, 623; Harbin-Heiho, 1,418; Fuchin-Heiho, 795; Heiho-Moho, 827; *Moho-Kilalin, 623; Harbin-Hulin, 1,286; *Hulin-Lungwanmiao, 286; *Hulin-Mishan, 362; Harbin-Talai-Fuyu, 332; Fuyu-Kirin, 328; Harbin-Kiangchiao, 508; Talai-Kiangchiao, 220; Total, 4,944 (Extension, 7,608) *—New lines of 1934.

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

Table 7
No. of Ships

Kinds of Crafts	General Direction		Private		Total	
	No.	Ton.	No.	Ton.	No.	Ton.
Steamship	44	15,200	70	35,800	116	51,000
Lighters	65	31,061	67	31,904	132	62,965
Sailing boats	13	2,203	58	9,361	71	11,564
Total	122	48,464	195	77,055	319	125,529

(Dec., 1934)

Table 8
River Voyage Schedule

Routes	No. of Ships Operating	Time required for return Voyage	No. of Departures
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
Harbin-Hulin	9 Pass.	21 "	10 times per month
Heiho-Moho	2 Pass.	7 "	8 times per month
Harbin-Iran Section of Harbin-Fuchin route	3 Pass. & Cargo	9 "	9 times per month
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

(Continued)

Routes	No. of Ships Operating	Time required for return Voyage	No. of Departures
Kiangchiao-Tsitsihar-(Extension of Harbin-Kiangchiao route)	1 Pass. & Cargo	5 "	6 times per month
Moho-Aigun (Extension of Moho-Heiho Line)	1 Pass. & Cargo	15 "	2 times per month
Talai-Kiangchiao Section of Harbin-Kiangchiao 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.

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, 362,571.

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:

Table 9
Earnings

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 condition a 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

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.

Steamboats 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.

Table 10

Distance between Dairen and Other Ports	
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 Kwantung Bureau, 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 shops 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.

Table 11

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

Dairen	157
Tadotsu	800
Hongkong	1,326
Fusan	560
Ryugampo	154
Hakodate	1,271
Yingkow	324
Tientsin	393
Moji	835
Chinnampo	140
Takushan	73
Otaru	1,413
Chefoo	193
Shanghai	656
Ujina	784
Jinsen	281
Tsingtao	342
Gensan	864
Kobe	880
Kyobunto (Port Hamilton)	446
Mokupo	358
Nagasaki	602

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 ship 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.

Port of Yuki. The port of Yuki is located on the Korean coast of the Japan Sea, 12 miles from the Tumenkiang River. It is one of the ice-free ports of Korea, and has been the anchorage of fishing boats. The port was opened in June, 1921 and further extensions were completed in 1930. The length of the harbour is 200 meters and affords anchorage for two ships of 3,000 tons. Owing to the mountainous hinterland, the connection between the port and the

city of Yuki is inconvenient. In spite of the above-mentioned handicap the port has a unique advantage in the transportation of lumber. According to prevailing conditions, the port can collect lumber by both rail and by rafts descending the Sungari and the Mountankiang rivers. The port has another advantage in that the rafted lumber may be stored at Lake Ryushi, nearby.

Port of Rashin. The port of Rashin situated at the northern end of Korea, fifteen miles south of Yuki, was a small village with a population of 500 in 1927. The completion of the Hsinking-Tumen railway suddenly increased the importance of this port. At present it has a population of 26,000. Rashin is the best port of Korea and is surrounded by mountains on three sides, and protected by two small islands lying at the entrance of the port. The depth of the port is from eight to twenty meters in general and eight to ten meters by the piers. When harbour projects now under way are completed Rashin will become an excellent outlet for the cargoes of North Manchuria, particularly from the region of Harbin and for the import of goods to North Manchuria. The construction of the port of Rashin is being projected in three stages. When the entire plan is completed Rashin will have eight piers 300 meters each in length with capacity for handling 9,000,000 tons of cargo annually. The first stage of construction was commenced in 1933 and will be completed in 1938. In this stage three piers with capacity for handling 3,000,000 tons of cargo annually will be completed. One of the piers was expected to be completed in 1935.

A railway line linking Yuki and Rashin, 15 miles distant, was completed in the autumn of 1935.

The advantage as regards savings in mileage effected by using the Rashin route instead of the Dairen or Vladivostok routes in the transportation between Harbin and Tokyo is shown in the following data:

Route	Mileage (Kms.)
Harbin-Dairen-Shimonoseki-Tokyo	3,208.9
Harbin-Vladivostok-Tsuruga-Tokyo	2,194.8
Harbin-Rashin-Niigata-Tokyo	1,946.1

The proximity of Rashin over Dairen from cities in Japan is shown in the following table:

Table 12

Distance from Japanese Cities

	To Dairen (Kms.)	To Rashin (Kms.)
Moji	640	515

Kobe	860	758
Nagoya	993	944
Yokohama	1,200	907
Niigata	1,060	478
Fushiki	1,027	486
Tsuruga	906	480
Hakata	583	572
Otaru	1,315	495

(* thru, Tsugaru Straits)

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 Manchoukuo. 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 immigrants. 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.

Lungchingtsun. Luhtaokow is another name of Lungchingtsun. 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. Lungchingtsun developed into a town in 1907. When the Chientao Treaty was concluded between Japan and China, Lungchingtsun 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 Chaoyangchen, and as far north as Ninguta. The completion of the railway between Tumen and Ninguta has further increased the importance of the port. 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 Sincheng 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 towns, 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 stem 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 navi-

gable 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 largest 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 waterway 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 Haburovsk, 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 organised 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 waterway 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 Manchoukuo 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 of 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 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, 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 Knagté 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. V. 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

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 ratification 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 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.

Since coming into existence the Manchuria Telegraph and Telephone Company has accomplished the following to its credit:

Telephone:

Standardization of system and charges.

Improvement of old-fashion machines and the installation of new style machines.

Construction of the Hsinking Wireless Telegraph Station at an expenditure of MY2,600,000. The station has the capacity to communicate directly with Berlin or San Francisco and has been in operation since March, 1934.

Telephone:

Standardization of system and charges.

Establishment of the automatic telephone system at Hsinking, Kirin, Tsitsihar and at several other cities.

Improvement of existing telephone offices and the construction of new offices in the following districts: Chengteh, Chaoyang, Pingchuan, Taonan, Taoan, Liaoyuan, Chinh sien, Moutanking, Peian, Manchouli, Chalantun, Koshan, Shanchengtsu.

Purchasing of the local private telephone lines in Hailar, Tumen and other principal cities.

Opening of wireless telephony between Japan and Manchoukuo on August 1, 1934, coinciding with the completion of the Hsinking Wireless Telegraph Station.

Radio:

Opening of a 100 kilowatt broadcasting station at Hsinking on November 1, 1934.

In 1935 wireless telegraph stations were located in the following cities in Manchoukuo:

Hsinking	Chihfeng
Mukden	Chengteh
Dairen	Tunhua
Tsitsihar	Yenki
Antung	Tumen
Yingkow	Chiamussu
Hailung	Fuchin
Chinh sien	Tabeiho
Shanhaikwan	Tungliao
Peipiao	Hailar
Chaoyang	Manchouli

Table 13

Broadcasting Stations in Manchoukuo (1935)

	K.W.	K.C.	Meters.
Dairen JQAK	0.5	850	462
Mukden MTBY	1.0	890	337
Hsinking MTCY	1.0	570	529
Tsitsihar MTFY	3.0	674	445

The total capital of the Manchuria Telegraph and Telephone Company is fifty million Gold Yen.

Table 14

Assets & Liabilities of the Manchuria Telegraph & Telephone Co.

ASSETS:

Capital Stock Uncalled	¥20,625,000
Communications Equipments	32,621,033
Miscellaneous Equipments	2,618,081
Miscellaneous Accounts Receivable	769,920
Guaranty Fund	70
Stores and Supplies	1,000,921
Post Office Transfer Account	73,618
Postal Deposits	128
Bank Deposits	7,073,465
Cash on Hand	60,607
Miscellaneous Accounts paid in advance	919,178
Securities Received in Pledge	400
Exchange Accounts	83,164
Total	65,845,586

LIABILITIES:

Capital Stock Authorized	50,000,000
Legal Reserve	42,000
Special Reserve	20,000
Retirement Allowance Reserve	40,000
Dividends Balancing Reserve	50,000
Special Funds	509,350
Depreciation Funds Reserve	1,610,823
Bonds	8,000,000
Miscellaneous Accounts payable	1,468,063
Guaranty Funds	55,384
Sundry Receipts Unadjusted	985,341
Balance brought from Previous Term	74,957
Net profit for the Year ended in March	2,989,667
Total	65,845,586

DISPOSAL OF PROFIT:

Legal Reserve	150,000
Retirement Allowance Fund for Employees	190,000
Bonuses to Officials	89,500
Dividends to Shareholders (6% per annum)	1,762,500
Dividends Balancing Reserve	320,000
Special Reserve	160,000
Balance carried forward	392,625
Total	3,064,625

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 bank. 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 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, a 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.

Table 15

General Statistics on Telegraph, Telephone, Radio

Length of Telegraph lines (Kilometers)		
	Lines	Wires
1933	12,571	35,194
1934	20,471	42,594

No. of Telegraph Machines		
	Telegraph	Wireless Telegraph
1933	544	—
1934	634	140

Length of Telephone lines (Kilometers)	
1934	24,070

No. of Telephone Messages	
1934	216,375

No. of Telephone Subscribers				Telephone Office (Sept., 1934)		
				Central Office	Telephone Office	Branch Office
1933	32,898				
1934	41,498				
No. of Radio Subscribers						
	Japanese	Manchurian	Foreigners	Total		
Sept., 1933	5,236	283	377	5,896	Dairen Office	3
Aug., 1934	8,969	738	657	10,364	Mukden Office	—
Dec., 1934	—	—	—	12,384	Harbin Office	1
					Total	4
					*() Telegraph & Telephone office.	

Telegraph Offices (Sept., 1934)				No. of Telegrams dealt with at Offices (1934)			
	Central Office	Telegraph Office	Branch Office	Wireless Telegraph Office	Despatched	Arrived	Total
Dairen Office	3	39(24)	5(1)	2	In Manchoukuo	2,067,780	2,094,680
Mukden Office	—	69(14)	—	—	Japan-Manchoukuo	2,110,175	1,859,595
Harbin Office	1	94(23)	—	—	Foreign	256,671	281,248
Total	4	202(61)	5(1)	2	Total	4,434,626	4,235,523

Table 16

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.	42,000	—	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	38,870	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 com-

pleted by the new government are the establishment of a number of new post offices and the lowering of postal rate. 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.

Table 17

Postal Administrative Organs in Manchoukuo

	Fengtien Province	Jehol Province	Hsingan Province	Kirin Province	Heilungkiang 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

Table 18

Mail Matters (1932)

	Ordinary		Registered		Quick Delivery		Value declared mail		
	Despatched	Arrived	Despatched	Arrived	Despatched	Arrived	Value declared mail		
							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
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)

Table 19

Fees for Special Mail Matters

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
	For Commercial paper, within 250 gr.	0.10
Books, Printed Matters, Commercial Papers	For every 50 gr. or fraction thereof ..	0.02
	For every 1 k.gr.	0.02
Braille or Paper of Raised Letters	Within 100 gr.	0.04
	Within 500 gr. for every 50 gr. or fraction thereof	0.02
Letters with Values Declared	Within 20 gr.	0.26
	For every 20 gr. or fraction thereof	0.06
Boxes with Values Declared	Within 20 gr.	0.56
	For every 50 gr. or fraction thereof	0.08

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 0.02 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 jointstock 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, national 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 profit on the shares other than those held by the two Government 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 Governments of Manchoukuo and Japan shall superintend the undertaking 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 Company, issue such directions as may be necessary 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 pre-

sent 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 XV

RAILWAYS

The mileage of railways in Manchoukuo has increased noticeable following the establishment of the present government and at the end of the first half of 1935 aggregated 8,143 kilometers, denoting a growth of roughly 2,200 kilometers since the Manchurian Incident of 1931. With the purchase of the North Manchuria Railway (formerly the Chinese Eastern Railway) from Soviet Russia in March 1935 by the Manchoukuo Government all of the state lines of the country have come under the management of the Japanese-owned South-Manchuria Railway Company. The railways of Manchoukuo, classified by ownership, make the following table:

Railways	Length (kms.)
State	6,671.6
South Manchuria Railway Company	1,129.
Private	343.
Total	8,143.6

The purchase of the North Manchuria Railway adds 1,720 kilometers of railways to the state lines, and has automatically enlarged the supervision of such lines by the South Manchuria Company from 4,951 kilometers to 6,671 kilometers.

Location of Railways. The trunk lines of the railways in Manchoukuo form a rough T. This formation was the outcome of Tsarist Russia's far-flung plan to pierce Manchuria for the shortest route to Vladivostok and to find an year round ice free port in the south. The midsection of the T is represented by the city of Harbin, the lateral ends by Manchouli in the west and Suifenho in the east, while the lower end of the T is represented by Port Arthur.

Around this skeleton a series of tributary lines has been projected in the intervening years since the turning of the present century. In general the growth in branch lines has tended to move from South Manchuria to North Manchuria and this tendency has been especially pronounced since the establishment of the present

government.

In spite of the expanding network of lines the railway mileage against the area of Manchoukuo is still small when compared with Japan and other countries as the following table shows:

Table 1
Railway Mileage to Area

	(kms.)
Manchoukuo	.6
Soviet Russia	.4
Australia	.6
Japan Proper	5.6
Canada	.7
Italy	7.1
Great Britain	12.4
Germany	12.5

The railway mileage to population of Manchoukuo compared with several other countries is as follows:

Table 2
Railway Mileage to Population

	(kms.)
Manchoukuo	2.2
China	.3
India	1.9
Japan	3.2
Canada	68.2
Australia	69.4
United States	34.3
Great Britain	7.1
Soviet Russia	5.2

Operation. By the agreement reached between the Manchoukuo and Japanese authorities in February 1932 the management of the entire state railways in the country was entrusted to the South Manchuria Railway Company. The Company established an organ called the General Direction of National Railways (Tetsurosokyoku) at Mukden in March 1933 and has been operating the state railways as well as its own lines through four bureaux situated respectively at Hsinking, Mukden, Taonan and Harbin.

Table 3

MANCHOUKUO STATE RAILWAYS

Lines	Running Between:	Length (Kms.)	Gauge (Feet)	Opened to Traffic
Feng-Shan	Mukden-Shanhaikwan	419.6	4.85	1908
Ta-Cheng	Tahushan-Chengchiatun	367.1	"	1927

RAILWAYS

Continued) Lines	Running Between:	Length (Kms.)	Gauge (Feet)	Opened to Traffic
Hopeh	Koupangtzu-Hopeh	91.1	"	1900
Chin-Cheng	Chinchow-Pingchuan	338.7	"	1935
Peipiao	Chinlingssu-Peipiao	17.9	"	1924
Hulutao	Lienshan-Hulutao	11.9	"	1911
Feng-Ki	Mukden-Kirin	447.6	"	1928
Sian	Shaho-Sian	67.3	"	1927
King-Tu	Hsinking-Tumen	528.0	"	1933
Hsiao-Hsin	Hsiaokuchia-Hsinchen	9.0	"	1934
Naitzushan	Weiho-Naitzushan	10.0	"	1929
Chao-Kai	Chaoyangchuan-Kaishantun	58.4	"	1934
Pin-Pei	Pinkiang-Peian	332.3	"	1933
Machuanow	Hsinsungpu-Machuanow	11.6	"	1928
Tsi-Pei	Tsitsihar-Peian	230.4	"	1933
Noho	Ningnien-Noho	86.8	"	1930
Ping-Tsi	Ssuping kai-Tsitsihar	571.4	"	1926
Tao-So	Paichengtzu-Solun	190.8	"	1935
Yushu	Yushutun-Anganki	5.0	"	1929
La-Pin	Pinkiang-Lafa	271.7	"	1934
Pei-Hei	Peian-Heiho	302.7	"	1935
Sankoshu Bund	Sankoshu-Bund	3.5	"	1934
King-Ta	Hsinking-Talai	214.8	"	1935
Ning-Chia	Ningpei (Moutankiang)-Linkow	110.0	"	1935
Tu-Ning	Tumen-Moutankiang	249.0	"	1935
Yeh-Feng	Yehpaishu-Chihfeng	147.0	"	1935

North Manchuria Lines (Former Chinese Eastern Railway):

South Line (Pin-King)	Harbin-Hsinking	240.0	"	1935
Eastern Line (Pin-Sui)	Harbin-Suifengho	550.0	"	1935
Western Line (Pin-Chou)	Harbin-Manchouli	935.0	"	1935

New Lines. Railway lines newly opened to traffic after the Manchurian Incident aggregated 2,173 kilometers on June 31, 1935 and are classified as follows:

Pingchuan-Chengtze	112.8
Paichengtzu-Talai	128.0
Solun-Hulan Arshan	340.0
Linkou-Mishan	182.0
Sian-Ssuping kai	80.0

Table 4
New Lines

Lines	Length (kms.)	Opened to Traffic
Peian-Heiho (Pei-Hei line)	302.7	1935
Taian-Peian (Tsi-Pei line)	102.6	1933
Peian-Hailun (Pin-Pei line)	106.0	1933
Tunhua-Tumen (King-Tu line)	189.9	1933
Laha-Noho (Noho line)	38.8	1933
Lafa-Pinkiang (La-Pin line)	271.7	1934
Chaoyangchuan-Kaishantun (Chao-Kai line)	58.4	1934
Chinlingssu-Pingchuan (Chin-Cheng line)	338.7	1935
Tumen-Moutankiang (Tu-Ning line)	249.0	1935
Hsinking-Talai (King-Ta line)	214.8	1935
Moutankiang-Linkow (Ning-Chia line)	110.0	1935
Yehpaishu-Chihfeng	147.0	1935
Total	2,320.4	

Lines under construction at the time of writing are the following:

Lines Under Construction	(kms.)
Linkow-Chiamussu	200.0

Recent Rail Conveniences. Railway transportation in the country has been greatly facilitated in recent years. In matter of construction of new lines the government has worked with the dual policy of opening new regions of the country to rail travel and of shortening distances between pivotal points already connected by rail. A noticeable improvement is also witnessed in the improvement of time schedules by the inception of new rolling stock. The number of train services among the important cities has been increased likewise.

Of pertinent significance as regards lines constructed in recent years is the railway joining Harbin direct with Lafa. By the construction of this line (length 268 kilometers) in 1934 the rich agricultural districts in North Manchuria are now within easy reach of the ports of Yuki, Rashin and Seishin on the Japan Sea. It should be noted, however, that by Manchoukuo's purchase of the North Manchuria Railway the importance of the Harbin-Lafa line as a connecting link between Harbin and Dairen has lost much of the importance for which it was partly intended for at the time of its construction.

Among other important lines newly con-

structed are those to Heiho on the Soviet border, to Solun in northwestern Manchoukuo and to Pingchuan on the way to the city of Jehol.

A description of the more important railway lines, the dates of their construction, etc. are given below:

Fengshan Railway. The Fengshan railway comprises the section between Mukden and Shanhaikwan of the Peiping-Mukden line. The railway 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, that from Koupangtzu to Hsinmin in 1903. During the Russo-Japanese war the Japanese built a light railway connecting Hsinmin with Mukden and in 1908 the Chinese government purchased it at the price of ¥1,660,000 by incurring a loan from the Japanese government. The line was later reconstructed to the standard gauge.

The lines dividing out from 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 Hsinmin, 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 government has been refunding the said loan, the first payment on which was made in September 1932 amounting to £65,850.

Feng-Ki Railway. The Feng-Ki railway connects Fengtien (Mukden) with Kirin by way of Chaoyangchen, and consists of what were formerly known as the Shen-Hai (Shenyang-Chaoyangchen) and the Ki-Hai (Kirin-Chaoyangchen) railways. The section from Shenyang to Chaoyangchen was constructed wholly by Chinese capital through the Fenghai Railway Company capitalized at 20,000,000 fengtientayang. Construction of the line 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.

The section from Kirin to Chaoyangchen was planned in 1926 and in November of the same 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 Pansihh 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 signed 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 neighbourhood 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-Tun, 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.

The Ki-Tun 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-Tun 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-Tun 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 Direction of Manchoukuo State Railways in September, 1933 and simultaneously the three lines, namely, the Ki-Chang, Ki-Tun and Tun-Tu were merged and called the King-Tu Railway.

Ping-Tsi Railway. The Ping-Tsi railway connects Ssuping kai with Sanchienfang (Angangki), by way of Taonan and consists of what were formerly known as the Ssu-Tao (Ssuping kai-Taonan) and the Toa-Ang (Taonan-Angangki) lines. Construction of the section between Ssuping kai and Taonan was divided into three stages, namely, the first stage from Ssuping kai to Chengchiatun, the second from Chengchiatun to Tungliao and the third 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 negotiaton 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 supervision of the entire line to the South Manchuria Railway Company.

The section from Taonan to Sanchienfang (Angangki) was completed in July 1926. 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. 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 Huiyanchen. 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 completed in 1935.

Tsi-Pei Railway. The Tsi-Pei Railway consists of two principal lines, one connecting Sanchienfang with Peian via Tsitsihar, and the other connecting Ningnien with Noho. The line between Sanchienfang and Peian was first considered as an extension of the Tao-Ang railway. Objection to this project was expressed by the

to the goods inspection office to be established within Kamisanbo Station, and, in the case of the Japanese Government, to the goods inspection office to be established within Tumen Station, and shall cause their respective customs officers to perform, in collaboration with the customs officers of the other contracting party, the duties of inspecting, and collecting customs duties on, freight, parcels, forwarded luggage, and luggage accompanying travellers which are transported across the border between the territories of the two Contracting Parties by the Railways mentioned in Article I and which do not come under the categories mentioned in the foregoing Article, as well as personal effects carried by travellers.

The Governments of Manchoukuo and Japan may cause their respective customs officers to perform their duties, in accordance with the provisions of the foregoing paragraph, with respect to personal effects carried by travellers, forwarded luggage and personal effects carried by travellers, forwarded luggage and luggage accompanying travellers mentioned among the articles provided for in the foregoing paragraph which pass through Tumen or Kamisanbo Station, in the trains while such trains are stopping at the said station. In case it is difficult to complete the performance of the aforementioned duties by the time of the departure of such trains, the said Governments may cause their respective customs officers to execute the said duties by remaining in such trains after their departure or by causing the articles concerned to be unloaded at the goods inspection office.

ARTICLE IV.

The Governments of Manchoukuo and Japan agree that, in case any objections should be made to the customs officers of either of the two Contracting Parties dispatched to the country to the other by virtue of the present Agreement, against the inspection of, and payment of customs duties on, any exports from the country to which such customs officers belong, or should such customs officers, in the course of such inspection, deem any goods to have been smuggled out of their country (including prohibited goods), such customs officers shall take measures to return such goods to their country.

ARTICLE V.

In the event of the customs officers of Manchoukuo and Japan undertaking inspection in collaboration, such inspection, in the case of exports from Japan, shall commence with inspec-

tion by the Japanese customs officers, and in the case of exports from Manchoukuo, with inspection by the Manchoukuo customs officers. The order of the execution of other duties shall be according to the order of inspection.

ARTICLE VI.

The Governments of Manchoukuo and Japan mutually agree to afford, in so far as it is possible, every convenience in connection with the execution of duties by the customs officers of the other contracting party, dispatched to their respective territories by virtue of the present Agreement.

ARTICLE VII.

The necessary details concerning the customs formalities provided for in the present Agreement shall be agreed upon between the Governor-General of Chosen and the Minister of Finance of Manchoukuo.

ARTICLE VIII.

The present Agreement shall take effect from the date of the signature thereof, and shall remain in force until the expiration of a period of three months after either contracting party shall have notified the other of its intention to terminate the said Agreement.

ARTICLE IX.

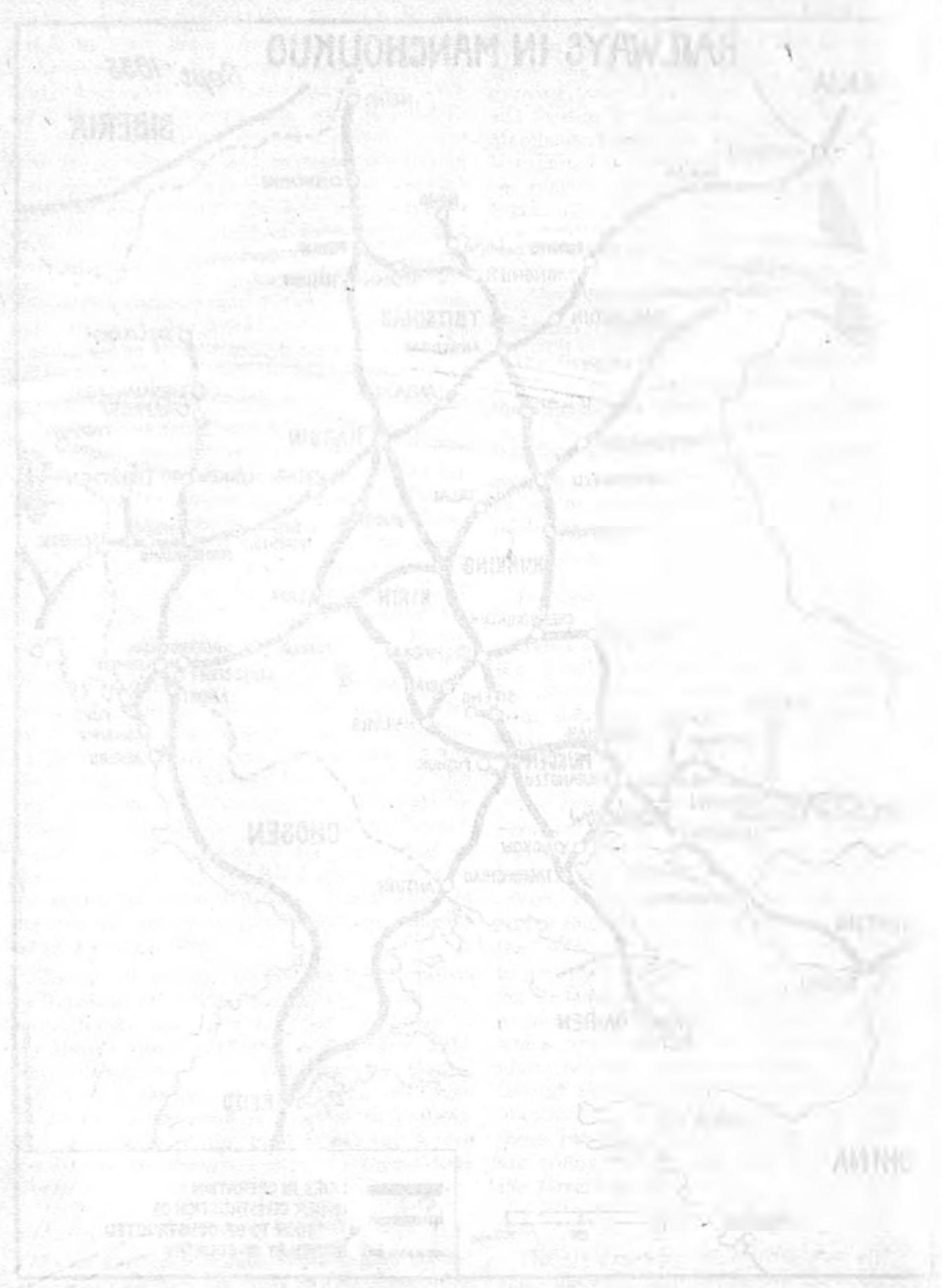
The present Agreement shall be made in duplicate in the Japanese and Chinese languages. In case of any divergence in the interpretation between the Japanese and Chinese texts of the Agreement, the difference shall be settled by reference to the Japanese text.

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

Done in the City of Hsinking this twenty-second day of the fifth month of the second year of Kangtē, corresponding to the twenty-second day of the fifth month of the tenth year of Showa.

(Signed) Chang Yen-ching (Seal)
Minister for Foreign Affairs of
the Government of Manchoukuo.

(Signed) Jiro Minami (Seal)
Ambassador Extraordinary and
Plenipotentiary of Japan to
Manchoukuo.



Detailed Regulations Based on Agreement Relating to the Operation of Through Trains Across the Tumenkiang Border and the Simplification of Customs Formalities
Unofficial Translation

Pursuant to the provisions of Article 7 of the Agreement Relating to the Operation of Through Trains across the Tumenkiang Border and the Simplification of Customs Formalities, signed in Hsinking on the 22nd day of the fifth month of the second year of Kangtē corresponding to the 22nd day of the fifth month of the tenth year of Showa, the undersigned, the Minister of Finance of Manchoukuo, Sun Chi-chang, and the Governor-General of Chosen, Kazunari Ugaki, have agreed upon the following detailed regulations concerning customs formalities:

CHAPTER I. GENERAL RULES

Article 1.

The term "compounds of the said Japanese Customs" in Article 2 of the Agreement Relating to the Operation of Through Trains Across the Tumenkiang Border and the Simplification of Customs Formalities (hereinafter called "the Agreement"), means the compounds of the Japanese Customs at Yuki, Rashin and Seishin as well as those places adjacent to the said compounds designated by the Japanese Superintendent of the Customs, after consultation with the Manchoukuo Superintendant of the Customs, as joint examination zones.

The words "goods inspection office" in Article 3 of the Agreement mean the entire compounds of Tumen Station or Kamisanbo Station.

Article 2.

The customs officers of either of the parties hereto dispatched to the territory of the other shall, pursuant to the laws and ordinances of their country relating to the exportation and importation of goods and in accordance with the provisions of the Agreement and the present Detailed Regulations, perform their duties within the zones fixed in the foregoing Article and in the trains as provided in paragraph 2 of Article 3 of the Agreement.

Article 3.

Examination by the customs officers of either of the parties hereto within the territory of the other provided for in Articles 2 to 5 of the Agreement may be made in the zones fixed in Article 1 of the present Detailed Regulations and in the trains as provided in paragraph 2 of Article 3 of the Agreement only in either of

the following cases:

1. In case an intention to export or import is expressed;
2. In case investigation is necessary owing to a suspicion of an infraction of regulations.

Article 4.

In case they deem it necessary for preparing for the examination of personal effects carried by passengers which are transported by rail, the customs officers of Manchoukuo and Japan may board the trains at the first Station in the territory of the other before Tumen Station or Kamisanbo Station.

CHAPTER II. TRANSPORTATION OF GOODS UNDER SEAL

Article 5.

Any goods, parcels, forwarded luggage and luggage accompanying travellers set forth in Article 2 of the Agreement which are to be transported from Tumen Station or Kamisanbo Station to Yuki, Rashin or Seishin and vice-versa shall be conveyed under seal.

Article 6.

In case any application is made for transporting goods under seal, the applicant shall be caused to present to the Japanese customs officers five copies of the list of the goods to be transported.

The list of the goods to be transported mentioned in the foregoing paragraph may serve also as an application for transportation under seal.

When the Japanese customs officers receive such application for transportation under seal, they shall deal with the matter after consulting the Manchoukuo customs officers.

Article 7.

When permission is given for transporting any goods under seal, the goods car shall be sealed in the presence of the customs officers of Manchoukuo and Japan, after which it shall be permitted to be taken away. However, if the goods to be transported under seal and other goods which are not under seal are loaded together on the same car by virtue of the provisions of Article 15 of the present Detailed Regulations, the sealing of the car may be dispensed with.

Article 8.

When the goods car mentioned in the first part of the foregoing Article reaches its destination, the customs officers of Manchoukuo

and Japan shall collaborate in inspecting its seal, and if there is nothing amiss, they shall allow the goods to be unloaded or the car to pass.

When the goods car mentioned in the provision of the foregoing Article reaches its destination, the customs officers of Manchoukuo and Japan shall collaborate in inspecting the goods contained therein, and if there is nothing amiss, they shall act similarly as in the foregoing paragraph.

Article 9.

In case there should be any mishap outside the zones fixed in Article 1 of the present Detailed Regulations in connection with any goods conveyed under seal, the customs officers of the country where the place of such mishap is situated shall take whatever measures they shall deem necessary, and shall send an account of such mishap to the customs officers of the other country.

Even in the case of such goods as mentioned in the foregoing paragraph, all export and import formalities relative to such goods shall be executed within the zones fixed in Article 1 of the present Detailed Regulations.

Article 10.

In case any duty-unpaid goods transported under seal should be lost or destroyed or should fail to reach their destination within fifteen days after permission (for their transportation) is given the applicant (for such permission) shall be caused to pay the duty thereon. If such loss or destruction, however, is due to a disaster or if the goods were destroyed with the consent of the Customs, the foregoing provision shall not apply.

CHAPTER III. REGULATION OF GOODS

Article 11.

Exported or imported goods, goods for reshipment, or goods transported under seal shall not be loaded on ships or cars without first obtaining the necessary permission therefor.

Article 12.

The warehouses for exported or imported goods or goods transported under seal located within the zones fixed in Article 1 of the present Detailed Regulations shall be designated by the Customs of the country where such goods are located, after consultation with the customs officers of the other country.

Article 13.

Any person or party who desires to put exported or imported goods or goods transported under seal into the warehouses mentioned in the foregoing Article, or who desires to remove such

goods from the said warehouses, shall give notice of such desire to the customs officers of both Manchoukuo and Japan.

Article 14.

Any person or party desiring to unload any exported or imported goods or goods transported under seal from the car or cars containing such goods shall give notice of such desire to the customs officers of both Manchoukuo and Japan.

Article 15.

Goods transported under seal and goods which are not under seal shall not be loaded on the same goods car without special permission.

CHAPTER IV. DISPOSAL OF INFRACTIONS OF THE LAW.

Article 16.

The provisions of Articles 4 and 5 of the Agreement shall, in connection with the disposal of cases of infraction of the laws and ordinances concerning the exportation and importation of goods, cover each of the following cases:

1. In case it is deemed that any single act has violated the laws and ordinances of both Manchoukuo and Japan, the customs officers of the two countries shall deal with it separately;
2. In case it is deemed that any single act has violated the laws and ordinances of only one country (including cases where the customs formalities of the other country have not been duly completed), the customs officers of such country alone shall deal with such act;
3. In case the respective manners in which the customs officers of Manchoukuo and Japan have dealt with the same goods should be found to be in rivalry, the disposal made by the customs officers of the country exporting such goods shall take precedence;
4. In the foregoing case should the customs officers of the importing country require the goods concerned for dealing with a case of infraction of the law, pending their disposal of such case, they shall deliver such goods to the customs officers of the exporting country.

Article 17.

In case the customs officers of either of the parties hereto should discover any case which they suspect to be in violation of the laws ordinances of the other, they shall immediately transfer such case to the customs officers of the other party.

Article 18.

In case the customs officers of either of the parties hereto should discover any case which they suspect to be in violation of the laws and ordinances of their own country concerning the exportation and importation of goods, they shall immediately report such discovery to the customs officers of the other party. They shall do likewise when such case has been dealt with.

CHAPTER V. CONTACT IN PERFORMANCE OF DUTIES

Article 19.

The keys of the goods warehouses provided for in Article 12 of the present Detailed Regulations shall be kept by the customs officers of the country where such warehouses are situated.

Article 20.

The customs officers having custody of the keys mentioned in the foregoing Article shall comply with the requests of the customs officers who do not have the custody of such keys if the latter find it necessary to open any of the warehouses.

Article 21.

In case the customs officers of either of the parties hereto desire to place any goods in a warehouse, they shall consult the customs officers of the other party.

The customs officers of the party receiving such consultation as mentioned in the foregoing paragraph shall, as the occasion requires, take steps to send such goods to the country of dispatch on the ground that the payment of customs duty on such goods has been rejected, or shall reply to the customs officers of the other party that they have no objection to the storing of such goods.

Article 22.

In case the customs officers of either of the parties hereto should intend to send back any goods to the country of dispatch, they shall report such intention in advance to the customs officers of the other party.

Article 23.

As regards any goods to be sent back to the country of dispatch by the customs officers of either of the parties hereto by virtue of Article 4 of the Agreement, the person or party in charge of the transportation of such goods shall be caused to take up proceedings for their export or reshipment with the customs of the other party.

Article 24.

If an application is made to the Japanese Customs Superintendent for the licensing on an agent for handling dutiable goods for the purpose of passing any goods at the Customs at Kamisanbo Station, Yuki, Rashin or Seishin, or of the parties hereto should desire the temporary suspension of business of any agent handling dutiable goods or the cancellation of the license of such agent on the part of the Customs Superintendent of the other party, his wishes should be respected.

Article 26.

The customs officers of either of the parties hereto may entrust to the customs officers of the other the investigation of any suspected cases of infraction of the law in the territory of that other party.

Article 27.

The customs officers of Manchoukuo and Japan shall, for the purpose of expediting the execution of their respective duties, communicate to each other each of the following matters:

1. Matters serving as referential data for the inspection and appraisal of exported or imported goods;
2. Matters concerning goods prohibited for exportation or importation;
3. Newly-promulgated customs regulations;
4. Other necessary matters.

CHAPTER VI. MISCELLANEOUS RULES

Article 28.

The holidays and the office hours of the customs officers of either of the parties hereto dispatched to the territory of the other by virtue of Article 2 or 3 of the Agreement shall be determined according to the regulations of that other party concerning such matters.

Article 29.

Matters concerning the opening of any office on special days and service after the regular office hours shall be dealt with separately by the customs officers of Manchoukuo and Japan after consulting each other.

Article 30.

Among the duties of the customs officers of either of the parties hereto dispatched to the territory of the other by virtue of Article 2 or 3 of the Agreement shall be included the collection of the various fees set forth in the customs regulations of the country to which such customs officers belong.

Article 31.

The Manchoukuo customs officers may, at the request of any applicant, put a Manchoukuo

certificate of examination on imported or exported cargo within the zones fixed in Article 1 of the present Detailed Regulations.

Article 32.

The Government-General of Chosen recognize if such application is made to the Manchoukuo Customs Superintendent for the purpose of passing any goods at the Customs at Tumen Station shall be dealt with after hearing the views of the Customs Superintendent of the other country. The same procedure shall be followed in suspending the business or cancelling the license of any person or party handling dutiable goods because of an infraction of the law or any other cause.

Article 25.

In case the Customs Superintendent of either the commissioning by Manchoukuo of the Bank of Chosen at Kamisanbo, Yuki, Rashin and Seishin (or its agents at the said places) as the bank of handling Manchoukuo treasury money.

Manchoukuo revenues at Kamisanbo, Yuki, Rashin and Seishin shall be received in Japanese currency.

Article 33.

Matters regarding establishments concerning joint examination within the zones fixed in Article 1 of the present Detailed Regulations

shall be dealt with in accordance with decisions arrived at through consultation between the customs officers of Manchoukuo and Japan.

Article 34.

The present Detailed Regulations shall come into force on the date of their signature.

Article 35.

The present Detailed Regulations are executed in duplicate in the Japanese and Chinese languages. In case of any divergence in the interpretation between the Japanese and Chinese texts, the difference shall be settled by reference to the Japanese text.

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

Done in Keijo (Seoul) this twenty-fourth day of the fifth month of the second year of Kangtē, corresponding to the twenty-fourth day of the fifth month of the tenth year of Showa.

(Signed) Sun Chi-chang (Seal)

Minister of Finance of Manchoukuo

(Signed) Kazunari Ugaki (Seal)

Governor-General of Chosen

CHAPTER XVI

PURCHASE OF THE N. M. R.

Purchase of the North Manchuria Railway
(Full text of treaty given in the Supplement)

One of the most significant events in the relations between Soviet Russia on one side and Manchoukuo and Japan on the other, during the past year, is undisputedly the sale to Manchoukuo of the Soviet rights in the railway lines known for nearly a half century as the Chinese Eastern and more recently as the North Manchuria Railway. The negotiations which opened in Tokyo in June 1933, with Japan acting as sponsor, were brought to agreement in March 1935 after a period of nineteen months in which the situation was more than once visibly and seriously affected by the political and military developments that were fast unfolding on the Far Eastern theatre, and seemed at times all but despairing. Soviet Russia was a comparatively inconsequential military factor when the sale of the same railway was suggested in 1932 by Mr. Hirota, who was the Japanese ambassador at Moscow. Japan's military undertaking at Shanghai coming on the heels of the Manchurian campaign, the subsequent situation pregnant with serious potentialities, and, next, the situation she faced at Geneva as regards the League of Nations, were all in their turn taken into consideration by the Soviet statesmen who saw wisdom in playing for time. In the meantime feverish efforts were made to increase the Soviet army in eastern Siberia. A huge amount of time and labour was spent in fortifying the frontiers. More than once the Moscow government seemed in a changed mood and loath to continue negotiations on the railway. The long drawn-out negotiation, however, for all appearance to the contrary, was successfully concluded in March 1935, having consumed close on two years. The sale agreement was regarded as an event opening a new epoch in the diplomatic and economic relations between the three nations concerned.

When the North Manchuria Railway was handed in due form over to Manchoukuo in February 1935, prior to the signing of the formal documents, it was hopefully predicted that the diplomatic and military situation of eastern Siberia would be relieved of its heavy strain. This view,

however, has been consistently opposed by another section of opinion which holds that Soviet policy, so far as the railway question was concerned, had been actuated by the economic, but not political considerations. Those who persist in this view point out the unchanged military situation in eastern Siberia and the apparent Soviet policy disposed as yet to make no change in the situation. The Japanese military, it is also observed, have since then expressed themselves against the idea of making a non-aggression pact with Soviet who is the author of the idea. Japan still has, it is held, to settle for Manchoukuo her frontier along clear cut lines, and the mood in which Soviet has displayed herself in the same direction, as, for instance, in the case of the delta at the confluency of the rivers Amur and Ussuri, is given as evidence of what may be expected in the matter destined next to engage attention of Soviet and Japanese diplomacy.

Significances of the Railway Sale

In any event, however, the sale by the Soviet Union of the North Manchuria Railway means one unescapable fact that she has withdrawn herself from the territory of Manchoukuo. Manchuria has seen the last of what had been left as a mark of that Imperialism which had directed Russian diplomatic policy in Manchuria since the last quarter of the seventeenth century. It means sweeping away of the vestige of the colossal undertakings that the Russian nation set itself to accomplish in Manchuria on the strength of the secret Cassini Agreement of 1896, an agreement by which Russia would have held Manchuria before the expiration of its terms of 30 years.

From the military point of view, Soviet Russia has withdrawn her front back to the line of the Amur. She has been deprived of the short cut she has had to the Maritime province. This railway across North Manchuria represented a saving of 340 miles as compared with the Amur line. The vulnerability of this long line of communication running in parallel to the Amur may be taken as the reason for the huge amount of 2,000,000,000 roubles. Soviet government is said

to have to date spent on construction of forts along the line.

From the point of view of diplomacy, the successful conclusion of the railway negotiation has been well received on all hands in Japan. The North Manchuria Railway had always been a thorn in the side of Manchuria and the source of trouble for whomever had to rule the country. This phase had especially been noticeable since the establishment of Manchoukuo. Frequent disturbances of traffic on the railway and the rampant banditry along the line have not been regarded in Manchoukuo or in Japan without suspicion. While the railway whose value had been reduced to one of negative nature could scarcely ever have been the actual cause of grave international trouble, its existence under the former conditions would have continued to irritate the feelings of the nations whose relations had been considerably strained.

From the point of view of economy, the railway, as is shown later, had been a losing proposition since 1928. The concessions held by Soviet Russia in connection with the railway, were by no means few in number, though they had for great part fallen in decay or remained unexploited. Potential as these industrial and economic rights still are in good parts, the Soviet Union in foregoing its rights, has virtually withdrawn from the economic life of Manchuria. Apart from its military importance, the Maritime province has lost much of its importance. Vladivostok, as a commercial port, has now to fall back upon the Siberian region whose economic and industrial possibilities are still highly problematical. From the standpoint of Manchoukuo's economy, the extensive forest areas of northeastern Manchuria will now be regarded in the light of huge, though unexploited, industrial resources to which attention would be turned as soon as peace and order has been established on those parts to enable steady maintenance of communication with the other parts of the country.

First Overtures by Japanese Diplomat

Contrary to the general impression, the idea of selling the Soviet rights in the North Manchuria railway was of Japanese, and not Soviet origin. The idea was suggested to Mr. Karakhan by Mr. Hirota in 1931 when the latter was the Japanese Ambassador in Moscow. The suggestion was made upon his own initiative. Mr. Karakhan was not ready to express himself one way or the other at the moment. That the suggestion, if unproductive of tangible results at the time, was made at a very psychological

moment, there can be no doubt. It was sometime after this Mr. Karakhan is understood to have intimated that the Soviet Government would not be loath to dispose of its rights in the railway. After making the same suggestion, the Japanese ambassador at once wrote to Baron Shidehara, Foreign Minister, asking him to give due consideration to the matter. Hirota recommended it as an adroit diplomatic gesture, when his country, in consequence of the widespread military action in Manchuria, was finding itself in a position of increasing difficulty. The foreign minister, however, was not in a mood to fall in with the suggestion. Whether he found the matter far too stupendous to be tackled or the military were not in favour of it has never been disclosed.

In any event, the ministry of which Baron Shidehara was a member had then but little time to remain in office. Mr. Yoshizawa who had been the chief Japanese delegate to Geneva, was appointed as Foreign Minister in the succeeding Inukai ministry. When he was passing through Moscow on his way back to Tokyo, Ambassador Hirota seized the opportunity to apprise the foreign Minister elect of what he had been developing in his mind, even going so far as to arrange for meetings with Mr. Karakhan. Mr. Hirota had not lost his faith in the advantage of the proposition he had been working upon. It was also his opinion at the time that Soviet Russia would be agreeable to a price something like 100 million yen.

The tenor of the public expressions Mr. Yoshizawa gave on assuming office in the Inukai ministry was indicative of the policy he was shaping toward the Soviet Union. It is definitely known that he made endeavours to enlist united ministerial support to the idea of which Mr. Hirota had been a strong advocate. How far the new Foreign Minister was successful at the time was never known; but that his idea met with opposition on the part of General Araki, War Minister, is known.

When Count Uchida became Foreign Minister after Mr. Yoshizawa, having resigned the presidency of the South Manchuria Railway, there followed a period in which Japan's foreign policy was thought definite so far the military were concerned. Count Uchida's tenure of office was generally regarded as subject to the War Minister's pleasure. In the meantime Mr. Hirota had returned from Moscow. After his return to Tokyo he was soon known to have retired to his home in the country. There is reason, however, to believe that he worked, if in quite unobtrusive manners, to develop and promote the

between the same parties, the Chinese Eastern Railway had been placed under the joint management of Sino-Soviet authorities. On this ground it was insisted that the Soviet rights in the railway did not amount to more than half the value of the railway. To this view the Soviet delegation took exception. The parley had in fact reached the rock on which it had been feared it would be wrecked, before the matter was taken up in Tokyo.

Apart from the points upon which the Soviet contention was based, it was clear that her attitude had stiffened to a degree. She had resumed commercial relations with the United States. In London there had opened the prospect of resuming similar relations with the British empire.

First Soviet Concession

In such an atmosphere the fourth council was opened on July 5th. The spirited discussion on the occasion was anything but promising. In view of the situation Mr. Ohashi proposed conversations on technical lines as an alternate arrangement more likely to improve the prevailing atmosphere. The fifth conference followed on July 14th. On the same day Soviet Russia published as official statement outlining the course the negotiations had followed up to that time. This step, regarded by the Manchou and Japanese as contrary to the mutual understanding previously reached, served only to aggravate the situation.

On July 25th the first Ohashi-Koslovsky conversation took place, in accordance with the arrangement made at the previous meeting. This was followed by the sixth formal conference on August 4th, when Ambassador Yourenoff said by way of concession that the Soviet government would accept the price of 200 millions or 50 million roubles less than the original demand. This was met by the Manchoukuo argument chiefly centering on the question of Russian proprietary rights in the railway.

Intermediate Conversations

The month of August was devoted to what was known as intermediate conversations between Ohashi and Mori for Manchoukuo and Koslovsky and Kuznetsoff for the Soviet Union. The second of these parleys was held on August 8th, when the Soviet representatives asked for concession on the part of Manchoukuo whose delegates, however, insisted on their original lines, saying that there was a growing section

of opinion within their country against the negotiations in progress and this body would not countenance any further concession on this part.

At the following meeting on August 12th Mr. Koslovsky proposed to discuss the exchange rate of the gold rouble for the Manchou currency. It was also agreed on the same occasion to appoint a special technical committee for the same purpose. At the following conversation on August 17th the Manchoukuo delegates proposed the exchange rate of 25 sen for one gold rouble, while the Soviet representatives failed to present their idea on the ground that they had received no instruction from Moscow, proposing instead to invite expert economists from Moscow to participate in the discussion. The proposal, however, was rejected by Manchoukuo who held that the whole question should be handled politically. On August 23rd the delegates met for the fourth and last time to continue the negotiations which were supposed to have been less formal and more open and friendly. Neither side showed a changed attitude. These informal conferences had been productive of none of the results originally aimed at. The situation, on the contrary, had visibly gone from bad to worse on all sides, and to all intents and purposes was being left to drift along with no promise of improvement.

Political Developments

The situation, however, seemed to take a turn in September when Mr. Hirota who had always been working, on or off stage, for the successful consummation of the Soviet-Manchou negotiations, was appointed Foreign Minister in the Okada Ministry. Nor did he lose much time to attend to the matter which had practically reached a deadlock. If he had at the time no plan for facilitating the negotiation he at least seemed determined to find the means to give a favourable turn to the situation. On September 20th the negotiation was resumed when the matter of exchange rate was discussed though without any tangible result. Two days later the Manchou government caused seven Russian officials of the North Manchuria Railway to be arrested on the charge of committing irregularities in management of railway. The Soviet government strongly protested against the procedure which it regarded as a political gesture to strengthen Manchoukuo's position as regard the railway negotiation. The former's retaliation promptly took the form of publishing through its official news agency a

idea he had set in motion, while in Moscow. In spite of all his effort, however, little change might have been expected in the situation as regards the railway question but for the fact there was now developed in the military circles a section of opinion favouring the peaceful disposition of the railway in question. General Araki's mind was swayed by this group and his attitude became modified.

Soviet Approaches Japan

On May 2nd, 1932, Foreign Commissar Litvinoff made the first proposal through Mr. Ota, the new Japanese ambassador to Moscow, relating to the sale of the North Manchuria Railway. The same note in substance purported as follows:

- (1) The best way to put a stop to troubles arising from the North Manchuria Railway would be to let either Japan or Manchoukuo take over the management of the same railway.
- (2) With regard to the sum to be paid for the sale of the railway, an arrangement for long term payment would be acceptable in principle.

On the 29th of the same month Count Uchida had his reply communicated to the Soviet representative. In the same note the Count proposed as follows:

- (1) It would be appropriate that Manchoukuo, but not Japan, should negotiate in view of the Soviet-Mukden agreement of 1924, and that Japan would act as an intermediary.
- (2) In the matter of the sale price of the railway rights, the figures should be based on assessment of the railway as it actually stood, the mode of payment being decided afterwards.
- (3) The negotiations should be made in Tokyo.

To the above the Moscow government expressed its agreement, proposing at the same time the date of opening the negotiation, which was set for June 3rd.

On the same day the first meeting was held at the official residence in Tokyo of the Vice-Minister of Foreign Affairs. The Manchoukuo delegation was represented by Mr. W. S. Tinge, Minister in Tokyo, and Mr. Chuichi Ohashi, Vice-Minister of Foreign Affairs of Manchoukuo, Mr. Wu Tse-sheng and others, while the Soviet representatives were Mr. C. C. Yourenoff, Soviet Ambassador in Tokyo, Mr. B. L. Koslovsky, Chief of the Far Eastern Section of the People's Commissaries, Mr. S. M. Kuznetsoff, Vice-President of the North Manchuria Railway.

Soviet Terms

At the third meeting on July 3rd discussion

was held upon the terms of sale. The Soviet proposal consisted of the following points.

- (1) The price for the sale of the railway rights should be 250 million gold roubles.
- (2) Half of the above amount would be accepted in merchandise.
- (3) Transit should be maintained for passengers and goods to Soviet territory by way of the North Manchuria Railway.

Of the freight carried by the same railway a certain proportion should be reserved for the Ussuri railway.

Further with regard to the above amount, it was explained that the total spent up to 1932 for construction, rolling stock and repairs of the North Manchuria Railway amounted to 411,691,976 gold roubles. The sale price, however, had been assessed at 210 million gold roubles, in view of the technical depreciation of the railway and the decreased economic value of the line in consequence of a number of new railways lines having been constructed. The remaining amount of 40 million gold roubles represented land and forest concessions held by the railway.

From the outset it was clear that the main point of dispute would be the price of the railway. Manchoukuo made a counter-proposal offering the price of 50 million yen. This amount had been based, according to its explanation, on the view that the railway in question had lost considerable part of its economic value, and would lose more of it since the new railways under construction in Manchouria would divert the quarter part of the traffic the line had depended upon. It was also held that even in the event of building a new railway parallel to the North Manchuria line, it would involve no more than an outlay of 130 million yen. The existing railway, having fallen in decay was worth, it was said, no more than half the same price, or not more than 65 million yen. The 50 per cent share held by Soviet in the railway, therefore, would amount to 32,500,000 yen.

The great differences between the two parties as to the price were due to certain political phases that had been taken into consideration. Manchoukuo held the view that Soviet Russia, by virtue of the agreement made with the Government of the Autonomous Three Eastern Provinces in October 1924 relating to the status of the Chinese Eastern Railway, retained its economic interest in the same railway, but political sovereignty in the railway zone, civil, military and judicial administration, taxation and other rights had been turned over to the Manchoukuo government which had succeeded the Chinese signatory. According to another agreement made

document all alleged to have been written by Ambassador General Hishikari, of the Japanese army, to the Japanese Foreign Minister, proposing the scheme for seizure of the railway in question. The publication of this paper which the Japanese have always declared a forgery and never proved otherwise, only served to deepen the suspicion which had characterized the diplomatic negotiation at Tokyo and create an atmosphere which was decidedly unfavourable to its progress. The situation was further precipitated. Ominous predictions were uttered not only in the Far East, but from Europe and America as well.

Hirota and Youreneff Remain Confident

The diplomatic negotiation had been practically closed, and there was little indication that it would be resumed. The situation appeared depressing to all but Mr. Hirota, Foreign Minister, and Mr. Youreneff, Soviet Ambassador in Tokyo, who both of them continued their efforts to remove the difficulty in the way of diplomatic agreement. The first evidence of their successful endeavours was seen about six months later. On February 14th, 1934, the Manchoukuo government liberated the Soviet railway officials, on the request of Ambassador Youreneff.

The way was further smoothed when Mr. Hirota proposed that the matter of this rouble exchange should be held in obedience, the rouble of which at the time a British writer in China said: "There is one thing which will entirely disappear, and that is the gold rouble which has for years been the fictitious currency of the Chinese Eastern Railway, and which has been subjected to considerable ups and downs in the matter of exchange to local currency." Mr. Hirota suggested instead that the sale price should be given in terms of paper yen notes, to which the Soviet ambassador agreed.

Under date of February 26th, 1934, the Soviet representatives offered their terms which were in substance as follows: (1) the price should be 200 million (paper) yen; (2) all the rights and obligations of the North Manchuria Railway to be taken over by Manchoukuo; (3) the retiring allowances for the Soviet employees should be borne by the Manchoukuo government. In view, however, of the complicated issues involved in the matter of rights and obligations as well as retiring allowances, Mr. Hirota recommended resumption of negotiation with regard exclusively to the question of the sale price. In accordance with this counsel, the Soviet-Man-

chou negotiation was resumed on April 26th 1934.

The conference was opened on the occasion by Mr. Ohashi who proposed for Manchoukuo the following terms:

- (1) The price should be 100 million (paper) yen.
- (2) The retiring Soviet employees should be taken care of at the exchange of the Soviet government.
- (3) Of the amount to be paid for the railway, 30,000,000 yen would be paid in current money, the balance being payable by means of merchandise within a stipulated period of time.
- (4) Manchoukuo would not hold itself responsible except for the claims and obligations of the North Manchuria Railway as stated in the balance sheets presented on March 22nd, 1934.

At the following meeting the Soviet delegates opposed Manchoukuo's offer as representing no concession on its part. Soviet Russia also took exception to the matter of dismissing the railway employees at its own expense. At the 8th intermediate conversation on May 14th neither party seemed ready to concede any further. On May 25th Ambassador Youreneff called upon Mr. Hirota and expressed his readiness to make further reduction of 10 million yen. The concession as such, however, failed to bridge the cleavage that had been caused. Nor did it induce the Japanese Foreign Minister to offer arbitration at this stage.

Soviet Russia's Further Concession

The conclusion of the Japanese military campaign in North China in June 1934 and the subsequent subsidence of anti-Japanese agitations in many directions, were followed by Soviet Russia's attempt to resume the railway negotiation on somewhat new terms. It was intimated that Moscow would accept 170 million yen should Manchoukuo bear the expense of dismissing the railway employees.

The situation was considered fairly mature. At his interview with Ambassador Youreneff on July 23rd, Mr. Hirota, both as arbiter and intermediary, outlined his private plan, according to which the price was to be 120 millions and the railway employees were to be taken care of at the expense of the Manchoukuo government. Still his idea was 40 million yen less than the last Soviet offer. On the day following the same plan was presented to Mr. Tinge, Manchou

Minister, who expressed his willingness to accept its terms.

Negotiation Given up

A week later the Soviet ambassador called upon Mr. Hirota to convey Moscow's reply to the Foreign Minister's last proposal. It was made clear on the occasion that Soviet Russia would accept nothing less than 160 millions or 10 millions less than the previous offer. In view of the unconciliatory attitude of the Soviet government, Mr. Hirota withdrew himself from further negotiation, advising the Soviet ambassador to deal directly with Manchoukuo. Soviet Russia showed itself in no mood to resume direct conversations with the Manchou delegation. Under the circumstances, Mr. Ohashi and other delegates from Hsinking left Tokyo on their homeward trip on August 14th.

On the face of things it seemed the darkest hour in the course diplomacy had followed between Soviet Russia, on one hand, and Manchoukuo and Japan, on the other. But despite the apparent difficulties in the way a series of negotiation followed through private channels between these countries. At the Hirota-Youreneff conference on September 21st agreement was reached as to "the fundamental principles relating to the price of the railway. The railway negotiation was now chiefly in the hands of Foreign Minister Hirota and Ambassador Youreneff, who met in a series of interview during the time from the end of September to the closing part of December.

The most important point of discussion at this stage was the mode of payment and its guarantee. The Soviet Government insisted that the Japanese government should guarantee payment not only in money but in merchandise. The Japanese Foreign Minister, for his part, insisted that such guarantee should be made by a Japanese banking syndicate, and not by the government, since the latter was not in a position to undertake anything of the sort without the approval of the Imperial Diet. Mr. Hirota's insistence upon this point was due also to the determined attitude taken by the Department of Finance.

Another point of discussion was the proposal made by the Soviet representative to the effect that in case of disagreement arising as to the appraisal of the merchandise to be taken by Soviet and for its settlement, the matter should be referred to a court of arbitration to be formed with a representative from a third country. Understanding also was not in sight concern-

ing payment of the retiring allowances to the Soviet railway employees. Soviet Russia insisted upon an immediate payment of the money, while Manchoukuo held that the payment should be spread over a period of three years, according to the statutes of the railway.

Some difficulty was also seen about certain properties which Soviet Russia insisted on retaining as its own. These properties included the building of the consulate general, certain school houses, hospitals, part of the books in the libraries, and so forth.

Japanese Concession

On December 10th Mr. Hirota, in view of the situation, presented terms which represented a measure of concession on the part of the Japanese government. With regard to the matter of guarantee, the Japanese government would agree to express by means of official documents its guarantee of Manchoukuo's complete fulfilment of the terms of agreement. As for the merchandise to be taken by Soviet Russia an enquiry committee of four from Russia and four from Manchoukuo and Japan should be formed in case there should arise any dispute between merchants of these countries as to the valuation of merchandise, or the procedure to be taken for its delivery, etc. It was further proposed that in the event of the same committee failing to effect satisfactory settlement, the governments concerned should take up the matter for diplomatic negotiation. In regard to the retirement allowances, the Japanese government maintained the unchanged attitude.

The above proposal by Mr. Hirota failed to obtain Mr. Youreneff's agreement, and a series of conferences was yet to take place; but the Minister on this occasion were later virtually to form the basis for the final agreement.

On December 21st Ambassador Youreneff upon instructions from Moscow, met Mr. Hirota for further discussion about the terms proposed from the Japanese side. It was evident that the atmosphere had visibly cleared. With a view to facilitating the negotiations it was agreed on this occasion that the details relating to the questions under discussion should henceforward be left in the hands of Mr. Koslovsky and Mr. Togo, Chief of the Section of Europe and Asia, of the Japanese Foreign Office though the fundamental issues should as hitherto be handled in the higher quarters. The first Koslovsky-Togo interview took place on December 24th, and on January 21st of the

following year these representatives met for the eighth time. After their conference lasting more than six hours, just about midnight, they successfully concluded their discussion.

On March 11th, 1935 the provisional agreement was signed at the Japanese Foreign Office, bringing to a close the diplomatic negotiation which had extended over a period of nearly two years. The Soviet, Manchoukuo and Japanese representatives had met on 40 different occasions. On March 25th the management of the railway was formally handed over to Manchoukuo at Harbin. The procedure of transference was smoothly effected in less than a quarter of an hour all along the lines.

The formal agreement, drawn up by the committee formed immediately after the signing of the provisional agreement, was signed on March 23rd.

The text of the Agreement and the Protocol is as follows:

The Railway Renamed

The North Manchuria Railway by which the former Chinese Eastern Railway had been known since the establishment of Manchoukuo was renamed as the North Manchuria Broad Gauge Railway upon transference to the management of the South Manchuria Railway Company in February 1935. At the same time the section between Harbin and Pogranichnaya was named the Pinsui Line, the section between Harbin and Manchouli the Pinchou Line and former southern branch between Harbin and Hsinking the Pin-kiang Line.

Special Administrative Districts

The Special railway zone has been made as a special administrative district including, besides Manchouli and Suifenho, the five towns of Hailar, Puhate, Hularchi, Hêngtaohotzu and Anganchi. In addition to these, administrative sub-offices have been set up at Manchouli, Hailar, Puhate, Chalantun, Anganchi, Anda, Mankou, Imienpa, Hêngtaohotzu, Muling, Suifenho, Changkiawan and Hsinking.

These administrative divisions are credited with populations as follows:

Table 1
Population

Eastern section	61,596
Western section	99,151
Southern section	20,272
Harbin City (Special)	140,945

Total 321,964
Economic Value of the North Manchuria
Railway

Through its purchase of the Soviet rights in the North Manchuria Railway, Manchoukuo has acquired a railway running east to west through the heart of North Manchuria, from Pogranichnaya in the east to Manchouli in the west, and also what has in the past been known as the southern branch, running from Hsinking (Changchun) to Harbin. The total length of the railway lines is 1,726 kilometres. In addition to the above railways, Manchoukuo has taken over a number of industrial and other undertakings which had been under the management of the same railway directing board. These so-called "appurtenant enterprises", ranging over a very wide field, represent a total investment of 4,291,000 gold roubles as at the end of September 1933. The principal undertakings are given below with their respective estimated values in gold roubles.

Appurtenant Undertakings

(1) **Chalainor Coal Mine.** This mine is situated 40 kilometres northwest of the station of the same name on the Manchouli-Harbin section of the North Manchuria Railway. The same railway holds the mining concession at Chalainor by virtue of the agreement made with China relating to the construction of the Chinese Eastern Railway and also of the pact made in 1907 with the provincial authorities of Heilungkiang. The mine was strenuously worked at the time of the Russo-Japanese War, recording at a time an yearly production of 450,000 tons. Work was later curtailed. In consequence of the Sino-Soviet military clash in 1924 the mine was all but wrecked. Since 1930, however, it has been operated on a modest scale. The deposit of coal is estimated at 70,000,000 tons by some and several times as great by others. Because of its inferior quality and the location of the mine, the Chalainor coal has been kept out of the North Manchuria market, being supplied exclusively to the railway.

The total production for 1931 was 20,373 tons, whereas the output for the preceding year was 186,496 tons.

(2) **Chalainor Mine Railway.** Value 372,500 roubles. Operated since 1906. In bad condition since the Sino-Soviet trouble of 1929.

(3) **Timber Mills.** The first mill is valued at 44,500 roubles. In business since 1904, but not running in consequence of forestry cutting

being stopped. The mill in its early days was a paying proposition for some years.

The second timber mill is valued at 7,500 roubles. In business since 1910 and well equipped.

(4) **Olive Oil Factory.** Value 13,000 roubles. Opened since 1905, but seldom in operation.

(5) **Mineral Water Factory.** Value 8,500 roubles. Opened since 1923 and the profit to 1933 is given at 2,775 roubles.

(6) **Lithograph Works.** Value 16,000 roubles. Opened in 1910 and later turned over to the printing press of the railway.

(7) **Railway Material Factory.** Value 38,000 roubles. Operated since the opening of the railway, but never been on a paying basis.

(8) **Water Supply Works.** Value 13,000 roubles. In business since 1923, but the whole system has fallen in decay. No profit.

For the three last named undertakings the North Manchuria Railway disbursed in 1933 aids to the amount of 1,978 roubles.

(9) **Forestry Cutting Works.** Value 140,000 roubles. In operation since the opening of the railway. The wages for the working staff amount to 25,600 roubles per year. During the cutting season from October to March, 1930-1931, the total production was 185,175 railway sleepers and 235,500 cubic feet of firewood, altogether valued at 571,533 roubles.

(10) **Nursery.** Value 7,000 roubles. Since its opening in 1912 to 1933 the total profit is reported to have been 2,000 roubles.

(11) **Railway Printing Press.** Value 370,000 roubles. Operated since the opening of the railway. The wages for the standing staff are 25,600 roubles per year. The whole press is in fairly good working order, though its business has not been prosperous in recent years.

(12) **Grand Hotel.** Value 18,000 roubles. In business since 1925, but never on a paying basis. In 1933 was granted a government aid of 5,000 roubles.

(13) **Realty Department.** Value 25,000 roubles. In business since the opening of the railway. The profit account to 1933 is 12,674 roubles. The main part of the business having been transferred to the central administrative board, the revenue from real estate business amounts to but little.

(14) **Agricultural Department.** Value 195,000 roubles. In business since 1920. The department consists of the oil manufactory, laboratory, swine raising farms, livestock yards. Little profit has been realized to date. Was

aided by the government in July 1933 to the amount of 51,677 roubles.

(15) **Telephone Works.** Value 722,000 roubles. Its work has of late years been confined within the limits of railway business. Deficit in 1932.

(16) **Shipping.** Value 25,000 roubles. Operated since the opening of the railway. The total profit up to 1933 is given at 23,241 roubles. Operation has been curtailed since the business was turned over to the government. The railway retains but little of the shipping property.

(17) **Veterinary Surgery.** Value 5,500 roubles. Operated since 1910 with small yearly deficit. The staff consisted of 31 veterinary surgeons and 22 assistants.

(18) **Woolen Mill.** Value 185,000 roubles. Established in 1923 with a capital of million roubles. The mill later having been transferred to the government, the railway has at present no mill under its management.

(19) **Motor Garage.** Value 263,000 roubles. In business since 1915. The whole outfit is maintained in good shape, but no revenue.

(20) **Bean Mill.** Value 54,000 roubles. Under the direction of the Commercial Department and in operation since 1921. The total profit up to 1933 amounted to 391,885 roubles. Good paying establishment and equipment is well maintained.

(21) **Commercial Department.** Value 300,000 roubles. Opened since the establishment of the railway, extending its business as in 1920. Good financial condition. The department, with its business ranging over a fairly extensive field, had in 1931 its offices at 42 places including Tientsin, Shanghai, Dairen and Vladivostok. The revenue for the same year was returned as follows:

Table 2
Revenue

Express	2,307,456 GR.
Ticket Agencies	162,417 "
Warehousing	127,695 "
Customs Agencies	1,876,864 "

(22) **Electric Power Stations.** Power stations are at Harbin, Tsitsihar, Fularchi, Chalantun, Aiho, Mientuho, Hailar, Hêngtaohotzu, Sanchaho, Kuanchengtzu. Their total value is estimated at 699,000 roubles. The business is efficiently managed, but the outfit is generally in a dilapidated condition. Profits from operation are all but negligible. The generating capaci-

ties of the above power stations are given below as in 1931.

Table 3
Generating Capacity

Station	Kilowatt
Harbin Taoli Station	4,240,000
Hailar	106,740
Mientuho	25,647
Chalantun	107,835
Fularchi	48,361
Hengtaohotzu	246,248
Aiho-chan	37,759
Sanchaho	22,142
Kuanhengtzu	95,729

Notes: The power station at the Chalainor coal mine was destroyed, during the military disturbance of 1920, and has not been reinstalled.

(23) Publishing Business. Value 6,000 roubles. The profit realized up to 1933 was returned at 19,740 roubles; but as a matter of fact, the whole establishment, remaining as a propaganda organ for the communists, has been losing heavily. In 1933 it was aided by the government to the amount of 55,444 roubles.

(24) Sanatorium. Value 127,000 roubles. Opened since 1932.

(25) Library. Value 143,000 roubles. Opened since the establishment of the railway. Well equipped.

(26) Training School. Value 84,000 roubles of which the Russian department represents 14,500 roubles, the Chinese department 6,500 roubles and the technical department 6,300 roubles. Opened since 1925 and run as a Communist propaganda organ. Deficit was seen each year.

(27) Railway Police. Value 94,500 roubles. Opened since the establishment of the railway. In 1933 was subsidized to the amount of 1,150,000 roubles.

(28) Educational Department. Value 315,000 roubles. Organized as a Communist propaganda institution. The subsidy granted in 1933 was 1,166,744 roubles.

(29) Hemp Mill. Destroyed by fire.

(30) Hospitals. Hospitals and other medical establishments numbered 34 in 1931, with 413 beds. The medical staff consists of 55 professional men.

(31) Schools. The schools operated by the North Manchuria Railway were in all 22 in 1931, with a total enrollment of 8,807. Of these institutions 9 are in Harbin city, 7 in towns on the western section of the railway, 4 in those on the eastern section and 2 along the southern branch.

Besides those mentioned above, the North Manchuria Railway also had pig-iron works machine shops, chemical laboratories and other establishment numbering 19 in all.

Economic Value of the North Manchuria Railway.

Opinion is divided as to the economic value of the North Manchuria Railway. One section of opinion holds that the same railway would lose all its economic value should it be left under the condition it had been since the establishment of Manchoukuo. It was therefore held that it would be unwise to take it for any price. Those who take a more hopeful view of the matter are confident that the railway could be placed on paying basis if properly managed. While it seems premature to pass upon the matter, some idea may be formed of the possibilities of the railway by a survey of the conditions found just before the sale took place in March 1935.

Financial Condition. The financial condition of the North Manchuria Railway in recent years may be seen from the figures below. It may also be seen how the railway had been affected through political and military developments in Manchuria since 1931.

Table 4
Revenue & Expenditure

Year	Revenue GR	Expenditure GR
1928	64,711,030	48,389,440
1929	68,056,165	42,829,247
1930	49,150,065	34,814,356
1931	37,646,465	21,916,439
1932	27,854,768	25,713,324
1933	24,103,345	23,015,386

On the basis of these figures it may be seen that the profit for 1928 was more than 16 million gold roubles which sank as low as about one million in 1933. What is more, the profit as seen above would have hardly been realized but for the drastic curtailment made in expenditure, as reflected in the figures above. In consequence of such policy it was inevitable that the railway should be left unrepaired in the ways hardly imaginable on any ordinary railways. This point is strikingly clear from the amount the railway had been spending for repairs. The figures on this head are as below.

Table 5
Repair Expenditure

Year	Expenditure GR	Per one kilometre of line
1928	670,272	388

1929	378,541	219
1930	229,357	132
1931	121,375	70
1932	108,360	62

Bad Condition of the Lines. The North Manchuria Railway which has passed over to Manchoukuo consists of the section between Manchoulie and Pogranichinaya, 1483.78 kilometres and of the section between Harbin and Hsinking, 238.46 kilometres, and the line running from Harbin station to the wharf, 4.27 kilometres. The number of stations on these lines are 40 on the western section, 50 on the eastern section and 23 on the southern branch line. The overhead lines provided for railway operation are 2,657 kilometres of telegraph and 283 kilometres of telephone. The rolling stock as in 1931 consisted of 501 locomotives, 608 passenger carriages and 9,005 freight cars. Nothing having since then been built or added, the existing rolling stock is in every bad condition. What is more, the locomotives and freight cars lost or destroyed during the past twelve months, through raids by bandits, though not publicly known, are thought to amount to a considerable number, further reducing the size of the rolling stock which had been none too ample in recent years.

Economic Outlook of the Railway. In making survey of the situation, it is necessary first to have a correct idea of the basis on which the finance of the railway had been placed in the past several years. The railway, as shown in the figures above, had prior to the sale of Manchoukuo been anything but prosperous; but the figures given for the profit from operation of the road are somewhat misleading. The Soviet railway authorities were not always interested in producing as favourable balance sheets as might have been expected under ordinary conditions. Half the profit, according to their agreement with the Mukden administration, had to be divided with the latter. The Soviet management, having interests other than that of the railway to serve, followed their own policy at the cost of the railway, as may be seen from the facts (1) that the fuel for the railway used to be brought over long distances from mines in Soviet territory, although it was available near at hand; (2) that the Soviet employees were paid disproportionately high wages; (3) that considerable amounts of money used to be nominally for the railway but really for political purposes; (4) that rates for transportation were not infrequently arranged to serve the political purposes of the Soviet govern-

ment at the expense of the railway itself.

The devaluation of the North Manchuria Railway, from the economic point of view, through the construction of new lines, is admitted by all students of the subject; but there are not wanting factors to offset the situation. In the first place, the railway, placed under unified control and management, will have no competition to be reflected on its revenue as in the past. The line will be a feeder to the main lines along with the new lines. In the second place, the new lines will go a long way toward economic developments of the areas which have hitherto been regarded as unattractive, from commercial and other points of view.

Upon this point Kamekichi Takahashi, a foremost Japanese economist, observes as follows: "It will not be so difficult to realize an yearly profit of 10 million yen from the railway. I am even confident that there will be even greater profit as North Manchuria is opened up more and more. The Manchoukuo bonds are at present being traded in the market for a yield of 4.12 per cent per year. The interest on the amount of 180 million paid for the railway will be approximately 7,400,000 yen per year. The railway ought to be able to pay off both the capital and interest."

There are certain other phases which should also be taken into consideration. Reduction and readjustment of transportation charges on a logical basis will result in economic and industrial developments of many places which have remained unexploited. The mines and forests, the great resources of potential wealth, could never be exploited so long as they remained under the control of Soviet, which Japan, on the other hand, though economically capable, found little attraction in the areas under Communist rule. Manchoukuo had not been inclined to venture on undertakings which Soviet would be politically and technically equipped to secure control of. All these impediments, however, have been moved out of the way. The new situation is all the more significant when it is known that North Manchuria for the most part remains to be opened and developed, although South Manchuria is a fully developed land.

Further, Manchoukuo, through its acquisition of the North Manchuria Railway, has placed itself in a position to carry out a railway policy in conformity with its general economy, as it has never been able to do in the past. It is suggested, for instance, that cattle and sheep raised on the vast grazings of the country in

summer, may be brought out to Harbin in winter when agricultural products come pouring into the same city to supply sufficient feed for the animals. Harbin may be developed into a packing centre not unlike Chicago, under such conditions.

"From the point of view of Manchoukuo's economy," says the above quoted Japanese economist, "the purchase of the North Manchuria Railway has been a signal success. It will materially serve to strengthen the economic position of Manchuria. From the standpoint of

Japan's economy as well, it would be wrong to regard it other than a success. First, Manchoukuo will purchase commodities to the amount of 93 million yen to turn over to Soviet Russia, as part of the terms. Second, the major portion of the amount to be spent upon the repairs on the roads will benefit the Japanese industry. Third, the way has been actually paved for her economic advance into North Manchuria. Fourth, North Manchuria has been secured as the market for Japanese merchandise, though its possibilities are as yet largely potential.

CHAPTER XVII AGRICULTURE

Introductory Remarks

The principal wealth of Manchoukuo lies in its vast area of productive soil. It is estimated that only 44 percent of the arable area is at present under cultivation. Plentiful opportunity thus exists for a great future development, especially since the over-populated provinces of Shantung and Chihli furnish an inexhaustible 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. Pertinent data on the agricultural industry of Manchoukuo may be gleaned from the following figures for the year 1934:

Arable Area:	31,697,000 hectares (34% of area of country)
Cultivated Area:	13,940,000 hectares (44% of arable area)
Agrarian Populace:	23,687,000 persons (84.7% of entire population)

Table 1
Principal Crops & Output
(1934)

Crops	Metric tons
Soya Beans	3,800,000
Kaoliang	3,589,000
Maize	1,609,000
Wheat	651,000
Millet	2,093,000

Structure of Agricultural Economy

In Manchoukuo, the people residing in rural districts represent nearly 90 per cent of the entire populace. Of these rural people, those actually engaged in agriculture are estimated at

85 per cent. These farming masses may be divided into two classes, that is, farmers with or without land. The latter class is composed of farm-laborers and tenant-farmers.

Farm-laborers

Any authentic figures are unavailable in regard to the precise number of farm-laborers in Manchuria, but official statistics recently taken of the 16,000 farming families in the prefecture of Pulantien, the Kwantung Leased Territory brought about the following figures:

2,093 (13.1 per cent) families which do not engage in agriculture on their own account and whose male members are employed by other farmers mostly on a yearly contract.

796 (6.4 per cent) families which engage in agriculture on their own account but whose male members are employed by others by the day or by the year as farm-hands.

In the central region of Manchuria where the population has nearly reached its saturation-point, farm labor is furnished mainly by those persons who have been reduced to dire poverty by class strife. In newly cultivated or sparsely populated districts, Chinese immigrating in large numbers annually from North China are the chief source of farm labor.

These farm-laborers are usually hired either by the year or by the month or for shorter terms. It scarcely need be said that the rate of their wages is determined by the proportion of the demand for, and supply of farm labor as well as by their respective skill and ages.

The average wage-rates for farm-laborers employed for terms of between 10 months and a year range from 80 to 85 yuan with board for 1st-class ones, 70 to 75 yuan for 2nd-class ones and 50 to 60 for 3rd-class ones. What the worker hired by the month gets from his employer varies from 7 to 15 yuan.

All these farm-laborers make it a rule to live in their employers' houses and are bundled together in the night in small rooms placed at their disposal. As regards farm-laborers employed for shorter terms than a month, their wages are freely determined by landlords and

References: Table 1, 2, 3, 4, 5—Special Supplements of Asahi, Jiji & Manshu Nichinichi (Daily Papers).

sometimes by priests wielding influence in the villages where they are employed.

Naturally, there is constant fluctuation in their wages, the highest ranging from 0.6 to 0.7 yuan and the lowest hovering in the neighborhood of only 0.15 yuan. The average rates are between 0.35 and 0.40 yuan. Speaking generally, the rates are a little higher in North Manchuria than in South Manchuria.

The living standard of these farm-laborers on the whole is extremely low. More appropriately, they may be regarded as what is generally termed the "submerged tenth". The cheapness of wages is not the sole menace to them: they are constantly exposed to a far greater menace, that is, unemployment. This explains why a great many jobless farm-laborers roam about in the rural districts.

Noteworthy is the fact that their wages of late are evidently on the decline. Farm wages are related vitally to population, taxation and prices of farm produce, but land-rents are another factor that must not be lost sight of as bearing fatefully on farm labor. For instance, the prices of arable land along the Heilungkiang river have greatly soared in recent years. This has brought a corresponding rise in land-rents, but farm wages have fallen on the contrary.

Tenant-farmers

In Fengtien province, tenant-farmers are estimated to occupy between 29.5 and 31 per cent of the entire number of provincial people engaged in agriculture, in Kirin province between 28.4 and 37 and in Heilungkiang province between 25.9 and 28.

It then could be said with some degree of safety that the number of tenant-farmers represents about 30 per cent of the entire farming populace of Manchoukuo. As to the total acreage of land under the cultivation of tenant-farmers, any reliable statistical data are lacking.

There are a handful of tenant-farmers who lease large tracts of land to be cultivated on quite a large scale by employing farm-laborers or to be let out again to the smaller tenant-farmers, but the majority of the Manchurian tenant-farmers can barely manage to earn a living by cultivating small strips of arable land they lease from landlords.

There also are another class of tenant-farmers who at the same time are small holders. They are farmers who own too narrow strips of arable land to ensure their livelihood and therefore have to lease others' land for cultivation. Naturally, their living standard differs

little from that of pure tenant-farmers. In Mukden province, the number of tenant-farmers of this class is estimated approximately to represent between 19 and 27.9 per cent of all the provincial farming people, in Kirin province between 17 and 23.2 and in Heilungkiang province between 17.4 and 18. It appears likely that these specific tenant-farmers represent nearly 20 per cent of the entire Manchoukuo farming populace.

The deduction is that approximately one half of the Manchurian farmers must depend more or less for their livelihood upon the cultivation of land on lease. In consideration of this salient fact, it may be plain that the tenancy system plays an important part in the agricultural structure of the new Empire.

Further, many of the smaller tenant-farmers are in such straits that they have often to borrow money from their landlords. It behooves them, therefore, to offer almost all they can obtain from the farms under their cultivation to their landlords for refundment of such loans as well as for payment of land-rents. In short, they are reduced to the status of serfs.

There are others who, being unable to subsist on what they have gained from their farms, engage in traffic business with their horses and carts when the farming season is over. The tenant-farmers who can own horses and carts for farming purposes are quite limited: they must cultivate at least 10 tienti of land (about 15 acres).

The tenant-farmers who cultivate smaller lots can ill afford to possess horses and carts and therefore must work as coolies or seek some sources of income to offset their budgetary deficits. For instance, a number of them during the cold season make it a rule to conduct petty lines of business with what they have obtained from the marketing of their farm products.

In the newly cultivated districts in North Manchuria and Outer Mongolia, the tenant-farmers are usually provided by their landlords with boarding, seeds, cattle and, in some cases, with all the materials and implements that are necessary for agriculture. In consequence, land-rents are exorbitantly high, and the tenants are entitled to less than 30 per cent of the proceeds from their farms.

Seen from this angle, the social standing of the Manchurian tenant-farmer is steadily declining. Nowadays, land-rents evidently are not land-rents in the strict sense, they being figured out so as to devolve upon the tenants a considerable portion of the burdens that should be borne by the landlords.

Further, land-rents are sure to rise in proportion to the prices of land, thereby adding further to the destitution under whose fetters the smaller tenant-farmers are groaning helplessly. Some of them may save some money from their intense toil with which to purchase narrow strips of land.

But it is too often the case with them that they soon later find it necessary to borrow funds or buy cereals on credit from others for the management of the land purchased or for the sustenance of their livelihood. When, however, some unforeseeable misfortune falls in their way, they will be made unable to repay the loans. The seizure by their creditors of the land mortgaged is a foregone conclusion. In this manner, the land they bought at high prices is extricated easily from their hands at far lower prices.

Landed farmers

The percentage of landed farmers against the farmers of other classes is put at between 42.5 and 50 per cent in Fengtien province, 46 and 48.4 in Kirin province and 54 and 56.7 in Heilungkiang province, the average being in the neighborhood of 50.

The yeomanry as referred to in the foregoing include farmers who neither let to others nor lease from others any land and also those who let their surplus land to others. Naturally, the composition of this class is much more complicated than that of the tenant-farmers' class. But because they cultivate farms of their own, they are entirely free from the burden of land-rents and are better off than are the tenant-farmers in this point. Attention must be directed to the fact that, however, that they are subjected to far heavier burdens of taxation than are the landlords and the tenant-farmers.

It is pertinent here to make a survey of the Manchurian farming populace rated as big, middle and small farmers according to the acreage of land under their cultivation. This classification is possible when the middle-class farmer is defined.

In those districts of South Manchuria where the population is nearing its saturation-point, the farmer of the middle class is generally defined as a yeoman who cultivates between 10 and 20 tienti of land and, in the sparsely populated districts of North Manchuria, between 20 and 30.

That the middle-class farmer is defined on different basis in South and North Manchuria is due to the fact that in the latter region, farming is conducted along ruder lines than in the former.

Below is a table showing the figures of landed farmers and those who are at once landed farmers and tenants in Pulantien prefecture, the Kwantung Leased Territory, as typical of the districts where the population has reached or is about to reach its saturation-point;

Table 2

Total No. of families	11,154
Over 20 Japanese cho bu (2½ acres)	1.4%
Over 10 cho bu	11.8%
Over 10 cho bu	25%
Over 2 cho bu	23.6%
Below 2 cho bu	38.2%

From the foregoing table, it may readily be noted that the farmers who own and cultivate less than 4 Japanese cho bu of land represent more than half of the total number of landed farmers in the prefecture or more precisely, 61.8 per cent.

Reference may further be made to the condition of farmers in Liaoyang prefecture in Central Manchuria. Below is a table classifying the peasantry in the prefecture according to the acreage of land in their possession:

Table 3

Total No. of families	806
Over 50 tienti	1%
Over 30 tienti	2.4%
Over 20 tienti	3.2%
Over 10 tienti	5.2%
Over 5 tienti	5.9%
Below 5 tienti	19.4%
Without land	62.9%

It is worthy of note that of the 608 families, those possessing no land represent nearly 63 per cent. It appears that these farmers manage to eke out a scanty livelihood either by leasing farms or by working as farm-laborers. Of the remaining 299 families with land, those possessing less than 10 tienti occupy 68 per cent.

The farmers of the same province according to the acreage of land under their cultivation may be classified as follows:

Table 4

Over 50 tienti	2%
Over 30 tienti	5%
Over 20 tienti	10%
Over 10 tienti	10%
Over 5 tienti	13%
Below 5 tienti	50%
Non-cultivator	10%

From the foregoing two tables it can be deduced that more than 60 per cent of these provincial farmers are engaged in the cultivation of the farms which they either own or lease from others. This fact fully reveals that the majority of the Manchurian farmers are govern-

ed under what is generally termed the small-holding system.

Generally speaking, the smaller landowners are dominant in the districts where the population has reached or is about to reach its saturation-point, while sparsely populated areas are mostly under the control of the bigger landlords. In other words, the system of partitioning an inheritance and an ever-growing populace in the former districts are the two factors that tend more and more to popularize land-ownership.

In the latter districts, however, the arable land is virtually monopolized by descendants of the old militarist and bureaucratic cliques or by urban commercial capitalists, in consequence of which little progress has yet been made in their

A similar survey may be made of agricultural conditions in North Manchuria. According to data compiled by a former Soviet official of the North Manchuria Railway, the farmers residing in the 50 villages falling within the railway's sphere of influence are roughly classified as follows according to the acreage of land under their cultivation:

Table 5

Total No. of families	700,000
Over 150 tienti	0.7%
Over 75 tienti	2.9%
Over 30 tienti	10.7%
Over 10 tienti	42.8%
Over 1 tienti	35.7%
Below 1 tienti	7.2%

Stock must be taken of the fact that the percentage of the smaller peasants against the bigger ones is almost the same in South and North Manchuria. Thus, petty peasants are overwhelmingly dominant in Manchuria from the numerical point of view.

As already mentioned, the peasants of this class for the most part can hardly make a living if they depend only on their incomes accruing from the farms which they own or lease from others. Hence, they inevitably must seek other sources of income to make both ends meet by engaging in various secondary occupations or marketing their labor.

In the Pulantien district, petty peasants with some secondary occupations are estimated to represent 18.9 per cent of the total number of farmers, but a careful survey probably will reveal that the total percentage is much greater in reality. It appears likely that more than one third of the farmers in this area are engaged in a variety of subsidiary work.

The middle-class farmers, sandwiched between the bigger and smaller ones, are comparatively

well off. Their incomes, generally speaking, are more than sufficient to support their families, enabling them to have, if they would, some hoardings. In a rich year, they may have considerable surplus incomes to be added to their operating funds. Under such circumstances, chances often come along in their way to accumulate a greater wealth.

Under the blackguard administration of the ousted Chinese warlord, the middle-class farmers were the target of exaction and extortion, in consequence of which they had to borrow funds at usuary only to ruin themselves.

The middle-class farmers of Manchuria on the whole are too active to remain idle and make a living within the bounds of their resources. When the farming season is over, they make it a rule to loan their horses and vehicles to others in return for fixed amounts of money or labor as a means to augment their income. Otherwise, they utilize them in person in connection with their secondary occupations.

Because they form the backbone of their villages, they are important rate-payers. Further, they are obliged to bear the larger portion of expenses incidental to the upkeep of their village communities. When there occur famine or some other unexpected incidents that may involve considerable disbursements on the part of their villages, they have to run into debts.

Their financial standing is such that they have credit with money-lenders but once they contract usurious debts, they can hardly free themselves from the shackles of such debts. In this sense, their position somewhat lacks solidarity.

In Manchuria, farming is not along modern, mechanical lines seen among the bigger farmers, most of whom still adhere to old methods of agriculture. Usually, their farms are cared for by farm-laborers in their employ. Further, they make a point of their surplus cash funds, food-stuffs, cattle and farm implements to the smaller peasants at a usurious rate of interest. Thus, they hold sway over the smaller peasants.

Of course, they let the farms in their possession to the smaller peasants or lease farms from the greater landowners which are to be subleased to the smaller farmers. They also are engaged in different lines of business including notably foodstuffs and sundry goods for profit-making purposes.

Landlords

Some of the bigger landlords are descendants of peers and high Government officials of the old Hsin dynasty and, therefore, the estates they are

entitled to are traditional legacies. Others are the wealthy civil or military officials or urban merchants who have bought estates in rural districts as a sure means of investment. Hence, they for the most part are absentees.

Likewise, the estates of the smaller landlords are mostly those handed down from their ancestors. Partition of an inheritance is in vogue throughout Manchuria. When, therefore, a great landlord is dead, his estate is divided among his offspring, thereby creating many small landowners at a time.

On the other hand, there are a number of wealthy urban merchants who are in possession of estates in rural regions. For the tenant-farmer of free farm-laborer to rise to the status of a landowner is an exceedingly difficult proposition.

cultivation. Considering this fact, it would be a mistake to predict that this system will last for some time to come.

The landlords of the latter sort are utterly disinterested in actual farming. What they have in mind is the exaction of as much land-rents as possible from their tenants. Improvement of their estates after they have been leased to the tenants is no concern for them.

It is far from their thought to invest capital where there is little hope for profit-making. With their surplus funds, they would play the role of a capitalist or a usurer by trying to collect the surplus farm produce of their tenants at as low prices as possible which they could market with considerable profit. Further, their attention is directed to other agricultural enterprises that may appear profitable in their eyes.

Methods of farm production

In studying the methods of farm production in Manchuria, it may readily be noted that the scale of production is quite small on the whole. The arable land is divided into extremely small pieces which are being cultivated by several million farmers on the old Chinese methods of farming.

There are only a handful of farms managed along the modern lines of machinery. The use of tractors is limited to the contractors for reclamation of waste land. The system of farm management is generally primitive. The main crops grown in the country are confined to those that require little farming skill, such as kaoliang, soya beans, millet, maize and wheat. Naturally, the method of what is termed "extensive agriculture" is necessary to ensure the livelihood of

the farmer.

Under this system, it is hardly possible for the farm-family to cultivate their farms without the aid of outside labor. Below is a table showing amounts of labour necessary for cultivation of farms:

Farm Labour

Table 6

Areas under cultivation	Outside labour by the year (persons)	labour temporary (persons)	Inside labour (persons)
Below 15 tienti ..	0.69	97	2.08
15-30 tienti	1.58	143	3.21
30-75 tienti	3.68	332	3.32
Over 75 tienti ..	6.18	552	5.45
Average of 70 families	2.80	258	3.39

There naturally is a great demand for farm labor, enabling, on the one hand, several hundred thousand Shantung coolies to find employment in Manchuria and, on the other, helping the petty Manchurian tenant-farmers to earn a living. Because primitive methods of farm production still are in force, the farmers are disinclined to believe the advisability of managing their farms on a bigger scale. This fact explains that large tracts of tillable land are divided into small pieces for cultivation by petty tenant-farmers.

This tenancy system smacking strongly of feudalism inevitably accelerates a retrogression of farming technique. Although comparatively modern technique has been introduced of late into some limited districts, particularly the newly cultivated areas in North Manchuria, much still remains to be done in the improvement of the present methods of farm production. As pertinent to this subject, the problems of farm implements, domestic animals for farming purposes and, last but not least, of fertilizers must be discussed.

Farm implements

(1) Many implements are of simple structure, made of wood and supported by small pieces of steel only in important parts, (2) Implements of simple structure can easily be made at home, and those impossible of domestic manufacture excepting a few of big size can be obtained for 5 to 50 cents, some of which can easily be repaired at home, (3) They are driven by manual or animal power. (4) The efficiency of most implements is extremely low, but they have been improved to some extent after many years' experiment.

Each farm-house possesses farm implements worth between 150 to 400 yuan. Advanced farming technique is inapplicable to small farms. This is responsible in the main for the retention

up to date of the inefficient old implements.

The smaller farmers cannot afford to spend plenty of money in purchasing farm implements, because the major portion, if not the whole of their funds were disbursed to purchase or lease their farms.

Domestic animals: Animal power is an essential factor of Manchurian agriculture: in the ploughing and tilling of farms or in the unhulling of cereals, it is absolutely necessary. It is argued from the theoretical point of view that one horse or cow is necessary per 5 tienti of land under cultivation, but in reality, this is not observed.

A Chinese plough is usually driven by a pair of cow or horses. Those petty peasants who do not keep two such animals make it a rule to form groups of two or three so that their farms can be ploughed in turn by the animals and ploughs offered them respectively. For the lesser peasants who cannot afford to or need not keep any animal for farming purposes, there are men whose business is to plough farms by contract.

Live-stock excepting animals for farming purposes (such as pigs, hens, ducks etc.) is negligible as a source of income for the Manchurian farmer. Fundamentally, the economic structure of the Manchurian rural communities was set up on the Chinese model. Naturally, the Manchurians like the Chinese are disinclined to keep live-stock more than necessary, so that they can concentrate their energy upon farming alone.

As a matter of fact, they raise pigs and hens only to meet their own consumption or as a source of fertilizer. A survey by a reliable expert interested reveals that the average income from cattle-raising of the farmer in North Manchuria represents only 7 per cent of his entire revenue.

Fertilizers: At present, little use is being made of chemical fertilizers. In the most densely populated villages of the Kwantung Leased Territory, the farmers fertilize their farms once a year, in the Hsiungyocheng region once every two years and in the Kaochuling area once every three years. In some parts of North Manchuria and of Eastern Mongolia, farms are never manured.

The most popular of all fertilizers in Manchuria is mixture of animal dung, grass, horse-beddings, ashes, leaves, kitchen rubbish and mud which are accumulated by every farm-house throughout the year. Cattle-raising, therefore, is a prolific source of this peculiar fertilizer.

For vegetable gardens which require a volume

of fertilizer two or three times as large as that required for usual farms, this specific fertilizer is purchased from cart-houses and others. When this is impossible, bean-cakes are generally used as a substitute. Thus, the cost of fertilizer in Manchurian agriculture is quite negligible.

While farms are fertilized in such manner, some farmers make a point of growing soya beans, kaoliang, millet and maize after an interval of between three and four years in order that the maximum efficiency of their farms can be displayed. A certain foreign expert aptly said that the scientific agriculture of the 20th century was discovered and tested by the Chinese more than 20 centuries ago on the strength of experiences.

Method of tenancy

Contracts for land tenancy are generally verbal, although there are cases in which such contracts are signed by the parties concerned. Some of these contracts are arranged to last for fixed periods ranging from one to five years, but in most cases, terms of validity are not designated. Hence, there is the danger of the farms leased by the tenants being recovered by the landowners without notice. It is on this account that land-rents tend to soar to the limit of the resources of the tenants.

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 Shwangchengpu, 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.

Principal Crops

The principal crops of Manchoukuo are soya beans, kaoliang, millet, maize, wheat and rice. The output of such crops since 1922 is given in the following table.

Table 7
Crop Output
(Metric tons)

Year	Soya Beans	Other Beans	Kaoliang	Millet	Maize
1922	3,088,000	191,000	4,971,000	2,916,000	1,754,000
1923	3,262,000	183,000	4,750,000	2,962,000	1,714,000
1924	3,448,000	177,000	4,453,000	3,027,000	1,620,000
1925	4,174,000	239,000	4,682,000	3,121,000	1,810,000
1926	4,776,000	415,000	4,526,000	2,967,000	1,704,000
1927	4,817,000	434,000	4,580,000	3,209,000	1,714,000
1928	4,834,000	477,000	4,613,000	3,274,000	1,743,000
1929	4,849,000	377,000	4,682,000	3,352,000	1,613,000
1930	5,298,000	369,000	4,780,000	3,276,000	1,586,000
1931	5,227,000	313,000	4,497,000	2,960,000	1,701,000
1932	4,268,000	278,000	3,728,000	2,813,000	1,542,000
1933	5,205,000	325,000	4,229,000	3,273,000	1,868,000
1934	3,600,000	279,000	3,589,000	2,093,000	1,609,000
*1935	3,995,000	313,000	3,976,000	2,916,000	1,860,518

*Estimate

Year	Wheat	Rice	Other Crops	Total
1922	881,000	—	—	13,801,000
1923	835,000	—	—	13,709,000
1924	805,000	181,000	754,000	14,465,000
1925	961,000	342,000	885,000	16,214,000
1926	968,000	314,000	823,000	16,493,000
1927	1,445,000	295,000	1,012,000	17,506,000
1928	1,470,000	294,000	1,248,000	17,953,000
1929	1,302,000	293,000	1,594,000	18,062,000
1930	1,357,000	312,000	1,723,000	18,701,000
1931	1,580,000	321,000	1,853,000	18,452,000
1932	1,133,000	247,000	1,550,000	15,359,000
1933	1,430,000	313,000	1,833,000	18,476,000
1934	651,000	312,000	1,299,000	13,432,000
*1935	826,000	261,000	1,100,733	—

*Estimate

Crop forecast for 1935

The total of the second crop forecast of the staple farm products of Manchoukuo excluding Jehol and Hsingan Provinces for 1935 is put at 15,356,948 metric tons, which, as compared with the 1934 estimated yield, shows an increase by 2,713,105 metric tons or 21%, according to a joint investigation made by the Government's Department of Industry and the South Manchuria Railway Company in the fall of 1935.

Of the above total soya beans comprise roughly 3,820,000 metric tons, kaoliang 3,840,000 metric tons, millet 2,970,000 metric tons, maize 1,800,000 metric and wheat 930,000 metric tons, which, as compared with the corresponding figures of the preceding year, show, respectively, increases by roughly 470,000 metric tons or 14%, 490,000 metric tons or 15%, 890,000 metric tons or 43%, 330,000 metric tons or 23% and 300,000 metric tons or 46%.

This year's increases are attributable in part to the fact that the vast areas of hitherto deserted land have been reclaimed and cultivated. Generally surveyed, however, the present crop forecast, as compared with the average yield, is unfavourable except in the cases of wheat, rice and perilla seed.

The crop situation in North Manchuria is comparatively favourable, while the yields of various crops of South Manchuria have generally declined compared with the first crop forecast, because vast areas of the cultivated land have been greatly damaged by the flood caused by the heavy rain during July of this year.

Table 8
Crop Forecast for 1935

	Percentage compared with preceding year, average 100)	Percentage (compared with average year, average 100)	Area under cultivation (hectares)	Crop forecast (Metric tons)	Increase or decrease compared with 1934 yield (Metric tons)
Soya beans	117	96	3,249,068	3,822,287	475,478
Other beans	110	87	329,786	272,003	8,002
Kaoliang	114	93	2,764,608	3,842,365	487,997
Millet	136	97	2,394,758	2,970,430	894,381
Maize	116	91	1,235,640	1,801,093	330,844
Wheat	122	111	979,519	934,656	296,088
Rice	124	102	120,184	284,730	71,397
Upland rice	109	94	114,232	137,258	12,040
Other crops	124	95	955,542	1,074,374	59,635
Hemp seed	128	90	66,036	47,035	30,755
Perilla seed	127	101	205,660	170,717	108,003
Total	121	96	12,415,033	15,356,948	2,713,105

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, glycerine, 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 has 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.

Kaoliang.—Kaoliang is most widely cultivated, and occupies an important position in the agricultural economy next to soya beans. Besides being very important as the principal foodstuff of the Manchoukuo people it is used as material for distilling kaoliang spirits and in the starch manufacturing 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, Makden-Shanhaikwan railway line and the district around Tungshan.

Millet.—Millet is cultivated throughout Manchoukuo, more profusely in North than South Manchuria. In South Manchuria, the millet produced in the district around Haicheng, Liaooyang and Mukden is reputed for its good quality. It is another important foodstuff of the Manchoukuo people, and is also largely used for distilling native spirit while its stalks are used as fodder.

Wheat.—The soil 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, Hailung and the district lying to the west of the Liao. There are any large modern flour mills at several important cities around Harbin and along the North Manchuria Railway line. The wheat flour industry in Manchoukuo is an important industry, being only second to that of bean oil extraction.

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 Taitzuho, the Huho 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 paddy-field cultivation along the railway lines.

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 to 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 moderate 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 (9,010 kwan).

Hemp-(Tama)—The tissues of hemp which is commonly called Tama in Manchuria is used principally for manufacture of nets, ropes, cloth and last but not least, paper. Its seeds, or Siaomatzu, are used mainly as material for oil extraction. The Tama intended for textile manufacture is grown notably in Fengtien province and the mountainous district in the eastern part of Kirin province and that for oil extraction in the Tungshan district, Fengtien province, the region west of the Liao river and the districts along the Itung and Lalin rivers, Kirin province.

The Manchurian farmer makes it a rule to plant one or two rows of Tama on the boundaries of his farms for the purpose of marketing its tissues as a remunerative secondary occupation. The output of Tama per Japanese tan (0.245 acre.) is about 8 Japanese kamme (1 kamme is 8.28 lbs.). The total cultivation area in Manchuria is estimated at 20,000 Japanese cho (1 cho is 2.45 acres) and the yearly output of the plant at 16 million lbs, although any authentic figures are not available in this connection. There are several kinds of Tama now grown in Manchoukuo.

Blue Hemp (Tsingma)—Tsingma is grown almost everywhere in Manchuria, particularly in low, humid districts along rivers. So far as Tsingma cultivation is concerned, the regions along the Liao, Lalin and Nonkiang rivers are widely known. The total area under cultivation is put at 25,000 cho and the yearly output of the plant at 25 million lbs. Particularly, the districts in the vicinity of Liaoyang, Chinchow and Newchwang are best suited for Tsingma cultivation, where the plant usually grows to a length of from 7 to 10 feet.

Like Tama, Tsingma is used primarily for manufacture of nets, ropes and cloth. Of late, it has begun to be used as a substitute for ramie which is imported to Manchoukuo in large quantities for manufacture of gunny bags. The output per Japanese tan of dried Tsingma issues averages 16 kamme. There are two kinds of the plant grown in the country.

Kunma—Kunma is a kind of hemp indigenous to Manchurian soil, which is grown for oil extraction. In some parts of the country, it is called Tamatzu. A full-grown Kunma plant measures only 2 feet or so. Liaoyang, Tungliao Taonan and Changwu are the principal producing centres of Kunma. From Kunma is extracted Kunma oil which is used for industrial purposes. The output of this oil per Japanese tan averages 5 Japanese sho (1 sho is 0.48 gallon.)

Perilla-seed—Perilla is grown everywhere in Manchuria, although its output is relatively negligible. Particularly, the region north of Mukden is well adapted to the cultivation of perilla. Following the sharp drops that have occurred in the price of soya beans, there are growing signs in evidence of perilla being cultivated on a much larger scale in the near future. The plant usually measures 3 feet. The oil extracted from it is used for medical, lighting and industrial purposes. Perilla is usually planted on the boundaries of farms as a means of protection for staple farm crops.

Tobacco—The southern and eastern sections of Kirin province form the main tobacco producing territory of Manchuria. In the northern and eastern parts of Fengtien province it is also planted on a fairly large scale. The yearly output is estimated at 7,800,000 kamme. Kirin province tops the list with 5 million kamme, followed by Fengtien province with approximately 1,500,000. Generally speaking, the quality of tobacco produced in Manchuria is not good and the demand is not large, but of late it has been proved by the experiments conducted by the South Manchuria Railway Co. at Fenghuangcheng and Telishu that the cultivation in Manchuria of yellow tobacco of the American origin is quite promising and profitable. Already, approximately 200,000 kamme of yellow tobacco is produced annually in South Manchuria, notably in the neighborhood of Fenghuangcheng, Wafangtien and Anshan.

Cotton—When the climatic and topographical features of Manchuria are taken into careful consideration, it may readily be seen that the region south of Mukden alone is adapted to cotton cultivation. At present, cotton is planted mainly in the districts around Liaoyang, Haicheng, I-hsien and Kinhsien. Their fibres are generally coarse and the major portion of the output is used for stuffing purposes. In recent years, however, the volume of native cotton for spinning purposes has steadily been on the increase.

Table 9
Area Under Cotton & Estimated Yield
(Metric tons)

Province	Area (cho)	Estimated Yield (catty)
Fengtien	55,846	87,358,547
Chinchow	24,366	29,235,053
Jehol	1,770	1,619,580
Antung	73	52,249
Total	82,055	118,265,429

Considering, however, that cotton is a commodity of vital importance for the daily life of the Japanese and Manchurian nations and also for the national defense of the two Empires, the Government of Manchoukuo has taken and is taking all the conceivable measures to improve and encourage cotton cultivation in Manchuria. Already, a 20-year plan has been announced by the Government, under which the cultivation area is to be increased to 300,000 cho. Further, the Government in 1933 created a Raw Cotton Society with a view to devising equitable ways and means to encourage cotton cultivation among the agrarian masses. The was

followed closely by the establishment of the Manchuria Raw Cotton Company which is to purchase surplus raw cotton from the farmers.

Under orders of the Minister of Industry, the company is to buy up cotton crops in districts to be designated by the Minister. It is to under-

Exact figures of the Manchurian cotton output are lacking, but according to rough estimates, the total cultivation area is in the neighborhood of 50,000 Japanese cho, yielding 20 million cattles of unginced cotton and 75 million of ginned cotton. In view of the fact that the domestic output is far from meeting the demand at present, between 10 and 20 cattles of Chinese, Indian and American cotton are imported annually into Manchuria. Of the total Manchurian output, only 4 million cattles are spun, the remainder being consumed by the farmers themselves for stuffing purposes.

take various enterprises to encourage the industry. The authorized capital of the company is 2,000,000 in Manchoukuo yuan. The government is to disclaim dividends accruing to the account of Government-owned shares in the company until the concern is able to declare a 6 percent dividend. The Government is ready to grant an annual subsidy of 100,000 in Manchoukuo yuan to the company for the time being.

Peanut—Epochal progress has been made of late in the growing of peanut in Manchuria, particularly in the Kwantung Leased Territory. For this is largely responsible the fact that peanut cultivation requires no fertilizer and yet is quite profitable. As a matter of fact, peanut has come to rank among the principal item of Manchurian farm produce for exportation. For instance, more than 80 per cent of the output in the Kwantung Leased Territory is shipped abroad. In order to ensure the smooth progress of peanut exports, peanut growers' associations were created at Pulantien and Pitzuwo in the Territory in 1929, which are designed to conduct strict examinations of peanut exports on the one hand and, on the other, to function as a credit organ for the growers themselves. Since 1930, the Government of the Kwantung Leased Territory has been subsidizing these associations. It is believed that peanut cultivation will grow more popular in Manchuria in the near future.

Sugar-beet—In North Manchuria, Russians commenced the cultivation of sugar-beets more than a decade ago. In South Manchuria the South Manchuria Railway Agricultural Experimental Station at Kungchuling was the first to try the cultivation of this product. The experiment proved quite successful, in consequence

of which efforts were made to encourage the cultivation among the farmers. At a time, sugar-beet growing developed to a point where the local output was sufficient to cater to the requirements of the South Manchuria Sugar Company with big factories at Mukden and Tieling. The cultivation has suffered a setback from a decline in the business of this firm and at present, the scale on which sugar-beets are grown is not worth mentioning. In consideration, however, the fact that the foundations of the sugar industry are being steadily cemented, sugar-beet cultivation bids fair to be one of the principal lines of Manchurian agriculture in the near future.

Vegetables—Generally speaking, vegetables are grown in Manchuria primarily to be consumed by the farmers themselves. In the circumstances, they are marketed as commodities only in densely populated cities and towns along the railways. Among the principal vegetables produced in Manchuria are: mad-apple; rapes; leek; garlic; yam; potato, sweet potato; pumpkin; water-melon; cucumber; musk-melon; green peas; red beans; onion; turnip; spinach; burdock; pepper.

Vegetables are grown on usual farms and specially built gardens, the latter being drained or irrigated. Mad-apple, onion, turnip, burdock, rape, potato, pepper, pumpkin and musk-melon are the principal ones grown on usual farms, while irrigated vegetable gardens are generally confined to the growing of water-burdock, garlic, cucumber, beans and yam. Drained gardens are used chiefly for the raising of mad-apple, white-rape, garlic, pepper, pumpkin and spinach.

FACILITIES FOR STOCK BREEDING

General Outline—As Japanese organs intended for improvement of live-stock farming in Manchuria, mention must first be made of the live-stock section of the S.M.R. Agricultural Experiment Station at Kunchuling and the stallion-breeding farm managed directly by the Agricultural Bureau of the S.M.R. Co. In the Kwantung Leased Territory there are similar organs under official management.

Further, a Temporary Horse Administration Committee has been organized jointly by the Kwantung Army, the Government of the Kwantung Territory and the S.M.R. Co., in order to consider measures to improve horses in Manchuria. Attending to the sanitary affairs of live-stock is the S.M.R. Animal Disease Laboratory at Mukden.

As for the part of Manchoukuo, the fishery and stock-breeding section of the Agriculture and

Forestry Bureau of the Industry Ministry is assigned to the task. Further, every province has adequate organs of its own designed to improve and encourage stock-farming. As regards the question of horse improvement, the War Ministry has within it a Horse Administration Bureau. An official plan is under way at the hands of this bureau to breed two million head of improved Arab and other horses. As another measure to serve this purpose, the Government has already enacted regulations governing horse-races.

Turning to sheep raising, the Government of Manchoukuo has in view the establishment of a State sheep-breeding station. Many plans are also in progress as respects the improvement of cattle and pigs. As other public organizations engaged in the improvement of the live-stock farming in Manchoukuo, the Fengtien Provincial Agricultural Experiment Station at Kin-hsien and the State Animal Disease Laboratory at Kuku-shan, Heilungkiang province, must be alluded to. Arrangements are also being made for the establishment of a Fengtien Provincial stock-farm at Wefutun, a Heilungkiang Provincial stock-farm at Taonan and a veterinary college at Hsinking, the capital of the State.

The Live-Stock Section of the S.M.R. Agricultural Experiment Station. Simultaneously with the creation in 1924 of the S.M.R. Agricultural Experiment Station at Kungchuling, this section was brought into being in consideration of the important role which live-stock is playing in the daily life of the Manchurian people. Since its

conception, this section has accomplished much to its credit, which may be summarized below:

(1) Improvement of sheep:—Formerly, the sheep grown in Manchuria were all of the Mongolian breed in consideration of the specific climatic conditions in the country. A disadvantageous point with the Mongolian sheep, however, is that their wool is not good and, what is worse, is quite small as compared with other improved breeds. And this is but natural, considering that the Mongolians keep only for obtaining meat and hides and therefore, pay little heed to the utilization of wool. With the advancement of human civilization, wool has become an inseparable factor of clothing, but the Mongolian breed is of little value from this point of view. Hence, the necessity was brought home to the S.M.R. authorities of improving this breed so that it might yield better and more wool.

With this in mind, the officials of the section have devoted themselves to the improvement of the Mongolian sheep. Various experiments were conducted and finally, they have succeeded in creating new and better breeds—Merino-Mongolian cross-breeds.

The wool of the Mongolian sheep is so coarse and small that it is unsuitable for manufacture of textile goods, but the new, improved breeds are free from any such disadvantages. What is more, they yield wool usually three times as much as the original Mongolian sheep do. Below is given a table showing the results of the the experiments carried out by the section:

Table 10
Wool Yield by Breeds

Breeds	Sex	Age (Yrs.) Over	No.	Volume of wool per head (lbs.)	Percentage
Mongolian breed	Female	3	865	2.49	100
Merino-Mongolian cross-breed	"	"	253	4.96	200
Ditto, improved breed	"	"	15	5.97	240
Merino	"	"	196	13.62	547
Mongolian breed	Male	"	18	4.10	100
Merino-Mongolian cross-breed	"	"	35	8.56	209
Ditto, improved breed	"	"	9	9.95	242
Merino	"	"	103	17.67	430

(2) Improvement of pigs:—It is estimated that the number of pigs kept by the Manchurian farmers is upwards of eight million head. The breeds raised in the country in the past were quite fecund, but were less portly than foreign breeds. Another disadvantageous point with them was that they required longer time to grow than foreign breeds. Hence, their upkeep was more costly than the latter.

The live-stock section of the S.M.R. Agricultural Experiment Station at Kungchuling after a series of elaborate experiments came to the conclusion that better breeds could be produced by mixing the imported Berkshire breed with the native breeds. The new breeds thus created require far shorter time to grow than the original Manchurian ones and, therefore, their raising is less costly and more profitable.

(3) Improvement of horses and cattle:—Various experiments are being conducted by the section in regard to the improvement of horses and cattle by mixing the Arab and other imported breeds with the native ones. Many tangible results have already been obtained in this regard. Efforts are also being made successfully to improve Manchurian chicken. Along with the improvement of live-stock, extensive experiments are in progress to improve fodder and pasture.

Live-Stock Breeding Farms

(1) Sheep-breeding farms:—The experiments conducted by the live-stock section of the S.M.R. Agricultural Experiment Station at Kungchuling have proved the technical possibility of improving the Mongolian breed. As a result, the section has established special sheep-breeding farms at several places including Kungchuling, Heishantun, and Chienchiatien. The improved sheep bred at these farms are distributed among different localities every year.

(2) Pig-breeding farms:—The live-stock section of the S.M.R. Agricultural Experiment Station at Kungchuling also maintain pig-breeding farms at Tiehling, Anshan, Fushun, Wafangtien, Chengchiatun, Tashihchiao, Liaoyang, Kaiyuan, ssuping kai, Tatun, Penhsihui, Fenghuangcheng, Taonan, Hailung and Tunhua.

(3) Cattle-breeding farms:—With a view to improve milch cows in Manchuria, the S.M.R. Agricultural Experiment Station maintains a cattle-breeding farm at Kungchuling. The station also manages a poultry-raising farm at Wafangtien, though on a rather small scale.

The Live-Stock Section of the Kwantung Government Agricultural Experiment Station In 1916, the Government of the Kwantung Leased Territory established a stock breeding station at Chinchou, a town under its jurisdiction, which was greatly enlarged in 1928 in order to breed and improve cattle, horses, pigs and chicken on an extensive scale. The breeds improved at this farm are distributed extensively throughout the Territory. Experiments are also being conducted successfully by the section in connection with the artificial incubation of chicken. In this manner, the section is playing the leading role in the live-stock farming in the Leased Territory. The results of the improvement effected may be summarized in the following:

(1) Cattle:—The experiments conducted by the section have proved that cattle of the Korean stock can be grown for farm work more profitably than the breeds indigenous to Manchuria. As regards milch cows, the Holstein breed is

now being bred widely within the Territory.

(2) Pig:—Following the example of the South Manchuria Railway, the section imported the Berkshire breed to be mixed with the original Manchurian breeds. The result has been more satisfactory than expected. At present, the improved breeds produced at the hands of the section occupy more than 80 per cent of the pigs kept throughout the Territory.

(3) Hens:—So far as egg-laying is concerned, the native Manchurian hens are wretchedly poor. Hence, many superior kinds of hens have been imported by the section from Japan and other foreign countries, which are now being bred extensively by the farmers within the Territory.

(4) Many experiments have been conducted by the section to grow new vegetables for feeding hens with successful results.

The Kwantung Government Stallion-Breeding Farm. In co-operation with the S.M.R. Co., the Government of the Kwantung Leased Territory in June, 1926, established a stallion-breeding farm at Chinchou, the upkeep of which is financed jointly by the two. At present, approximately 30 select stallions are being kept at this farm for improvement of horses within the Territory and the S.M.R. zone. Many improved cross-breeds have been produced at this farm by importing the Anglo-Arab, Hackney and other breeds.

Colt-raising is also being conducted at the farm as an undertaking incidental to stallion-breeding. As regards the improvement of donkeys and mules, superior breeds were imported from Shanhai and Pechli provinces, China, for production of mixed breeds which are now distributed widely within the Leased Territory and the railway zone. From April to June, every year, the stallions kept at Chinchou are dispatched to various important towns.

The Temporary Horse Administration Committee. This committee was created jointly by the Kwantung Army, the Government of the Kwantung Territory and the South Manchuria Railway Company in October, 1926 with a view to considering ways and means to improve and encourage horse-raising in Manchuria. The committee frequently meets in conference to discuss any important questions that are laid before it. At the request of the Governor of the Kwantung Leased Territory, the committee met in March, 1932, when it drafted an elaborate plan to improve horses in Manchuria. The plan is to be enforced shortly after the approval of the authorities concerned is obtained.

The Horse Administration Bureau of the Man-

choukuo War Office. Conceiving the vital importance of horses from points of view of national defense and agriculture, the Government of Manchoukuo is directing its efforts to the improvement and encouragement of horse-raising in the country. For this purpose, the Government created the Horse Administration Bureau within the War Department and appointed a Horse Administration Committee. Arrangements are also under way for establishment of various facilities in this direction.

Horse-races. In July, 1923, an Imperial Ordinance was proclaimed, authorizing the holding of public horse-races within the Kwantung Leased Territory. Detailed regulations governing the matter were put into force the following month, by which the Dairen Race Club was officially recognized. Horse-races take place thrice every year. The horses which take part in the contests are distributed among different localities as a step to improve horses. Considering that horse-races have a vital bearing upon the improvement of horses in Manchuria, efforts are being made by the Government of the Kwantung Leased Territory to obtain better results from them through strict control.

In Manchoukuo, State-owned race courses have been opened at Mukden and Harbin. At Hsinking, Kirin, Tsitsihar, Newchwang and Kinhsien, private race clubs are authorized to hold races in conformity with the relevant State laws.

The S.M.R. Animal Disease Laboratory. Manchuria is naturally adapted to stock-raising. This may be accounted for by the fact that the total number of cattle, horses, pigs and sheep now being kept throughout the country exceeds 20 million head. Notwithstanding this, modern sanitary facilities for these animals are lacking with the result that many animal epidemics have been rampant in the past.

In order to remove this grave obstacle to stock-raising, the South Manchuria Railway Company in October, 1925, established the present Animals Disease Laboratory which is devoted to the prevention of animal plagues. The Laboratory is making an immeasurable contribution to the sound development of stock breeding in the country.

Private Live-Stock Associations. A number of experts on stock-raising are assigned to the Home Affairs Bureau of the Government of the Kwantung Leased Territory, entrusted with the task of studying plans to improve this important line of farming.

Further, every administrative district within the Territory has a private stock-raisers' associ-

ation or farmers' association which, in concert with the authorities, is trying to improve this agricultural industry.

As regards the improvement and encouragement of live-stock farming, the Government of the Kwantung Leased Territory is pursuing a policy along the following lines: (1) distribution of eggs for hatching, (2) granting of subsidies for purchase of domestic animals, (3) granting of subsidies for construction of animal sheds, (4) distribution of seeds for fodder and pasture, (5) granting of subsidies to exhibitions of animals and animal produce and (6) supervision and encouragement of stallions.

In the various towns along the S.M.R. trunk and branch lines, there are also private organizations which are co-operating with the authorities concerned in the improvement of live-stock farming. Of these organizations, the Agricultural Associations at Yenping, Haicheng and Newchwang, the Industrial Association at Anshan, the Pig Raisers' Association at Fushun and the Chicken Raisers' Association at Antung are the principal ones.

Public Granaries

By Departmental Order No. 14, August 31, 1935, the Regulations for the Control of Public Granaries were announced by the Department of Civil Affairs. The sum of MY3,000,000 is being distributed throughout the country as funds and subsidies for building the necessary granaries.

The new regulations will enable each "hsien" or district to collect grains from the people and store them for emergency relief and other similar purposes, particularly, in cases of disasters or calamities or for supplying the poor with foodstuffs or furnishing them with needed funds.

The public granary system is no new thing in this country. It dates as far back as the era of Kwang-Hsu of the Ching Dynasty, but owing to mismanagement, usurpation and other dishonest practices among officials, no appreciable result was obtained. Only a very small number of these granaries remained toward the end of the former regime, but since the founding of the new State, these surviving granaries proved to be of great help in the flood-stricken agrarian communities.

The essential features of the new system may be given as follows:

- (1) Each "Hsien" to be granted a fund and subsidy for building granaries. (The granary system to be put into operation simultaneously throughout the country.)

- (2) The minimum quantity of grains to be stocked by each public granary to be so fixed as to be sufficient to supply ten per cent of the population of each "hsien" for three months. The total of the minimum quantity to be about 2,875,500 hectolitres.
- (3) Collection of foodstuffs to be made, in principle, in grains, particularly in millets.
- (4) A public granary committee to be organized in each "hsien", to deliberate on matters submitted by the "hsien" magistrate.
- (5) Collection of grains not to exceed 0.8 litres per mu (according to the new Weights and Measures Law) per annum. One of the features of the new system is the collection of grains from among merchants, manufacturers and others in order to equalize the burdens on the people.
- (6) Grains stocked to be used for (1) free

distribution for the relief of the distressed in cases of emergency, (2) making loans to alleviate the shortage of foodstuffs or to furnish the poor with funds for their trades and (3) effecting cheap sales for adjusting the supply and demand and prices of grains.

Another feature of the new system is that, in contrast to the old system whereby loans were made only to privileged classes, it favours the poor only.

- (7) Under the new system, a portion of the surplus grains may be utilized, subject to certain restrictions, for subsidizing other social works—a feature the old system entirely lacked.

This is the first time in Manchurian history that the central government is taking such positive measure for providing against possible emergencies. All of the 162 "hsien" will receive the benefits of the new ruling.

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CHAPTER XVIII

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 Tumenkiang Valley forests, (3) the Sungari Valley forests, (4) the Moutankiang Valley forests, (5) the Larin River Valley forest, (6) the Sanhsing forests, (7) the forest zone along the Harbin-Suifenho line (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 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

took 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. By the end of 1935 there were twenty forestry offices in Manchoukuo. 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 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:—

Table 1
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	95,647,840	—	—	—
Tumen Valley	825,685	120,541,022	45,139,810	75,401,221	86,904,558 1918
Sungari	1,424,969	251,068,241	111,640,471	139,427,770	116,871,422 1917
Moutankiang	629,720	117,024,351	58,917,395	58,106,956	242,980,008 1915 & 1927
Lalin	628,589	83,719,644	28,837,154	54,882,490	117,024,351 1915
Sanhsing District	5,247,281	727,971,304	251,483,880	476,487,424	83,536,164 1917
Along the Harbin-Suifenho Line	2,415,084	257,065,641	76,139,131	180,926,510	727,053,900 "
Great Hsingan Range	13,884,343	1,566,800,000	—	—	149,726,441 "
Little Hsingan	9,917,388	971,000,000	—	—	1,556,800,000 estimate
Total	35,635,792	4,191,838,043	—	—	973,000,000 1917 & 1923 estimate
					4,143,896,844 estimate

N.B. The estimated 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. Some three hundred species of trees 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 Chang-pai 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:—

Table 2
Volume of Trees (Tumen River Valley)

District	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 Chang-paihan 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:—

Table 3
Volume of Trees (Sungari River Valley)

District	Area (Cho)	Volume of Trees (Cubic meters)		Estimated at end of 1927 (Cubic meters)
		Total	Coniferous	
Mengkiang	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 Moutankiang 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, fir, birch, "Itayakaeda" (*Acer pictum*), alder, etc. The forest area and volume of trees contained, classified by hsien (prefecture) investigated some years ago were as follow:—

Table 4
Volume of Trees (Moutankiang River Valley)

	Area (Cho)	(Cubic meters)			Estimate at end of 1927 (Cubic meters)
		Total	Coniferous	Deciduous	
Tunhua	195,099	41,615,120	20,611,835	21,003,285	117,024,351
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 on 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 follow:—

Table 5
Volume of Trees (Lalin River Valley)

	Area (Cho)	(Cubic meters)			Estimate at end of 1927 (Cubic meters)
		Total	Coniferous	Deciduous	
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:—

Table 6
Volume of Trees (Sanhsing Districts)

District	Area (Hectares)	(Cubic meters)			Estimate at end of 1927 (Cubic meters)
		Total	Coniferous	Deciduous	
Fangcheng	170,194	21,517,700	4,667,831	16,849,869	727,053,900
Iran & Poli ...	734,759	93,517,754	19,729,521	73,788,233	
Tungkiang & 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	
Jaoho	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 Harbin-Suifenhao line.—The forest zone extends along the eastern division of the former North Manchuria Railway line, namely, the section running eastern from Harbin to the Soviet-

Manchoukuo frontier, the zone lying within Kirin province including Pinhsien, Yenshou, Wangching, Tungning, Muling and Ningnan 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 deciduous 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:—

Table 7
Volume of Trees (Harbin-Suifenhao Line)

Districts	Area (Hectares)	(Cubic meters)			Estimate at end of 1927 (Cubic meters)
		Total	Coniferous	Deciduous	
Pinhsien	153,339	13,550,887	2,244,060	11,306,827	149,726,441
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 large sale and wide market in Siberia and the Russian Maritime Province, but later their market shifted to Chosen where they maintain a limited market. 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 Sungari. 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 show the annual yield of timber trees, classified according to kinds, for the five years ended 1929:—

Table 8
Timber Output (1925-1932)
(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	161,622	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
1932	314,812	224,652	37,825	70,482	647,771

Table 9
Timber Output, 1934
(Cubic meters)

Districts	For General Use	Sleepers	Others	Total
Along Harbin-Suifenho Line	125,348	18,384	97,493	241,225
Along Harbin-Manchouli Line	77,493	9,192	8,357	95,042
Sungari River up to Harbin	89,137	—	13,928	103,065
Along Tumen-Ningan Line	55,710	13,788	5,571	75,069
Tumen River	61,281	4,596	6,964	72,841
Along Hsinking Tumen Line	320,334	137,883	18,106	476,323
Yalu River	334,262	—	13,928	348,190
Others	41,782	18,384	27,855	88,021
Total	1,105,347	202,227	192,202	1,499,776

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.

Table 10

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

Table 11
Timber Exports
(Cubic meters)

Year	Exports
1925	573,743
1926	312,079
1927	323,878
1928	288,683
1929	214,311
Average	342,538

Table 12

Forestry Offices of Manchoukuo, 1935

Location	Jurisdiction (Hsien)
Tunhua	Tunhua.
Chiaoho	Yenki, Emu.
Yenki	Holung, Wangching.
Wuchang	Shulan, Wuchang.
Peian	Tunghua, Lungching.
Antung	Fangcheng, Antung, Penhsi, Hsiuyen, Kuantien, Chian, Linkiang, Changpai, Hsinking.
Tunghua	Huanjen, Tunghua.
Chaoyangchen	Tungfeng, Hailung, Liuho, Chinchuan, Huinan, Chingyuan, Hsinking, Pansih.
Fusung	Mengkiang, Fusung.

Antu	Antu.
Hunchun	Hunchun.
Muling	Tungning, Mishan.
Ningan	Ningan.
Iran	Iran, Poli.
Tungho	Fengshan, Mulan, Tungho, Yenshou.
Tangyuan	Tangyuan.
Suihua	Tunghsing, Suihua, Suiling, Chingcheng, Tiehli.
Hailun	Hailun.
Nenkiang	Nenkiang.
Heiho	Aigun, Moho, Oupu, Huma, Kiko, Sunho, Uyun, Foshan.

References: Tables 1, 2, 3, 4, 5, 6, 7, 8, 9—Economic Research Bureau, S. M. R. Tables 10, 11, 12—Bureau of Forestry, the Industrial Department of Manchoukuo.

CHAPTER XIX

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 the 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.

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:—

Table 1
No. of Fishing Households and Population
Permanently Occupied

Year	Japanese		Manchus		Total	
	No. of households	Population	No. of households	Population	No. of households	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
1933	114	450	4,921	13,065	5,035	13,515
1934	110	449	4,891	12,942	5,001	13,391
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
1933	20	27	4,012	9,614	4,032	9,641
1934	19	22	3,901	9,925	3,920	9,947

Table 2
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
1933	911	4,898	131	—	162	69	6,171
1934	875	4,930	115	—	167	59	6,146

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

FISHERY

Table 3
Kinds of Marine Catches

	1932		1933		1934	
	Quantity (Kwan)	Value (Yen)	Quantity (Kwan)	Value (Yen)	Quantity (Kwan)	Value (Yen)
Sea-bream	79,695	183,317	57,972	188,892	29,208	169,077
Cod	2,621,952	734,298	2,090,447	525,232	1,399,273	394,703
Hair-tail	917,142	349,976	876,196	281,689	1,339,552	436,578
Cod	2,444,517	747,858	3,735,138	1,240,403	3,492,236	1,175,574
Scombromorus	385,721	357,444	406,632	402,838	1,423,899	597,551
Halibut	1,594,551	440,131	1,794,038	575,830	356,151	360,808
Lateolabrax	53,580	46,302	59,140	68,454	53,307	62,830
Batoidei	522,975	101,361	1,240,858	293,104	755,263	124,424
*Lepidotrigla	447,906	94,381	380,724	100,678	342,021	117,802
Sea-cucumber	131,967	102,850	117,225	79,728	78,444	39,986
Prawn & shrimp	334,289	407,061	316,706	554,903	403,892	662,243
Other fishes & shells	1,631,740	592,779	1,917,170	710,792	2,041,897	874,868
Sea Weeds	5,387	501	125	144	—	—
Total	11,171,422	4,104,259	12,992,381	5,022,867	11,715,143	5,016,444

*—Includes gurnet.

Table 4
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	95,901	187,326	1,423,331	1,241,924
1929	1,657,245	1,141,895	59,351	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
1933	1,588,508	965,482	85,907	214,942	1,674,415	1,180,424
1934	914,741	798,068	88,876	223,074	1,003,617	1,021,142

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, scombromorus, prawn, crab, etc. and those found in the western are prawn, shrimp, crab, hair-tail, seabream, clam, etc. The number of fishery lots, households, population, etc. for 1931, as classified according to districts is shown below:—

Table 5
Fishery Lots, Etc.

Districts	No. of fishing 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

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, scombromorus, shark fin and hair-tail. The fishing district is about 104 kilometers, extending from Antung, Fengchen to Chuangho. The waters of these seas are not suited for the habitation of fish, as they are for the most part shallow and of low salinity, and freeze easily in winter. The sea-bottom is generally flat and covered with sandy mud, as though the plains of Manchoukuo had been submerged. On stormy days the seas are disturbed to their bottoms, turning the water yellowish. The annual catch in the Gulf of Pechihli does not exceed 1,000,000 yen, while the Yellow Sea at present yields less than 300,000 yen. The permanent fishers are very scarce, generally they carry on fishing combined with farming. The total fishing households numbered 953, the population 7,117 at the end of 1931. The available figures are subjoined:—

Table 6
Fishery in Gulf of Pechihli

Districts	No. of fishery lots	No. of fishing households	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. Species 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:—

Table 7
River Catches

	(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 1934 the total weight of fish caught for the year amounted to 401,315 piculs value at MY8,237,951, 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:—

Table 8
Exports, Imports of Marine Products

Year	Import		Export		Excess of Import		Import	Export
	Quantity (Picul)	Value (Hk. Tls.)	Quantity (Picul)	Value (Hk. Tls.)	Quantity (Picul)	Value (Hk. Tls.)		
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	239,011	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	2,974,735	138,823	1,065,842	19,405	1,908,893	73.6	26.4
1932	324,297	7,394,836*	99,826	1,947,744*	224,471	5,447,092*	79.1	20.9
1933	460,411	8,169,789*	122,839	480,780*	337,572	7,689,009*	94.9	5.1
1934	401,315	8,237,951*	64,686	406,173*	336,629	7,831,778*	95.3	4.7

Note—* denotes M.Y.

Salt Manufacture

The salt manufacturing industry of Manchoukuo dates back to 1862 when the first salt field was laid out at Ertaokou, 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 21,239,791 tsubo and the annual salt production over 533,216,400 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:—

Table 9

Comparative Analysis of Sun Evaporated Salts

	Moisture	Foreign matters	Sodium chloride	Appraised quantity
Formosan salt:				
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.

The Government of Manchoukuo was planning at the time of writing to unify the existing salt monopoly system on January 1, 1937.

According to a tentative plan worked out by the authorities concerned, the present methods of selling salt and collecting salt gabelles and surtaxes will be made uniform throughout the country under the supervision of the Chuehyungchu, the Central Salt Monopoly Bureau, and the Yenwushu, the Central Salt Gabelle Bureau.

Under the present system, a tax of 6.3 yuan per 100 chin is levied on the consumers, while the people of Kirin and Heilungkiang provinces are subjected to an additional surtax of three to four yuan. Hence, the unification of these conflicting methods has been a subject of discussion for many months past.

In unifying the system, care will be taken by the Government not to bolster the present price of salt. Instead, an appreciable lowering of the price, it is understood, is the chief objective of unification. Inasmuch as the salt gabelle constitutes one of the biggest sources of revenue for the Manchoukuo Government, it is stated that efforts will be made by the authorities not to cause any decline in the salt revenue, which averages 25 million yuan at present, even after the unification of the system has been effected.

As a result of recent discussions between representatives of the Kwantung Army, the Department of Finance, the Department of Industry and other organs concerned, the projected Manchuria Salt Manufacturing Company will be established as a special enterprise in order to strengthen the Japan-Manchoukuo economic bloc and to prepare for the projected salt monopoly. In addition to engaging itself in the production and sale of industrial salt and salt for salting fish, the new company will have a monopoly of exportation of salt to Japan, which is at present undertaken by the Government.

According to present plans, the company will be incorporated under the laws of Manchoukuo with a capitalization of ¥5,000,000, of which ¥1,250,000 will be invested in by the Manchoukuo Government and the remaining amount by the S.M.R., the Oriental Development Company, the Dai Nippon Salt Manufacturing Company, the Asahi Glass Company, the Japan Soda Industry Company and the Japan Bleaching Powder Association. The annual production will be 300,000 tons.

Under the first-stage project, the company will exploit 3,600 "cho" (One cho equals 2.45 acres) of salt fields along the coast of the Gulf of Pohai. With regard to the existing salt fields of 3,900 "cho", it will give technical assistance in order to improve the quality of salt and to reduce the production cost. As the capital will be fixed for some time, no dividend will be declared.

Table 10

Salt-Field Area in Kwantung Leased-Territory
(End of 1933)

	Japanese		Manchus		Total	
	No.	Area (Tsubo)	No.	Area (Tsubo)	No.	Area (Tsubo)
Port Arthur	74	2,975,898	30	418,650	104	3,394,548
Dairen	2	117,516	1	12,383	3	129,899
Chinchou	—	—	9	244,499	9	244,499
Pulantien	239	8,243,161	8	306,280	247	8,549,441
Pitzuwo	212	7,293,214	49	1,628,190	261	8,921,404
Total	527	18,629,789	97	2,610,002	624	21,239,791

Table 11
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	1,178,797	3,751,454
1933	2,062,746	14,136	99,888	1,730,040	1,425,354	5,332,164
1934	—	—	—	—	—	4,156,772

Table 12
Salt Production for 1933 as classified by
Japan and Manchus

	Japanese (Catties)	Manchus (Catties)	Total (Catties)
Port Arthur	179,136,600	27,138,000	206,274,600
Dairen	1,257,000	156,600	1,413,600
Chinchou	—	9,988,800	9,988,800
Pulantien	153,180,000	19,824,000	173,004,000
Pitzuwo	97,090,800	45,444,600	142,535,400
Total	430,644,400	102,522,000	533,216,400

Table 13
Export of Kwantung Salt by Destination
(in 1,000 catties)

Year	Japan Proper	Chosen	Karafuto	Hongkong	Kwantung	Other	Total
1928	76,109	135,198	2,689	48,447	33,146	4,674	300,263
1929	124,996	120,522	—	53,650	38,627	10,250	348,045
1930	189,585	82,040	2,040	20,737	29,406	3,690	327,498
1931	286,169	111,671	1,822	—	24,627	3,644	427,933
1932	262,323	179,286	17,274	—	33,507	2,218	494,608
1933	217,910	110,001	18,008	—	38,512	1,981	386,412
1934	265,295	119,459	32,496	—	32,322	82	449,654

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:—

References. Tables 1, 2, 3, 4, 10, 11, 12, 13—Kwantung Cho Tokei (Statistical Annual of the Kwantung Govt.) Tables 5, 6, 7—The Department of Industry, Manchoukuo. Table 8—Annual Returns of the Foreign Trade of Manchoukuo.

CHAPTER XX

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:

Table 1

	Metric tons
Coal	4,800,000,000
Iron Ore	1,226,400,000
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 has 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 Policy.—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 conditions of the various mines as well as the payment of taxes by the mines.

Mining Output

The following figures on mining output in recent years will give an indication of the scope of the industry.

Table 2
Mining Output
(Metric tons)

	1926	1927	1928	1929	1930	1931	1932	1933
Iron Ore	1,117,215	959,011	710,286	985,671	832,229	936,529	1,041,613	1,176,543
Pig Iron	197,327	243,390	283,667	294,158	348,054	342,270	368,181	433,523
Sulphuric Iron	2,756	2,917	4,266	5,057	3,028	3,919	3,620	1,371
Lead Ore	2,823	462	366	1,450	—	—	—	—
Copper Ore	495	792	—	750	840	—	—	—

Manganese Ore	245	416	444	723	609	270	60	750
Gold Ore	44,648	35,654	26,650	14,000	39,400	29,890	6,434	17,811
Coal	7,854,850	9,909,795	9,517,578	10,024,106	10,179,220	9,124,064	7,106,143	9,062,604
Coke	282,586	317,605	343,741	388,307	485,321	418,625	416,305	476,278
Oil Shale	—	—	—	—	981,004	1,245,094	1,412,554	2,683,440
Crude Oil	—	—	—	—	47,815	61,081	70,631	87,076
Magnesite	20,000	21,400	25,454	31,681	29,016	36,034	55,386	71,376
Fire Clay	37,781	43,335	60,481	68,651	53,664	35,476	51,799	112,070
Soapstone	34,906	23,000	35,000	40,000	25,726	42,890	44,316	62,430
Zechstein	83,336	77,000	89,324	103,235	116,925	97,777	89,906	165,845
Limestone	270,333	438,011	471,710	629,502	668,489	542,003	477,350	693,180
Asbestos	63	61	86	113	110	171	120	106
Silica	19,724	15,959	20,597	19,624	20,000	22,327	26,989	35,592
Felspar	667	300	700	1,216	500	868	1,781	5,600
Calcite	784	595	3,470	1,230	1,000	304	875	1,185

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

Table 3

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
Hsingan Province	358,000,000
Chalainor	300,000,000
Others	58,000,000
Jehol Province	1,551,000,000
Hsinchiu Coal-Field	1,100,000,000
Nuantitang	12,000,000
Peipiao	250,000,000
Others	189,000,000
Total	4,804,000,000

Principal Mines.—The deposits at Fushun alone in South Manchuria are estimated at 950,000,000 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 had 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 100,000 tons annually. The Muling coal-field produces about 170,000 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 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. In 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 Kuchengtzu 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.

The coal mined from the Fushun colliery amounted to 8,500,000 tons for the year closing March 1935. Of this amount 100,000 tons was in stock. The supply was disposed of as follows:

3,100,000 tons consumed in Manchoukuo.

2,700,000 tons exported to Japan.

500,000 tons exported to China and the South Seas.

900,000 tons taken in by ships as bunker coal.

800,000 tons consumed by the South Manchuria Railway Company.

400,000 tons exported to Chosen.

The Showa Iron Works in Anshan, which has doubled its productive capacity, is expected to require 800,000 tons of coal a year; the Manchuria Chemical Industry Company in Kanseishi will consume 120,000 tons; and the new cement factory at Fushun will need 60,000 tons. These anticipated increases in demand are put at 1,000,000 tons for 1936. Moreover, 3,000,000 tons is expected to be exportable to Japan.

Table 4

Coal Output Fushun Colliery (Heavy Tons)

1907	233,325
1908	490,720
1909	693,091
1910	899,192
1911	1,325,400
1912	1,471,127
1913	2,179,202
1914	2,149,815
1915	2,162,575
1916	2,044,409
1917	2,311,445
1918	2,521,164
1919	2,762,674
1920	3,162,745
1921	2,771,808
1922	3,828,400
1923	4,954,200
1924	5,592,100
1925	5,751,873
1926	6,487,460
1927	6,958,860
1928	7,197,747
1929	7,292,661
1930	6,867,057
1931	6,133,270
1932	5,853,165
1933	6,945,358

It was estimated that coal production in Manchoukuo as a whole would amount to roughly 11,700,000 metric tons for the year ending March 1935. Production by mines is as follow:

Table 5

Coal Output (Estimate)
(Year ending March 31, 1935)

Mines	Metric tons
Fushun	8,500,000
Manchuria Coal Mining	1,900,000
Huoshihling	130,000
Laotoukuo	60,000
Naitzushan	50,000
Muling	110,000
Penhsihu	500,000
Yentai	250,000
Nihsintai	100,000
Chalainor	100,000
Total	11,700,000

Table 6

Coal Output
(Metric Tons)

Year	Fengtien	Kirin	Heilungkiang	Jehol	Total Incl. Others
1926	7,205,520	251,953	195,400	201,907	7,854,850
1927	8,800,412	373,213	410,250	324,729	9,909,795
1928	8,259,551	474,387	370,400	405,225	9,517,578
1929	8,569,672	570,100	308,500	445,302	10,024,106
1930	8,524,717	523,279	177,800	544,856	10,179,220
1931	7,573,478	530,158	295,914	691,000	9,124,064
1932	6,752,779	244,832	63,575	44,957	7,106,143
1933	8,353,125	271,156	288,005	76,737	9,062,604

Table 7
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
1933	3,940,920	*40,226,834
1934	3,696,814	*36,047,038

Note: *—M.Y.

Table 8

Coal Exports Classified By Destinations

Year	Haikwan Taels	
	(Metric Tons)	(Haikwan Taels)
1930		
Japan	2,424,822	19,378,619
China	1,671,325	15,203,550
Philippine Is.	208,307	1,640,216
Hongkong	81,777	771,625
Others	73,697	591,085
Total	4,459,928	37,585,095
1931		
Japan	2,517,722	22,238,341
China	1,990,560	18,829,338
Philippine Is.	154,727	1,370,610
Hongkong	207,684	2,040,110
Others	125,052	1,108,412
Total	4,995,745	45,586,811
1932		
Japan	2,378,520	20,281,660
China	652,261	5,633,448
Philippine Is.	132,860	1,204,814
Hongkong	129,698	941,036
Others	52,405	485,329
Total	3,345,743	28,546,287
1933		(Manchoukuo Yuan)
Japan	3,018,904	31,011,866
China	560,937	5,662,501
Philippine Is.	118,273	1,247,088
Hongkong	176,360	1,590,646
Others	66,446	714,733
Total	3,940,920	40,226,834
1934		
Japan	3,172,605	31,305,915
China	285,212	2,555,951
Philippine Is.	70,084	700,840
Hongkong	157,556	1,370,722
Others	11,357	113,650
Total	3,696,814	36,047,038

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 30—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 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 ¥66,000 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 and steel production to 400,000 metric tons in 1936, and for this purpose ¥20,000,000 was additionally spent in 1934 and 1935. The products of the Company will be chiefly placed on the Manchu-

rian and Japanese markets, and with the lowering of the tariff in Japan little trouble is expected in the sale of the whole output. According to plans drawn by the Company the output will be disposed of as follows, 80,000 tons of pig iron will go to Japan, 20,000 tons to China and the South Seas, 30,000 tons to be consumed in Manchoukuo. Sheetbars to the extent of 100,000 tons will be exported to Japan, and 70,000 tons will be consumed in Manchoukuo, while rails at 70,000 tons, bars and sheets at 30,000 tons each will be placed on the Manchourian markets.

Table 9
Export of Pig-Iron Classified By Destination
(Metric Tons)

Year	China and Chinese Ports			Total	Value (Haikwan Taels)
	Japan	Others	Total		
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	299,509	7,179,264
1930	182,617	29,538	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	*15,069,524
1933	465,448	21,157	4,749	491,355	*446,543
1934	414,616	19,689	6,086	440,391	*380,305

Table 10
Pig Iron Production At Anshan

Fiscal	Number Casting	Annual Pig-Iron Production (Metric tons)	Average Daily Production (Metric tons)
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

Table 11
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 Ammonium	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	—	—	—	—

Table 12
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

As no careful survey of the gold deposits in Manchoukuo has been carried out the size of the resources of this precious metal is still unknown. According to investigations made so far deposits of gold in the country are computed in the vicinity of 3,800 tons. The advance in the price of gold in the past few years has proven to be a strong incentive towards mining this metal and at present the value of gold mined annually is placed at 3,000,000 yuan. Due to mining areas not being free from banditry, the prospecting business has not yet technically developed. Conspicuous development is being looked forward to when railways are extended to the mining areas.

The regions along the upper reaches of the Amur River and in certain regions of the Sungari, Nonni, Yalu and Laho rivers have been found to be fairly rich in gold ore. The largest and most noted mines are the Moho, extending for 170 kilometers with its centre at the confluence of the Amur and the Ehrkona rivers; the Tapingkou, the Kumaerh and the Hsingan placer gold mine in Humahsien.

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 Manchukuo Government and the Oriental Development Company.

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 ob-

ject 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 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.

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

Huolienchai for smelting iron ore. The annual production at principal mines is shown below (in metric tons):—

Table 13

Limestone Production

Year	Chushuitzu	Huoliendhai	Penhsihu	Total
1930 ..	292,068	338,293	58,128	668,489
1931 ..	208,040	299,163	34,800	542,003
1932 ..	145,671	165,405	42,000	477,350
1933 ..	113,130	91,931	58,171	693,180

Silica.—The silica found in the neighbourhood of Dairen and Port Arthur is used as fireproof 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):—

Table 14

Silica Production

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

Soapstone.—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):—

Table 15

Soapstone Production

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	27,699	6,132
1933	62,430	35,241	12,330

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 Antunghsien, 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 Tashinchiao, 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 Hsiaohuangchi. In 1931 production amounted to 270 metric tons.

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 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.

A plan was under way in the fall of 1935 to increase production of oil shale to 180,000 metric tons annually. For this purpose sixty 150-ton furnaces will be newly erected. The plan spreads over a period of three years at a cost of 13 million yen, the appropriation for which is contained in the 1936 draft budget of the S. M. R.

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.

At present the country obtains most of its petroleum requirements from foreign sources. In April 1935 the Oil Monopoly Law was enforced with view to rationalizing the industry. The Government established what is now known as the Manchuria Petroleum Company, a Manchou-Japanese joint concern, in February 1934 as a first step towards supervising the oil industry. The Company is capitalized at ¥5,000,000, the capital stock being 100,000 shares at 50 yen per share. Of the total capital the Manchoukuo government has subscribed ¥1,000,000, the South Manchuria Railway Company ¥2,000,000 and the Nippon Oil, Ogura Oil and the Mitsui and Mitsubishi interests ¥500,000 each.

Abiding by the Manchoukuo Oil Monopoly Law and conforming to the plan for placing oils in Manchoukuo on a self-supporting and self-sufficient basis, the company is permitted to engage in oil refining and in supplying the refined oil products to the Manchoukuo government. At the same time acting under the orders of the Manchoukuo government, it is allowed to make test for oil and also conduct operations for the development of the oil industry in the country. The monthly production of its refinery is programmed at 10,000 metric tons with the immediate output fixed at 5,000 metric tons per month. The refinery also plans to extract annually the following from foreign crude oils:

Table 16

Extraction from Foreign Crude Oil

Items	Cases
Gasoline	362,000
Kerosene	744,000
Light oil	210,000
Machine oil	229,000
Paraffin	29,000
Pitch	9,000

The above project is a totally different enterprise from the extraction of shale oil and liquidation of oils. In other words, the company plans to produce 1,585,000 cases of oil products from 60,000 metric tons for crude oil, the company's annual output being estimated at 13,000,000 American gallons.

Oil Monopoly Law

Ordinance No. 149—Promulgated November 14, First Year of Kangtê (1934)

(Enforced April, 1935)

Article I

The world "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 it may 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, and 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 Article 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.
Law Concerning the Sale of Present Oil Supplies Held by Existing Dealers in Connection with the Enforcement of the Oil Monopoly
Imperial Ordinance No. 15—Promulgated March 20, 2nd Year of Kangtê (1935)

Translation

Article I

Any person who is engaged in the business of importing or selling oil products at the time of the

enforcement of the Oil Monopoly Law, and who actually possesses any supply of oil products at such time, may continue to sell the same even after the enforcement of the said Law. The foregoing provision, however, shall not apply in the case of those whom the Government have deemed it necessary to prohibit from selling such oil products.

In such exceptional cases as mentioned in the foregoing paragraph, the Government shall purchase the supplies of oil products concerned at current prices.

Article II

All matters necessary for enforcing the present Law shall be determined by the Minister of Finance.

Supplementary Regulation

The present Law shall come into force on the date of the enforcement of the Oil Monopoly Law.

Departmental Order No. 4 of the Dept. of Finance Concerning the Sale, by Virtue of Imperial Ordinance No. 15, 2nd Year of Kangte, of Present Oil Supplies Held by Existing Dealers

Promulgated March 20, 2nd Year of Kangte (1935)

Translation

Article I

The word "Government" as used in the Law Concerning the Sale of Present Oil Supplies Held by Existing Dealers in Connection with the Enforcement of the Oil Monopoly, Imperial Ordinance No. 15, 2nd year of Kangte, denotes the Director of the Monopoly Bureau.

Article II

Any oil agent who wishes to sell oil products under Article I of the Law Concerning the Sale of Present Oil Supplies Held by Existing Dealers in Connection with the Enforcement of the Oil Monopoly, Imperial Ordinance No. 15, 2nd year of Kangte, shall, within five days of the enforcement of the said Law, submit to the Director of the Monopoly Bureau through the Oil Monopoly Office concerned, a report on the form provided for elsewhere.

Supplementary Regulation

The present Ordinance shall come into force on the date of the enforcement of the Oil Monopoly Law.

CHAPTER XXI

INDUSTRIES

Capital outlays for the various industries of Manchoukuo have shown a steady expansion during the past few years, and production from the major industrial enterprises have increased perceptibly. The country is now turning more attention to the metallic and mechanical industries and factories of all nature are rapidly increasing in number. A large measure for the present industrial activity in Manchoukuo is ascribed to the heavy investments made by Japan since the Manchurian Incident.

The beginnings of the present industries in Manchoukuo were made during the latter de-

acades of the 19th century coincident with the construction of railways in the country. By 1932 the turnover from the industrial enterprises was assessed at roughly MY325,000,000.

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 for 1933 is given in the following table:—

Table 1
Amount of Industrial Investment & Value of Production Classified by Enterprises (1933)

	(Yen)			
	Amount of Investment	%	Value of Production	%
Spinning	13,877,409	8.2	23,312,501	11.9
Metallic	2,804,219	1.7	4,561,101	2.3
Machine & Tool	19,908,439	11.8	22,550,802	11.5
Ceramic	17,403,422	10.3	10,569,446	5.4
Chemical	42,916,177	25.5	74,005,505	37.7
Lumber	4,422,389	2.6	10,947,569	5.6
Printing	5,603,907	3.3	4,126,011	2.1
Food & Drink	32,764,795	19.4	28,862,754	14.7
Gas & Electric	21,471,600	12.7	5,813,022	2.9
Others	7,357,016	4.5	11,613,551	5.9
Total	168,529,373	100.0	196,362,262	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:

Table 2
Foreign Capital Investments in Manchoukuo (1930)

	(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	

While authentic figures of foreign investments in Manchoukuo since 1930 are unavailable, statistics issued by the Manchoukuo Government show that Japanese investments in 1934 amounted to MY334,200,000. This consisted of MY228,900,000 in corporate stocks and bonds, MY8,800,000 in Government bonds and miscellaneous, MY96,500,000. In 1935 Japanese investment were expected to be over ¥301,000,000, consisting of ¥58,650,000 in Government bonds, ¥164,200,000 corporate bonds, ¥2,160,000 in shares, ¥40,000,000 in S.M.R. and Showa Steel bonds and ¥36,500,000 in S.M.R. and Anshan Steel Products stocks.

The amount of industrial investment and value of production as classified by cities for the year 1933 is given in the following table:

References: Tables 1, 2, 5, 6, 13, 14, 15, 16—The Economic Research Bureau, S. M. R. Table 3—The Geological Research Institute, S. M. R., 1932. Table 4—The Fushun Colliery Co. Tables 7, 8, 9—Annual Returns of the Foreign Trade of Manchoukuo. Tables 10, 11—Report of Showa Steel Works. Table 12—Penhaihu Iron & Coal Mining Co.

	Amount of Investment (Yen)	Amount of Production	Dairen	Anshan	Mukden	Fushun	Hsinking	Antung	Others	Total
Ryojun (Port Arthur)	7,195,680	2,759,448	62,779,287	6,805,514	14,810,275	21,470,425	9,290,969	15,847,771	30,329,452	100,115,693
										8,135,318
										9,319,808
										14,603,674
										9,765,127
										15,507,630
										36,155,564
										168,529,373
										196,362,262

Table 4
No. of Plants & Operatives as Classified by Enterprises (1933)

Enterprises	No. of Plants	Aggregate Workman Days By Year			Capital (yen)
		Japanese	Manchurians	Total	
Spinning	82	127,349	2,596,545	2,723,894	11,549,443
Metallic	90	167,996	1,881,280	2,049,276	46,519,695
Machine & Tool	98	685,827	1,952,150	2,638,350	13,116,575
Chemical	258	361,169	3,655,762	4,016,931	52,532,535
Food & Drink	253	170,431	1,693,923	1,865,683	27,797,898
Miscellaneous	216	229,908	1,557,060	1,786,968	13,580,555
Special	14	109,889	279,405	389,294	20,699,269
Total	1,011	1,852,569	13,616,125	15,470,351	185,795,970
(1932)	894	1,416,929	11,511,526	12,928,815	236,026,417
(1931)	828	1,066,742	9,859,081	10,925,823	389,177,219

Table 5
No. of Plants & Operatives and Amount of Capital (1928-1933)

Kwantung Province:	No. of Plants			Aggregate Workmen days by year	Amount of Investment (Yen)
	Using Motors	Not using motors	Total		
1928	254	161	406	5,908,998	145,814,198
1929	267	160	427	6,770,449	131,079,572
1930	289	183	472	7,168,951	142,358,636
1931	295	165	460	6,385,573	238,160,986
1932	299	188	487	6,989,208	36,706,058
1933	349	208	557	8,211,109	72,572,827
S. M. R. Zone:					
1928	234	108	342	6,060,083	158,436,521
1929	256	106	362	6,800,870	171,000,489
1930	271	104	375	6,209,914	181,963,381
1931	272	96	267	4,540,250	151,016,233
1932	296	111	407	5,939,607	109,320,359
1933	330	124	454	7,259,242	23,223,143
Total:					
1928	488	269	748	11,969,081	304,250,719
1929	523	266	789	13,571,319	302,080,061
1930	560	287	847	13,378,865	324,322,017
1931	567	261	827	10,924,823	389,177,219
1932	595	299	894	12,928,815	136,026,417
1933	679	332	1,011	15,470,351	95,795,970

Table 6
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	—

Table 7
No. of Motors by Enterprises (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

Table 8
Consumption of Fuel, Gas and Electricity (1932)

Kinds of enterprise	Coal (Metric Ton)	Coke (Metric Ton)	Elec. (1000 KW)	Gas (1000 M)
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

Table 9

Industrial Investment & Production (1932)

	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
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	3,905
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	438,490	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	14,931,250	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 purpose 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 the 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 in-

ternationally.

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 labour 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 100,000 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 1934 is shown in the following table:—

Table 10
No. of Bean Milling Plants, etc.
(At end of 1934)

	No. of Plants	No. of Pressing Machines		Production Capacity per day	
		Hydraulic	Screwing	Beancake (Pieces)	Bean Oil (Catties)
Dairen	41	2,099	973	139,598	697,990
Yingkow	20	526	186	31,072	155,360
Antung	21	152	1,176	31,424	157,120
Harbin	28	948	330	59,688	298,440
South Manchuria ...	235	158	3,066	70,168	350,840
North Manchuria ...	20	374	155	24,044	120,220
Total	365	4,257	5,886	355,994	1,779,970

Table 11

Amount of Bean Cake Production (1,000 pieces)

	1932	1933	1934	Average	%
Dairen	30,924	19,658	23,683	24,755	53.4
Yingkow	5,732	4,505	2,968	4,402	9.5
Antung	4,916	3,540	4,158	4,205	9.1
South Manchuria	4,779	5,679	6,585	5,681	12.3
North Manchuria (including Har-bin)	11,393	5,054	5,441	7,296	15.7
Total	57,744	38,436	42,835	46,339	100.0

Table 12

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

(1933)

	Bean Oil			Bean Cake		
	Piculs	M.Y.	%	Piculs	M.Y.	%
Japan & Chosen	4,613	62,714	—	12,633,314	40,948,300	71.0
China	759,269	10,519,313	57.0	3,859,776	12,975,960	23.0
Russia	—	—	—	—	—	—
Great Britain	81,061	1,127,288	6.0	27,300	80,746	—
Germany	403,372	5,496,476	31.0	138,326	471,004	1.0
Netherlands	41,628	569,687	3.0	85,852	257,399	—
Norway	—	—	—	204,278	636,381	1.0
U.S.A.	32,445	449,102	2.0	418,547	1,264,597	2.0
Others	19,878	175,029	1.0	421,046	979,926	2.0
Total	1,342,266	18,472,609	100.0	17,788,439	57,614,313	100.0

(1934)

	Bean Oil			Bean Cake		
	Piculs	M.Y.	%	Piculs	M.Y.	%
Japan & Chosen	21,931	301,766	2.0	16,305,849	41,375,987	80.0
China	527,131	4,792,115	29.0	3,010,866	7,474,469	15.0
Russia	—	—	—	—	—	—

Great Britain	41,592	454,122	3.0	15,765	39,414	—
Germany	723,181	7,702,668	47.0	154,222	385,556	1.0
Netherlands	12,506	1,754,237	11.0	73,393	183,484	—
Norway	6,145	64,124	—	182,577	456,445	1.0
U.S.A.	7,419	81,647	1.0	502,559	1,256,401	2.0
Others	269,070	1,111,508	7.0	134,814	337,042	1.0
Total	1,608,975	16,262,187	100.0	20,380,045	51,508,798	100.0

As the foregoing table shows the export of bean oil and bean cakes has increased in volume but decreased in value in 1934 as compared to 1933. In this regard it should be noted that a number of measure 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.

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 1 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 MY588,600,000, 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 Manchu-

ria, 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.

Table 13
Amount of Production of Wheat Flour
(10,000 Piculs)

1928	702
1929	465
1930	430
1931	406
1932	303
1933	206

The number of flour milling plants, the amount of capital investment, the number of milling machines, production capacity and output for the year 1932 is given in the following table:

Table 14
The Flour Milling Industry
(1932)

	No. of plants		Amount of Capital (M.¥)		No. of Milling Machines	Yearly Productive Capacity (Metric Tons)	Output (M. ¥)
	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	20,856,031
Harbin	8 (9)	4	6,994,000	750,000	284	320,490	13,508,951
Tsitsihar	2	—	203,000	—	6	3,534	202,562
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	24,378,371

Note: Figures in brackets indicate plants suspending operation.

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

Table 15
Import of Wheat Flour

Year	Quantity (Picul)	Value (Hk. T.)
1930	3,412,340	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.¥)
1934	8,648,710	57,058,521 (.. ..)

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 district for producing spirit for their own consumption. Consequently it is impossible to obtain any information covering the total industry.

Kaoliang Distilling.—Among various distilling industries, kaoliang spirit distilling is 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:

Table 16
Distilling & Brewery Industry

	No. of plants			Amount of Capital (M.¥)			Output (M.¥)				
	Japanese	Man-chou	Others	Japanese	Man-chou	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	156,790	—	—	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	987,300	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	—	—	—	—
Taonan	—	1	—	—	19,500	—	20,385	—	—	—	—
Chengchiatun	—	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

Note: Figures in brackets indicate plants suspending operation.

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 1933 there were in North Manchuria 14 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 Daido Alcohol Distilling Company at Harbin, established in 1933 with a capital of MY1,670,000.

Production of Japanese liquor (sake) amounted in 1933 to 43,590 "koku" as the following table shows:

Table 17
Amount of Production of SAKE Classified
by Localities (1934)

	No. of Plants	Production (100 koku)
Dairen	8	13,600
Port Arthur	5	2,800
Wafangtien	2	2,900
Anshan	5	1,900*
Liaoyang	1	100
Suchiatun	1	300*
Mukden	12	11,090
Fushun	3	3,200
Penhsihu	1	200
Chikwanshan	1	100*
Autung	7	900*
Tiehling	1	100*

Kaiyuan	1	1,000*
Ssupingsai	3	460
Kungchuling	1	540
Hsinking	4	2,300*
Harbin	1	700
Tumen	1	300*
Lungchingtsun	3	500*
Yenki	2	300*
Chsoyangchen	1	300*
Total	63	43,590

*Estimated amount for 1935.

With a view to merging the more important breweries in North Manchuria a company known as the Daido Alcohol Distilling Company was established in November 1933, capitalized jointly by Japanese and Manchou parties at MY1,670,000, 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.

Beer.—Manchoukuo in 1933 manufactured 350,000 dozens of bottled beer valued at ¥2,600,000. The cities of Harbin and Mukden are the centers of the industry. Breweries are also located at Imienpo, Huangtaohotze, Wuchang and at Manchouli. Among the larger beer companies recently established are the Manchurian Beer Company, capitalized at ¥2,000,000, located at Mukden, and the Daimanshu Hop Beer Company, capitalized at ¥2,500,000, located at Harbin. The former company will have a capacity for

the production of 100,000 boxes of beer annually. The Daimanshu Hop Beer Company will manufacture soy and bottled light drinks besides beer. It will also cultivate and sell hop.

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 industry. 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 MY483,490 and the output for 1933 was estimated at ¥327,600. 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:

Table 18
Leather & Hide Industry
1932

	No. of plants		Amount of Capital (M.Y.)		Output (M.Y.)
	Japa- nese	Man- chou	Japa- nese	Man- chou	
South Man- churia	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 Man- churia	—	24	—	26,600	78,735
Tsitsihar	—	1	—	500	9,000
Chengchia- tun	—	8	—	11,800	35,590
Others	—	15	—	14,300	34,145
Other Dist- ricts	—	4	—	1,600	5,350
Total	22	122	359,500	123,990	1,113,324

CEMENT

The cement industry has shown conspicuous

development in the last few years, and at the end of 1935 the industry was in a position to supply a large amount of the needs of the country. Japan had hitherto been a prominent exporter of cement to Manchoukuo. The expansion of this particular industry in the new empire is due to the erection in 1934 and 1935 of several large cement plants by Japanese manufacturers in Manchoukuo. In most cases the cement companies in Manchoukuo are subsidiaries of some of the larger manufacturers in Japan. The demand for cement in Manchoukuo for 1935 is placed at roughly 500,000 tons.

The largest producers of cement in Manchoukuo are the interests affiliated with the Asano Portland Cement Company and the Onoda Company. Plans were on foot in the autumn of 1935 to increase production and several new cement factories were expected to be operating before the end of the year. The Kirin factory of the Daido Portland Cement Company, a ¥3,000,000 organization controlled by the Asano Portland Cement Company, is expecting to increase production from its present 110,000 metric tons to 220,000 metric tons by the spring of 1936. The Asano, Okura Trading and Shibusawa interests are also projecting a plant at Penhsihu with a capitalization of ¥3,000,000 which will be ready for operation by the end of 1936. The Onoda interests are planning to construct a plant at Ssuping kai with an annual capacity of 100,000 tons. It is to be capitalized at ¥5,000,000. The South Manchuria Railway Company is also building a plant at Fushun with a capacity of 100,000 tons annually.

Table 19
Cement Manufacturing Companies in Man- choukuo (1935)

Name of Co.	Authorized Capital (1,000 Yen)	Paid-up Capital (1,000 Yen)	Yearly Productive Capacity (1,000 Metric Tons)
Kwantoshu Onoda Ce- ment (Dairen)	500	500	250
Kwantoshu Onoda Ce- ment (Anshan)	500	500	110
Manshu Onoda Ce- ment	5,000	2,500	100
Daido Cement	3,000	3,000	110
Fushun Cement	2,500	2,500	100
Harbin Cement	2,500	1,250	120
Penhsihu Cement	3,000	3,000	100
Manshu Cement (Liao- yang)	2,000	1,250	90
Total	18,500	14,000	980

The cement industry was established in Man- churia in 1908 when the Onoda Cement Com-

pany established its branch factory at Choushui- tze, near Dairen. Since hen factories under the management of Russians and Chinese were estab- lished. Following the Manchurian Incident the Russian and Chinese factories suffered a reverse and Japanese interests, on the other hand, rapid- ly increased their hold on the market. Prior of 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 Man- churia Railway Company.

With the founding of Manchoukuo a number of enterprises, including the construction of new railway lines, buildings, roads and other works were launched bringing about a commensurate increase in the demand for cement.

Bricks & Tiles.—The brick and tile manu- facturing industry is one of the oldest in Man- choukuo. The bricks and tiles for house con- struction and other undertakings have been manufactured by small primitive kilns operated by Chinese throughout the country.

Up to 1919, the industry showed a very rapid progress due to increased demand, but since then it has suffered much from the economic depression. In recent years, however, the con- dition of the industry has somewhat improved.

The largest brick producing plants in Manchou- kuo are the Dairen Ceramic Company, Dairen, the brick factory of the Yingkow Industrial Company, and the Fushun Ceramic Company.

Potteries & Porcelain.—The production of pot- teries 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 Muk- den, Fushun, Hsinking, and Penhsihu.

Following the establishment of Manchoukuo the demand for bricks and tiles has increased remarkably. The amount of the bricks manu- factured amounts to 40,000 metric tons annual- ly. The larger fire brick manufacturing com- panies are the Dairen Ceramics, the Fushun Ceramics Company, the brick factory attached to the Showa Steel Works and the Tairiku Ceramics Company. The Dairen Ceramics Com- pany was established in March 1925 with a capi- tal of ¥6,000,000. Production of the company for the latter half of 1933 was as follows: Hard brick, 4,200 tons, ordinary fire brick, 4,700 tons; magnesite brick and silica brick, 400 tons; mortar brick, 500 tons.

Table 20
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				
Fire Brick	10	759,336	584	{ 23,708 (Metric Tons)	300,413
Other Special Bricks	7				

The Chinese pottery and porcelain factory is the Chaohsing Pottery Co. established in 1923 with a capital of 480,000 yuan, under the en- couragement of the former Mukden Govern- ment. Since its establishment this company was successfully operated, and although at first it was only equipped with pottery kilns, porce- lain kilns were also installed in 1928. The porcelain production of the company particu- larly 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 pro- tection 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 extend- ing 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.

Table 21
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 ori- gin. The large glass manufacturers in Man- choukuo 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 Chinaware, 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.

Table 22

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.

Pulp

The production of pulp has long been contemplated, but the development of this industry has been slow. However, plans are now on foot to establish what would be a virtual cartel over the pulp industry. With a total capitalization of ¥55,000,000 four pulp companies are now being proposed, all of them representing Japanese interests. The companies will operate on lands with a combined area of 2,800,000 cho (approximately 6,860,000 ares). The standing timber on the lands aggregates 900,000,000 koku (approximately 9,000,000,000 cubic feet) and consists mainly of cedar and pine. It is estimated that the four companies will be able to supply Japan with 120,000 tons of pulp annually for the manufacture of paper and rayon. The companies are the following:

Table 23

Company	Capitalization	Affiliation
East Manchuria Rayon Pulp Co. . .	¥15,000,000	Okawa Interests
Japan-Manchoukuo Pulp Co. . .	¥20,000,000	Oji Interests
Manchoukuo Pulp Co. . .	¥10,000,000	Terada Interests
Daido Industrial Co.	¥10,000,000	Kawanishi Interests

Ammonia Sulphate

A significant increase in the production of ammonia sulphate has taken place since the summer of 1935 with the commencement of operation of the newly completed plant at Kanseishi (Kanchingtzu) of the Manchuria Chemical Industry Company. The new plant has a daily production capacity of 600 tons, and it is expected that basing a year on 300 working days, a total annual production of 180,000 tons of ammonia sulphate will be realized. Before the

construction of the above plant the production of ammonia sulphate was carried on at the Fushun Colliery, the Showa Iron Works and at the South Manchuria Gas Company, the total annual output being roughly 30,000 tons.

The chemical plant at Kanseishi uses 30,000 kilowatt of electric power, a daily supply of 8,000 tons of fresh water and 64,000 tons of salt water, and consumes 120,000 tons of Fushun coal yearly. The company is capitalized at 25,000,000 yen.

The plant is equipped with 35 coke ovens and besides ammonia sulphate it produces nitrate of ammonia, nitric and sulphuric acids, benzol, tar, creosote, pitch and coke, the usual by-products of this particular industry. The genesis of the company dates back to 1928 when the Anshan Iron works was granted a permit from the Japanese government to open an ammonia factory. In June 1929 the Anshan plant, then a S.M.R. subsidiary, bought from the Uhde Company of Dortmund, Germany, its patent for combining liquid gas with ammonia. Both ammonia sulphate and its by-products were successfully made at Anshan by the Uhde process.

The sudden rise of Kanseishi from a mere coal port and a Manchou fishing hamlet to an important industrial community in the Far East was primarily due to the erection of the ammonia factory. It created a fair-sized community of skilled workers, and also caused the establishment of the new Manchuria Electric Company's plant there, largest in the country. The Kwantung government completed in 1929 its largest reservoir near Yinchengtzu to supply the factory.

It soon became apparent that a location accessible both by railways and ocean ships was desirable for mass production of essential chemicals, and with the establishment of Manchoukuo the plans soon took concrete shape. A charter for the Manchuria Chemical Company was granted by the Tokyo government in December 1932 and the Company was formally organized in May 1933.

The initial operation in manufacturing ammonia sulphate at Kanseishi is the firing of coke ovens, numbering 35 and with a daily capacity of 500 tons. There is a coal shed of 2,000 tons capacity, for fueling the ovens.

Ammonia, benzol, and tar are produced as by-products of coke, and there are eight tanks in the factory for storing the three liquid chemicals. Sulphuric acid is made in the factory by Cottrel machines and has an hourly capacity of 50 tons. Twelve revolving machines for separating

ammonia sulphate, and four vessels for drying it are provided for the factory.

The annual output of the nine products of the Company, according to the latest official computation follows:

Table 24

Annual Production

Production	Tons
Ammonia Sulphate	200,000
Ammonia Nitrate	3,000
Nitric acid	2,000
Sulphuric acid, thick	3,000
Sulphuric acid	250,000
Benzol	1,000
Pitch	2,000
Tar	1,000
Creosote	1,000
Coke	10,000

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 Man-

churia 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:

Table 25
Soap Industry (1932)

	Amount (Dozen)	Value (M.Y.)	Amount (Ksg.)	Value (M.Y.)
South Manchuria	170,237	129,435	1,628,828	364,766
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 import 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, Chiehfang, 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 nineteen match manufacturing companies with twenty-five factories in 1932 and their combined capital was estimated at MY4,700,000. The imports of match in 1934 were valued at MY334,306.

Match manufacturing output is tabulated as follows for 1932:

Table 26
Manufacturing Companies in Manchoukuo (1934)

Name of Co.	Location	Capital (Hsien Tayang)	Yearly Productive Capacity (Cases)
Kirin Match Co.	Kirin	550,000 (G.Y)	70,570
Chinhua Match Co.	"	160,000	32,520
Chungshih Match Co.	"	160,000	43,670
Taifeng Match Co.	"	100,000	30,000
Japan-China Match Co.	Hsinking	300,000 (G.Y)	36,350
Changchun Match Co.	"	116,800 (")	45,000
Paoshan Match Co.	"	115,000 (")	45,000

Kweilin Match Co.	Mukden	220,000	73,470
Tanhua Match Co.	Antung	1,200,000	44,000
Sanming Match Co.	Yingkow	180,000	77,020
Shenshen Match Co.	"	100,000	66,220
Kwantung Match Co.	"	50,000	56,170
Luchang Match Co.	Tsitsihar	100,000 (Harbin Tayang)	30,000
Chinhsing Match Co.	Hulan	300,000 (" ")	28,000
Mingyuan Match Co.	Ashihho	150,000 (" ")	43,670
Changheng Match Co.	Tunghua	200,000	25,157
Dairen Match Co.	Dairen	500,000 (G.Y)	30,000

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

In line with its policy to bring under government control the sale and manufacture of gunpowder which has an important bearing on the preservation of peace in the country, the civil affairs department of Manchoukuo has decided to establish a special concern by merging all the powder manufacturing companies in the Empire.

The proposed company, which will be named the Manchurian Gunpowder Manufacturing and Distributing Company, Ltd. will be brought under the direct supervision of the civil affairs minister. It will be capitalized at 500,000 yuan, of which 250,000 yuan will be invested in by the Manchoukuo Government and the remaining 250,000 yuan by the South Manchuria Railway Company, the Mukden arsenal, the Penhsihu Iron Manufacturing Company and others. It is expected that the new firm will be inaugurated by the end of 1934. Firms presently operating for the manufacture and sale of powder will be merged under the new company.

Motor Car Industry

Projects were under way in 1933 to establish a motor car industry in Manchoukuo. The country at present imports all of its automobiles, most of which being of American make. The plans laid call for the erection of assembly plants in Manchoukuo which are to assemble automobile parts manufactured in Japan. The concerns interested in the automobile business in Manchoukuo are chiefly the Jidosha Kogyo Kaisha (Japan Motor Car Manufacturing Company), the Tokyo Gas Denki Kaisha (Tokyo Gas & Electric Company), the Ikegai Works, the Nissan Automobile Company and the Ishikawajima Works. The Dowa Automobile Company, capitalized at ¥8,000,000 and invested in jointly by seven Japanese companies including most of those mentioned above, dominates this particular enterprise in Manchoukuo.

For the present the Japanese manufacturers are expected to supply Manchoukuo with trucks, but as plans now under way crystallize passenger cars will also be exported. The Manchoukuo government's investment in the Dowa Automobile Company amounts to ¥2,000,000. To foster the development of the automobile industry in Manchoukuo and Japan, the government made certain provisions in 1935 to assist in the importation of motor cars of Japanese manufacture.

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 Tashichiao 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, the manufacture of native indigo was revived.

With the increasing demand for various dyes, and also with 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 districts of Kirin Province. The value of produc-

tion 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:

Table 27

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 come 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 1903 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 MY12,000,000 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 Kangte (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 were 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, Kaiyuan Huangfengcheng, Siuyen and Sifeng. 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 are shown below:—

Table 28

No. of Plants, Machines, Production Capacity of Tussah Silk Yarn Industry (1933)

	No. of plants	No. of Machines		Production per Day (Catty)
		Total	In Operation	
Kaiping	14	3,060	1,900	655
Haicheng	12	6,090	6,000	2,240
Antung	43	9,215	7,103	5,261
Sifeng Hsien	44	4,145	2,200	876

Table 29

No. of Plants, Machines, Materials Purchased, Production of Tussah Silk Weaving Industry (1933)

	No. of plants	No. of Machines	Materials Purchased (Catties)	Amount on Production (Hiki)
Antung	17	186	226,380	31,700
Kaiping	5	200	—	—
Haicheng	3	100	—	—
Mukden	1	200	—	30,000

Table 30

Export of Tussah Silk Yarn (1930-34)

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
1933	Japan	1,748	MY 9,573,096
	China	623	MY 458,809
1934	Japan	1,951	MY 7,022,534
	China	1,192	MY 1,217,524

Cotton Spinning Industry

The cotton spinning and weaving industry has existed in Manchuria since very early days as 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 ter-

ritory 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 interior 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 1933 to 176,992. The development of this industry in recent years is shown in the following table:—

Table 31

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)	4,029,260	3,694	4,200,238	(4,065,476)
Hsinking	14	226,500	193	132,160	
Fushun	2	28,000	57	43,512	
Mukden	86 (1)	4,572,920	3,820	8,115,825	(3,800,000)
Liaoyang	6 (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	
Chengchiatun	10	19,700	87	109,500	
North Manchuria	6	1,350	52	22,450	
Total incl. Others	249 (5)	15,858,740	13,051	23,090,943	(14,206,440)

Note: Figures in brackets indicate number of plants and output value of the spinning industry.

Table 32
Amount of Production (1933) by
5 Companies*.

Cotton Yarn:	(Bales)
Under 15 counts	9,100
16 counts	49,830
20 & 21 counts	14,060
40 counts	15,160
Total	88,150
Cotton Tissues:	(Tan)
Shirtings	231,200

Cotton Jeans	66,600
Cotton Sheetings	164,980
Total	462,780

*Note: The companies are the Yingkow Spinning, the Mukden Spinning, the Manchuria Cotton Spinning, the Naigai Cotton Spinning, and the Manchuria Fufang Spinning Companies.

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:—

Table 33
Import of Cotton Yarn & Fabric (1930-34)

	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.)
1934	10,046	13,304,720 (,, ,,)	—	68,052,576 (,, ,,)

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; 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.

ties 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. tils. in 1929 increased to MY14,072,303 in 1934.

Table 35

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

Table 36

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	—	5,013,667

Table 37

Import of Woollen Fabrics

	Value (Hk. Tls.)
1930	5,669,488
1931	3,115,005
1932	6,443,468 (M.Y.)
1933	6,075,831 (,, ,,)
1934	9,551,477 (,, ,,)

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

Table 34
Import 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	49,611	16,991,772 (M.Y.)
1934	56,426	16,133,998 (,, ,,)

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 choukuo was organized in December, 1918, at Manchuria-Mongolia Woollen-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 activi-

Table
ELECTRIC POWER SUPPLY

	Established	
South Manchuria Electric Company	Dairen Main Office	1907
	Anshan Branch	1919
	Haicheng Branch	1924
	Mukden Branch	1908
	Hsinking Branch	1909
	Antung Branch	1908
	Lienshankwan Branch	1925
	Chikushan Branch	1930
	Fanchiatun Branch	1929
	Yingkow Water Works and Electric Co.	1908
North Manchuria Electric Co.	1918	
Mukden Electric Light Office	1909	
Antung Electric Co.	1933	
Hsinking Electric Light Office	1911	
Kirin Electric Light Office	1907	
Harbin Electric Office	1920	
Tsitsihar Electric Light Office	1909	
Wafangtien Electric Co.	1930	
" Hsiungyocheng Branch	1924	
Tashihchiao Electric Co.	1916	
Liaoyang Electric Co.	1912	
Tiehling Electric Co.	1911	
Kaiyuan Electric Co.	1914	
Tatung Electric Co. Ssuping kai Main Office	1933	
" Kungchuling Branch	1933	
Tunhua Electric Co.	1932	
Yenki Electric Co.	1933	
Sifeng Electric Co.	1933	
Kaiping Electric Co.	1923	
Suichung Electric Light Co.	1933	
Fengcheng Electric Light Co.	1925	
Liaoyuan Huahsing Electric Co.	1918	
Imienpo Changung Electric Light Co.	1928	
Shingishu Electric Co.	1913	
Peian Electric Co.	—	
Mukden Tram Co.	1926	
Chihfeng Electric Light Office	1926	
Manchouli Municipal Electric Light Office	1906	
Nungan Mingsing Electric Light Co.	1927	
Yushou Electric Light Co.	1926	
Chiamussu Chingtsengyuan Electric Light Office	1927	
Faku Electric Co.	1928	
Chin-hsien Electric Co.	1918	
Iran Electric Co.	—	
Port Arthur Civil Administration Office	1907	
Chinchow Administration Office	1917	
Pulantien	1921	
Pitzuwo	1921	

MANCHURIA ELECTRIC COMPANY (Capital; ¥90,000,000)

Subsidiary Companies of Manchuria Electric Co.

Companies directly controlled by Manchuria Electric Company

Japanese Government Management

38
ERS IN MANCHOUKUO, 1935

Purpose	Authorized Capital	No. of Stations		Generating Power (K.W.)	Supplied Power (K.V.A.)	Cycle	Maximum Voltage
		Generating Station	Transforming Station				
Lighting, Supply & Railway	—	2	{+4}	42,000	—	50	11,000
Lighting & Supply	—	—	{7}	—	500	25	5,500
" " "	—	—	{-}	—	—	25	—
" " "	—	—	{+1}	—	—	25	—
" " "	—	1	{+1}	—	15,000	60	44,000
" " "	—	1	{+2}	9,000	—	50	22,000
" " "	—	1	—	13,000	—	50	33,000
" " "	—	1	—	—	50	60	2,200
" " "	—	1	—	75	—	50	3,300
" " "	—	*1	1	—	300	50	22,000
Lighting & Supply	—	1	3	2,500	—	50	11,000
" " "	—	1	—	4,545	1,000	50	3,000
" " "	—	2	2	9,160	3,000	60	6,600
" " "	—	1	—	1,000	1,000	50	3,300
" " "	—	*1	—	800	800	60	3,300
" " "	—	1	—	2,500	3,000	{60}	2,200
Lighting, Supply & Railway	—	1	—	11,625	—	{50}	2,330
Lighting & Supply	—	1	1	1,600	—	{60}	6,600
Lighting & Supply	¥ 50,000	{1}	1	—	450	50	11,000
" " "	—	—	—	—	50	50	3,300
" " "	50,000	—	1	—	300	50	3,300
" " "	300,000	—	1	—	1,875	60	3,300
" " "	300,000	*1	3	180	1,660	60	3,300
" " "	500,000	*1	1	320	1,500	60	3,300
" " "	850,000	*1	{1}	—	1,300	50	44,000
" " "	—	{*1}	{+2}	—	—	—	—
" " "	—	{*1}	{1}	120	950	50	22,000
" " "	—	{*1}	{+4}	—	—	—	—
" " "	M¥ 100,000	1	—	209	—	50	3,300
" " "	200,000	1	—	300	—	50	3,300
" " "	50,000	—	1	—	150	60	3,300
" " "	50,000	—	1	—	150	G.60	3,300
" " "	70,000	1	—	60	100	R.50	2,300
" " "	—	—	—	—	—	—	3,000
" " "	60,000	1	—	75	—	50	3,300
" " "	50,000	1	—	100	—	50	2,200
" " "	200,000	1	—	540	—	50	2,300
" " "	1,000,000	—	—	—	—	—	—
" " "	¥ 850,000	—	—	—	—	—	—
" " "	—	—	—	—	—	—	—
Railway Lighting	¥1,500,000	—	—	—	250	Direct	600
" " "	140,000	1	—	60	—	50	35,000
" " "	169,276	1	3	700	—	60	22,000
" " "	50,000	1	—	62	—	60	5,250
" " "	81,160	1	—	445	—	Direct	230
" " "	—	—	—	—	—	—	—
" " "	96,000	1	—	110	—	Direct	440
" " "	218,400	1	—	350	—	60	2,300
Lighting & Supply	171,570	1	—	1,000	—	60	2,300
" " "	—	—	—	—	—	—	—
Lighting & Supply	—	—	1	—	1,800	50	11,000
" " "	—	—	1	—	450	50	11,000
" " "	—	—	—	—	150	50	3,300
" " "	—	—	{2}	—	600	50	11,000
" " "	—	—	{+3}	—	—	—	—

INDUSTRIES

	Established
S. M. R. Company.	
Fushun Coal Mine Electric Station ..	1908
Wulungpei Spring	1929
Penhsihu Coal & Iron Works	1910
Japanese-Manchurian Joint Management	
Koshan Electric Co.	1927
Hulan Electric Co.	1912
Changtu Electric Co.	1925
Peipiao Coal Mine Co.	1926
Manchurian Coal Mine Co. Pataohao Electric Office	1926
Manchoukuo Government Management	
Taonan Electric Light Office	1926
Mukden Tramcar Office	1926
Tungliao Electric Light Office	1922
Harbin Railway Bureau	1927
Central Bank of Manchou Management	
Hailun Electric Light Office	1931
Suihua Kwansin Electric Light Office ..	1931
Hailar Electric Light Office	1913
(Kirin Province)	
Hsiachiutai Kuangtai Electric Light Co.	1927
Huatien Yaohua Electric Light Co. ..	1930
Fuyu Electric Light Co.	1928
Sanchiaho Electric Light Co.	1927
Yaomen Electric Light Office	1918
Sungari Electric Light Co.	1922
(Lungkiang Province)	
Paichuan Chihung Electric Light Co. ..	1925
(Heiho Province)	
Aigun Kengyao Electric Light Co. ..	1916
(Sankiang Province)	
Fuchin Tunghsing Tehtama Electric Light Office	1916
(Pinkiang Province)	
Ashihho Electric Light Co.	1927
Shuangcheng Yaoshuang Electric Light Co.	1926
Manchouchan Public Electric Light Co. ..	1925
Anta Electric Light Co.	1925
Wangkuei Kungho Electric Light Co. ..	1926
Payuan Yuansing Electric Light Co. ..	1930
Chuhu Tungyao Electric Light Co. ..	1926
Imienpo Changlung Electric Light Co. ..	1928
Shihtowhotsu Fucheng Electric Light Office	1924
Ningan Yumin Electric Light Office ..	1926
Suifenho Paocheng Electric Light Co. ..	1921
(Chientao Province)	
Towtaokow Chungchengyu Electric Light Office	1931
Lungchingtsun Tahsing Electric Co. ..	1922
Hunchun Hsuehchun Electric Light Co. ..	1926
(Antung Province)	
Takushan Puchao Electric Light Co. ..	1923
Tunghua Electric Light Co.	1924
(Fengtien Province)	
Haicheng Electric Co.	1924
Sian Electric Co.	1922
Shanchengchen Tunghsing Electric Co. ..	1919
Ssuningkai Electric Light Co.	1923
(Chinchow Province)	
I-hsien Electric Light Office	1922
((Hsingan Provinces)	
Pukotuchan Electric Light Office	1924

INDUSTRIES

Purpose	Authorized Capital	No of Stations		Generating Power (K.W.)	Supplied Power (K.V.A.)	Cycle	Maximum Voltage
		Generating Station	Transforming Station				
Lighting, Supply & Railway	—	2	11	60,000	—	60	44,000
Lighting & Supply	—	1	—	10	—	Direct	—
Lighting & Supply	—	1	{ 5 }	9,000	—	60	—
Lighting & Supply	—	1	{ +1 }	150	—	50	3,300
" " "	MY 50,000	1	—	87	—	Direct	440
" " "	50,000	1	—	—	75	60	3,300
" " "	60,000	—	—	1,500	—	50	550
" " "	300,000	1	{ 6 }	3,200	—	50	35,000
" " "	¥1,148,165	1	{ +4 }	—	—	60	2,300
Lighting & Supply	MY 424,184	1	—	850	—	60	2,300
Railway	215,500	—	1	—	685	60	220
Lighting & Supply	406,000	1	—	226	—	Direct	220
" " "	93,498	1	—	562	—	50	3,300
Lighting & Supply	175,270	1	—	120	—	50	3,300
" " "	60,062	1	—	182	—	50	3,000
" " "	157,751	1	—	410	—	Direct	440
Lighting & Supply	50,000	1	—	209	—	Direct	470
" " "	100,000	1	—	70	—	Direct	220
" " "	120,000	1	—	96	—	50	6,000
" " "	45,000	1	—	52	—	Direct	220
" " "	—	1	—	26	—	Direct	220
" " "	—	1	—	96	—	Direct	230
Lighting & Supply	120,000	1	—	125	—	Direct	440
" " "	—	1	—	310	—	Direct	250
" " "	30,000	1	—	120	—	50	5,250
" " "	100,000	1	—	120	—	50	5,000
" " "	400,000	1	—	400	—	50	5,250
" " "	50,000	1	—	60	—	Direct	440
" " "	192,000	1	—	170	—	Direct	470
" " "	175,270	1	—	90	—	Direct	220
" " "	40,000	1	—	36	—	Direct	220
" " "	80,000	1	—	50	—	Direct	440
" " "	120,000	1	—	100	—	50	400
" " "	30,000	1	—	77	—	Direct	250
" " "	75,000	1	—	79	—	Direct	470
" " "	80,000	1	—	167	—	Direct	470
Lighting & Supply	30,000	1	—	40	—	Direct	230
" " "	152,150	1	—	200	—	50	3,500
" " "	51,500	1	—	{ 27 }	—	Direct	120
" " "	—	1	—	{ 63 }	—	50	3,300
Lighting & Supply	10,000	1	—	10	—	Direct	110
" " "	150,000	1	—	60	—	60	2,300
Lighting & Supply	110,000	—	—	—	3,750	60	44,000
" " "	118,000	1	—	208	—	50	3,300
" " "	50,000	1	—	160	—	50	3,300
" " "	150,000	1	—	100	150	50	3,150
" " "	—	1	—	35	—	Direct	220
Lighting	45,600	1	—	70	—	Direct	470

inactive. All of the sugar demands of the country are now supplied by imports, with Japan furnishing the lion's share amounting to 86 percent of the total imports, as regards value, in 1934. Consumption has been increasing of late years and in 1934 the total imports aggregated over 94,000 metric tons.

The sugar industry was first started by Russians in North Manchuria in 1909. The Ashihho 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 Mukden and Tiehling. 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.

Among the sugar companies established recently are the North Manchurian Sugar Industrial Company, which has succeeded to the interests of the Ashihho Sugar Company, and the Manchurian Sugar Refining Company. The North Manchuria Sugar Company was established in March 1934, capitalized at ¥2,000,000 and is under joint Japanese-American management. Annual production capacity of the Company is 120,000 piculs. The concern will also take on as subsidiary work the growing and marketing of sugar beet, the manufacture of alcohol and fertilizer, and the refining of bean oil. The Manchurian Sugar Refining Company was established in 1935, capitalized at ¥10,000,000. It is jointly invested in by the Dai Nippon Sugar Company, the Taiwan Sugar Company and the Ensuiko Sugar Company. This new company has succeeded to the interests of the former South Manchurian Sugar Company. Figures on sugar imports in recent years are given below:

Quantity and Value of Imported Sugar

	1932		1933		1934	
	Piculs	M.Y.	Piculs	M.Y.	Piculs	M.Y.
Japan	1,064,898	9,836,034	1,320,534	10,858,605	1,063,035	8,105,827
Korea	347,701	3,783,106	445,143	3,795,252	293,052	2,143,112
Hongkong	166,293	1,636,314	154,402	1,232,654	110,149	937,962
China	7,473	85,750	9,549	92,224	41,223	277,431
Russia	3,829	73,632	384	6,472	592	6,130
Netherlands India ..	9,050	134,566	103,531	622,524	42,270	287,557
British India	—	—	1,175	7,887	3,317	30,958
Great Britain	2,532	41,460	15,946	206,858	5,447	51,556
Netherlands	1,209	17,134	—	1,680	—	—
U.S.A.	8	26,298	16,075	86,003	6	7,830
Canada	—	—	1	18	—	—
Germany	—	20,422	—	45,661	—	51,916
Others	—	—	—	—	1,995	4,821
Total	1,602,993	15,654,716	2,066,740	16,955,838	1,561,086	11,905,100

ELECTRIC & GAS INDUSTRIES

ELECTRICITY

The electric industry was first started by Rus-

sians as a subsidiary work of the Chinese Railway in 1902, by establishing a generating sta-

tion 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 Light Office, the Harbin Electric Office, the Kirin Electric Light Office, the Tsitsihar Electric Light Office, the North Manchuria Electric Co. of Harbin, the Electric Light Office of the Hsinking Special Municipality and the Antung Electric Co.

Table 40

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	145,802,953
1925	616,998	36,402,531	2,609	110,637,855	491	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, Japanese 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 3 electric enterprises at Harbin. Of these enterprises, the North Manchuria Electric Company is the largest, being followed by the Harbin Electric Office, and the electric generating station attached to the Harbin Ry. Bureau of Manchoukuo State Railway Direction. There are in all 90 electric undertakings in Manchoukuo including those under private corporations.

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 Fushun Colliery, and the Wulun Wulungpeh Spring, both of them having been under the direct management of the South Manchuria Railway Company, and nine corporations under the management of the Manchuria Electric Company.

Several projects was launched in 1934 to cope with the increasing demand for electric 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 was expected to be completed in 1935. The South Manchuria Electric Company also started the construction of a 54,000 kilowatt power house at Kanseishi, opposite Dairen, in the early summer of 1934.

Table 41

Electric Power Supplied by the Manchuria Electric Company & its
Affiliated Companies classified by districts (June, 1935)

	Electric Light		Electric Power	
	No. of Houses supplied	No. of Lights	No. of Houses supplied	Amount of Power supplied (Kw.)
Head Office	3,235	19,560	10	185
Dairen Branch	60,677	378,742	1,220	62,974
Mukden Branch	41,195	408,819	1,581	40,267
Mukden Chaoyang Branch	1,013	6,732	1	7
Mukden Tungliao Branch	1,368	7,596	11	170
Yingkow Branch	10,080	54,019	229	4,379
Anshan Branch	6,309	39,182	84	2,522
Antung Branch	19,319	89,949	457	10,189
Hsinking Branch	22,324	187,994	507	12,948
Kirin Branch	7,366	47,034	84	1,988
Harbin Branch	34,995	342,476	1,574	8,748
Tsitsihar Branch	5,074	32,734	145	1,428
Tsitsihar Taonan Branch	1,446	11,372	11	75
Total	214,401	1,626,209	5,914	145,880
Subsidiary Companies:				
Wafangtien Electric Light Co.	2,407	11,686	27	307
Tashihchiao Electric Light Co.	2,026	10,825	60	994
Liaoyang Electric Light Co.	4,322	21,234	120	2,571
Tiehling Electric Co.	5,618	20,037	79	529
Kaiyuan Electric Co.	5,541	20,516	48	486
Shingishu Electric Co.	13,561	44,535	246	4,952
Tungfang Electric Light Co.	3,400	16,455	7	413
Suichung Electric Light Co.	312	2,240	—	—
Tatung Electric Co.	7,314	38,540	76	1,170
Liaoyuan Huahsing Electric Co. ..	1,031	6,831	6	73
Yenki Electric Co.	2,853	17,550	17	69
Tunhua Electric Co.	1,770	9,153	4	103
Peian Electric Co.	543	4,623	6	21
Total	50,698	224,235	696	11,688
Direct Controlling Companies:				
Chihfeng Electric Light Office	567	3,702	—	—
Chin-hsien Electric Co.	2,750	29,035	52	294
Faku Hsien Electric Light Office ..	947	—	—	—
Nungan Mingsing Electric Light Co.	408	4,917	11	127
Manchouli Municipal Electric Light Office	1,097	2,427	—	—
Iran Electric Co.	624	6,440	11	81
Chiamussu Chingtsengyuan Electric Light Office	931	3,288	—	—
Total	7,324	54,613	74	502

Gas Works

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:

Table 42
GAS PRODUCTION AND SUPPLY
(Cubic Feet)

	South Manchuria Gas Co.		Fushun Colliery	
	Production	Supply	Production	Supply
1926	495,021,013	467,441,318	18,138,415,709	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
1933	667,053,000	637,525,000	—	—
1934	820,127,000	777,490,000	—	—

The amount of gas distribution and its consumption by items for 1933 is as follows:

Table 43
PRODUCTION & DISTRIBUTION OF GAS BY SOUTH MANCHURIA
GAS COMPANY (1934)

	Gas Production Capacity (11,000 Cubic Feet)	Length of Gas Pipes (Metres)	Amount of Production				No. of Houses Supplied	Amount of Gas sold (1,000 Cubic Feet)
			Gas (1,000 Cubic Feet)	Cokes (Tons)	Coaltar (1,000 Litres)	Ammonia Sulphate (Tons)		
Dairen	256	281,198	507,351	15,684	1,803	124	27,154	487,769
Anshan	—	31,584	27,143	—	—	—	2,677	25,792
Mukden	68	133,283	155,023	5,631	380	—	12,335	143,122
Antung	12	59,668	36,521	1,260	112	—	3,189	3,997
Hsinking ...	20	90,092	92,357	3,117	288	—	6,592	86,821

References: Tables 1, 3, 4, 5, 10, 11, 13, 17, 19, 23, 24, 26, 27, 28, 29, 33, 38, 41, 42, 43—Manchu Nenkan (Manchuria Yearbook), 1935, published by the Manchu Nichinichi Shimbun-Sha. Table 2—Economic Research Bureau, S.M.R. Tables 6, 7, 9, 14, 16, 18, 20, 21, 22, 25, 31, 35, 36, 40—Manchu Sangyo Tokei (Statistical Annual of Manchurian Industry), 1934. Tables 12, 15, 30, 34, 37, 39—Annual Returns of the Foreign Trade of Manchoukuo.

CHAPTER XXII

FOREIGN TRADE

The foreign trade of Manchoukuo has developed with a phenomenal stride as is characteristic of countries newly opened to exploitation. In 1934 it amounted to 1,000 million yuan, breaking all previous records as is indicated below:

Year	Total Foreign Trade (Thousand Yuan)	Percent Increase (1907=100%)
1907	59,398	100
1917	319,682	533
1927	676,949	1,129
1934	1,041,988	1,738

Manchoukuo's exports are overwhelmingly agricultural in nature. Soya beans, bean oil and bean-cake have for many years occupied over one-half of the value of the total exports of the country. In 1934 these products accounted for some 228 million of a total export valued at 448 million yuan.

The country's imports are mostly manufactured articles. Such items as cotton goods, gunny bags for grain packing, iron and other metal goods as well as certain provisions looms large in her foreign purchases.

The significant growth of foreign trade to its present stature may be ascribed largely to heavy immigration and to extensive capital investments into the country combined with a brisk foreign demand for her agricultural produce.

Trade by Countries: Certain significant changes in the relative apportionment of Manchoukuo's trade with foreign countries are noticeable in the figures for recent years. The most prominent feature is the growing importance which Japan has attached to the trade since the establishment of the Manchoukuo Government in 1932. In 1934 Japan (excluding Korea) accounted for 172 million yuan of a total of 448 million yuan of Manchoukuo's exports and 383 million yuan of a total of 593 million yuan in her imports.

Manchoukuo's trade with China, on the other hand, showed a distinct shrinkage in 1934. In 1931 China purchased from Manchoukuo commodities valued at more than 225 million yuan; in 1934 China's imports shrank to 65 million yuan. Manchoukuo's imports from China have

not so seriously declined, however. They were 79 million yuan in 1933 and 57 million yuan in 1934. Political factors no doubt have played an important part in bringing about such changes. So in the future Manchoukuo's trade with the abovementioned two countries, which are her best customers, will be influenced to a great extent by political developments.

Balance of Trade: The trade balance has been in favour of Manchoukuo for 20 years out of a total of 28 years since 1907. In the last two years under review, namely, 1933 and 1934, the trade balance has for the first time since 1919 turned unfavorable to her due (largely) to the world economic depression and to a far-reaching plan to accelerate the industrialization of the country. In 1934 the trade balance was against Manchoukuo to the extent of over 145,000,000 yuan or more than double the amount in 1933:

Year	Exports (Thousand Yuan)	Imports	Excess of Imports
1933	448,014	514,685	66,671
1934	448,426	593,562	145,136
*1935	225,292	298,243	72,951

* Figures for first half of 1935 only.

Among countries, besides Japan, which have carried on a favorable balance of trade with Manchoukuo may be mentioned the United States. Manchoukuo's trade with the United States was: 7,536,000 yuan in exports and 28,961,000 yuan in imports in 1933; 5,966,000 yuan in exports and 35,227,000 yuan in imports in 1934. Germany in recent years has become an increasingly important customer to Manchoukuo. In 1934 the former's imports and exports to Manchoukuo were 53 million yuan and 12 million yuan respectively.

It is expected that when the industrial undertakings now under way in Manchoukuo start operating at full capacity the country will be able to cut down her imports of certain industrial products, such as cement, sulphate of ammonia and its by-products and steel. In 1934 Manchoukuo imported cement to the value of ¥7,900,000, while her imports of ammonia sulphate and acids, such as acetic, hydrochloric, nitric and sulphuric

aggregated in value to over ¥560,000. The country was expected to be self-sufficing in cement by the end of 1935, sulphate of ammonia in 1936, and steel in 1937.

Recent Situation: Manchoukuo's foreign trade for the first six months of 1935 amounted to 523,535,820 yuan, according to the returns of the Finance Department. It shows an increase of 28,074,000 yuan over the corresponding period of 1934. Making up the total, exports were 225,292,755 yuan and imports 298,243,065 yuan, showing an excess of imports of 72,950,310 yuan. Compared with the same period of 1934, exports fell by 20,000,000 yuan and imports gained by 30,129,000 yuan.

The unfavorable trade balance may be attributed to an unusually active import of construction material owing to the rapid progress in constructive activities in various lines. Another reason was the considerable decline in the export of Manchurian staples in general due to the failure of crops in 1934 and to the world depression.

Imports of construction material, including iron, steel, machinery and cement, aggregated 62,000,000 yuan, or approximately 22 per cent of the total imports, indicating an increase of some 10,000,000 yuan over the corresponding period of 1934. The principal item of import was wheat flour, valued at 32,799,890 yuan, replacing iron and steel which fell to the second place. Although soya beans constituted the chief item of export as usual, the total export of this product amounted to only 6,000,000 piculs representing a drop of 7,000,000 yuan in value in comparison with the total for 1934. Millet also decreased by about 50 per cent. Reviewed

by countries, Japan, including Korea, ranked first with her trade volume valued at 346,000,000 yuan, which represented 70 per cent of the total foreign trade of Manchoukuo. China came second, followed by Germany, the United States and Great Britain. Manchoukuo's trade with Great Britain increased by more than 100 per cent over the same period of 1934, due chiefly to an increase in exports to that country.

It is interesting to note that the visit of the British Industrial Mission, headed by Lord Francis Barnby, to Manchoukuo in the autumn of 1934 served to create a better understanding of Great Britain toward Manchoukuo.

The trade with some of the major countries for the first half of 1935 follows:

Table 3
Trade by Countries

	(Yuan)
Japan	313,979,793
Korea	32,427,137
China	42,858,426
Germany	25,980,084
United States	24,370,320
Great Britain	16,741,495
Principal Exports	
Soya beans	62,847,648
Bean cake	33,042,172
Coal	21,304,973
Peanuts	13,450,520
Bean oil	11,752,659
Principal Imports	
Wheat flour	32,799,800
Iron and steel	29,677,172
Vehicles and ships	17,623,643
Machinery and tools	14,857,430
Cotton piece-goods	13,964,192

Table 4
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

Year	Exports	Imports	Total	Excess of Exports or Imports (-)
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	68,369,812
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	255,121,099
1932	394,969,070	192,991,900	587,960,970	201,977,170
**1933	448,477,605	515,832,425	964,310,030	(-) 67,354,820
**1934	448,426,567	593,562,248	1,041,988,815	(-) 145,135,681

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

** Manchoukuo yuan.

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 the 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.

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 al-

ways 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 as the importation of Japanese cotton goods in Manchuria increased, the purchase of American and Indian raw cotton by Japan grew likewise. China has been 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 at 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 of 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.

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 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, Manchui, and Suifenho, 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.

Table 5
Vessels Entered and Cleared

Year	Entered		Cleared	
	No.	Tons	No.	Tons
1929	6,422	8,271,819	6,312	8,172,118
1930	5,671	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
1934	5,779	9,445,000	5,735	9,466,956

Table 6
Vessels Entered and Cleared (1934)

Flag	Entered		Cleared	
	No.	Tons	No.	Tons
Manchoukuo ..	359	211,474	344	210,615
Kwantung ...	1,149	1,705,378	1,188	1,782,229
Japanese	2,092	4,105,681	2,038	4,052,705
Chinese	1,440	1,083,590	1,423	1,083,041
Russian	2	3,414	2	3,414
British	438	1,158,919	439	1,163,592
French	2	5,058	2	5,058
German	78	343,211	76	332,176
Dutch	40	167,263	38	160,380
Danish	20	93,311	21	97,813
Swedish	15	52,318	15	52,318
Norwegian ...	61	175,305	66	191,665
Italian	17	61,726	17	61,726
Greek	14	45,023	13	40,283
American	50	223,738	51	223,738
Panamanian ..	1	3,482	1	3,482
Hungarian ...	1	2,721	1	2,721
Total	5,779	9,445,000	5,735	9,466,956

The importance of the eight customs districts of Manchoukuo classified by customs returns, is shown in the following figures for 1934 (in Manchoukuo yuan):—

Table 7

	Customs Returns		Total
	Exports	Imports	
Dairen	335,182,147	449,246,238	784,428,385
Antung	44,735,202	77,371,646	122,106,848
Yingkow ...	36,315,942	29,049,491	65,365,433

Table 8

Exports of Soya Beans, etc

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	168,736	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	2,549,557	965,565	86,846	3,601,968
1934	2,686,736	1,358,692	104,899	4,150,327

The important export next to beans is millet. For 1934 this trade was valued at MY19,940,000, of which MY17,483,000 was purchased by Korea. Of the export of kaoliang, valued in 1934 at MY7,310,000, approximately MY3,838,000 in value goes to China proper, MY3,242,000 to Japan, MY105,000 to Korea, and the rest to other countries. The export of maize was valued at

MY5,016,000, buckwheat MY4,251,000.

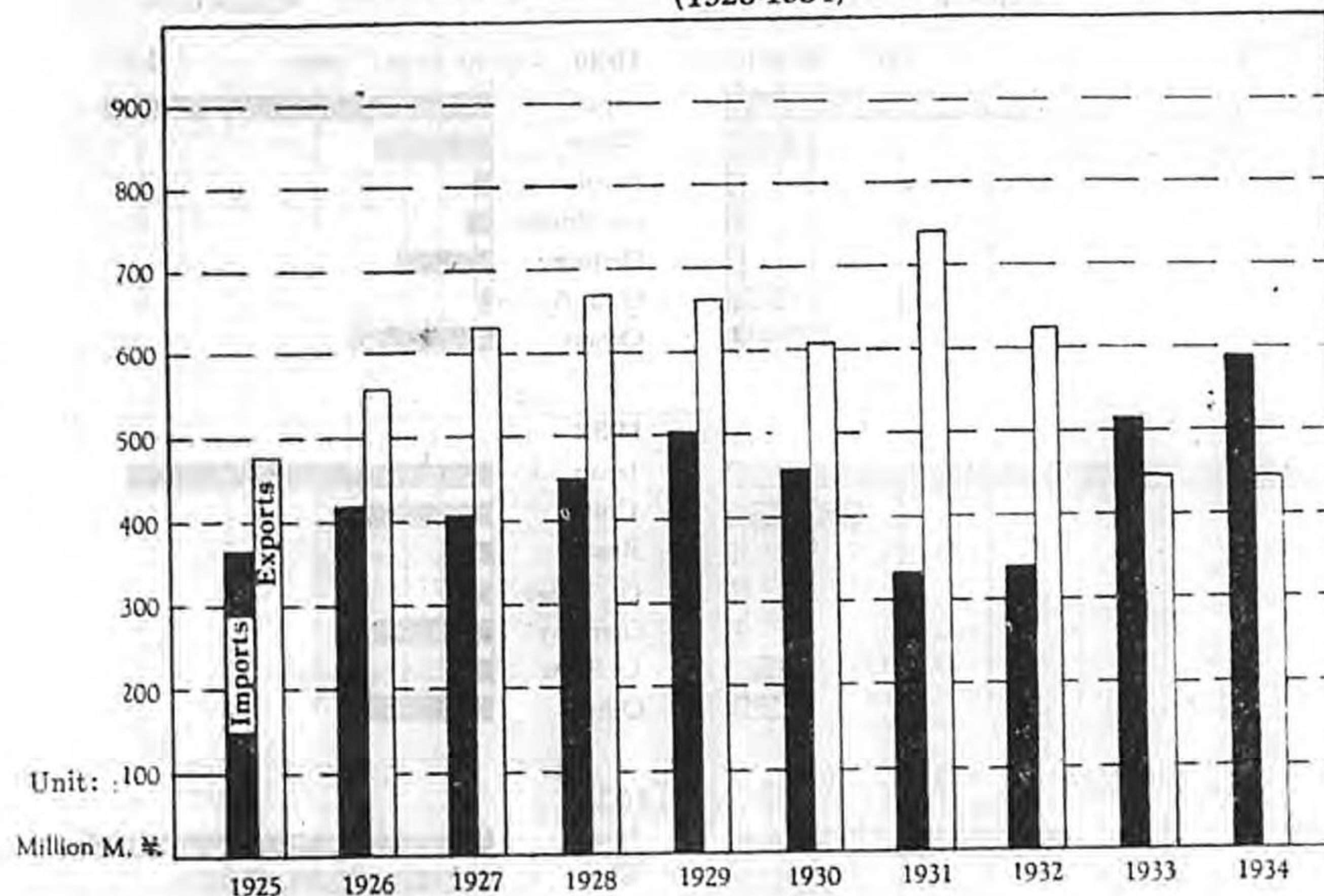
With regard to mineral products, the export value of coal was MY41,955,000 in 1934, of which MY29,360,000 represented the value of exports to Japan, MY5,209,000 to Korea, and MY3,777,000 to China. The exports of pig iron and kentledge claimed MY10,380,000, of which exports to Japan totalled MY9,596,000.

Shanhaikwan	8,620,651	8,104,761	16,725,412
Harbin	8,902,711	4,573,274	13,475,985
Lungching-			
tsun	1,427,957	4,423,309	5,851,266
Tumen	11,928,190	16,725,481	28,653,671
Jehol	1,313,767	4,068,048	5,381,815
Total	448,426,567	593,562,248	1,041,988,815

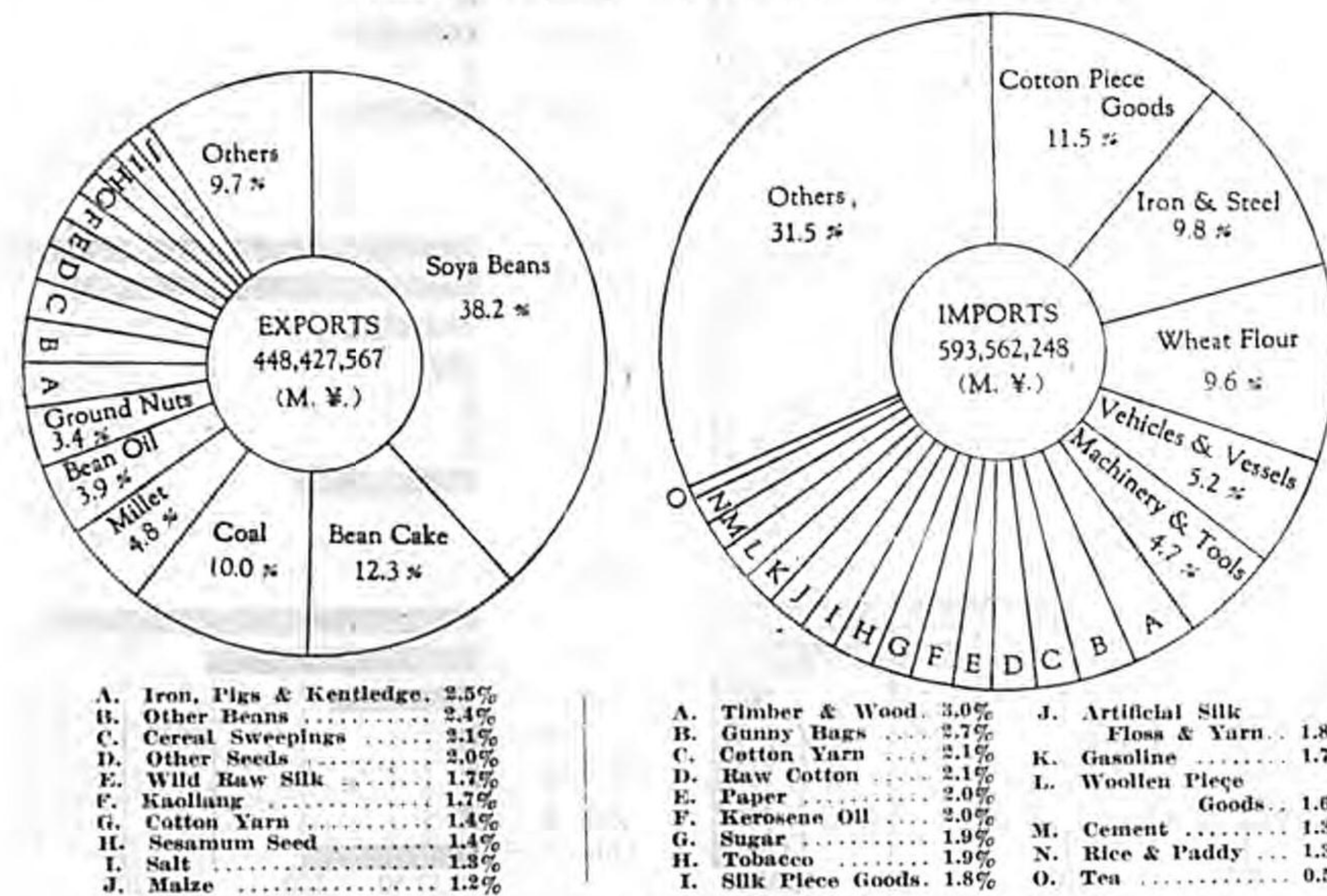
Trade According to Principal Commodities

Exports. The exports of Manchuria are chiefly agricultural produce. Beans and their products, beancake and bean-oil, today command the world's markets. For many years these exports constituted more than half of the total exports of Manchuria. Total exports in 1934 amounted in value to MY448,426,000 of which MY228,119,000 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, the 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 has felt, however, the affects of the world depression as the following export figures show.

Total Value of Exports and Imports of Manchoukuo (1925-1934)

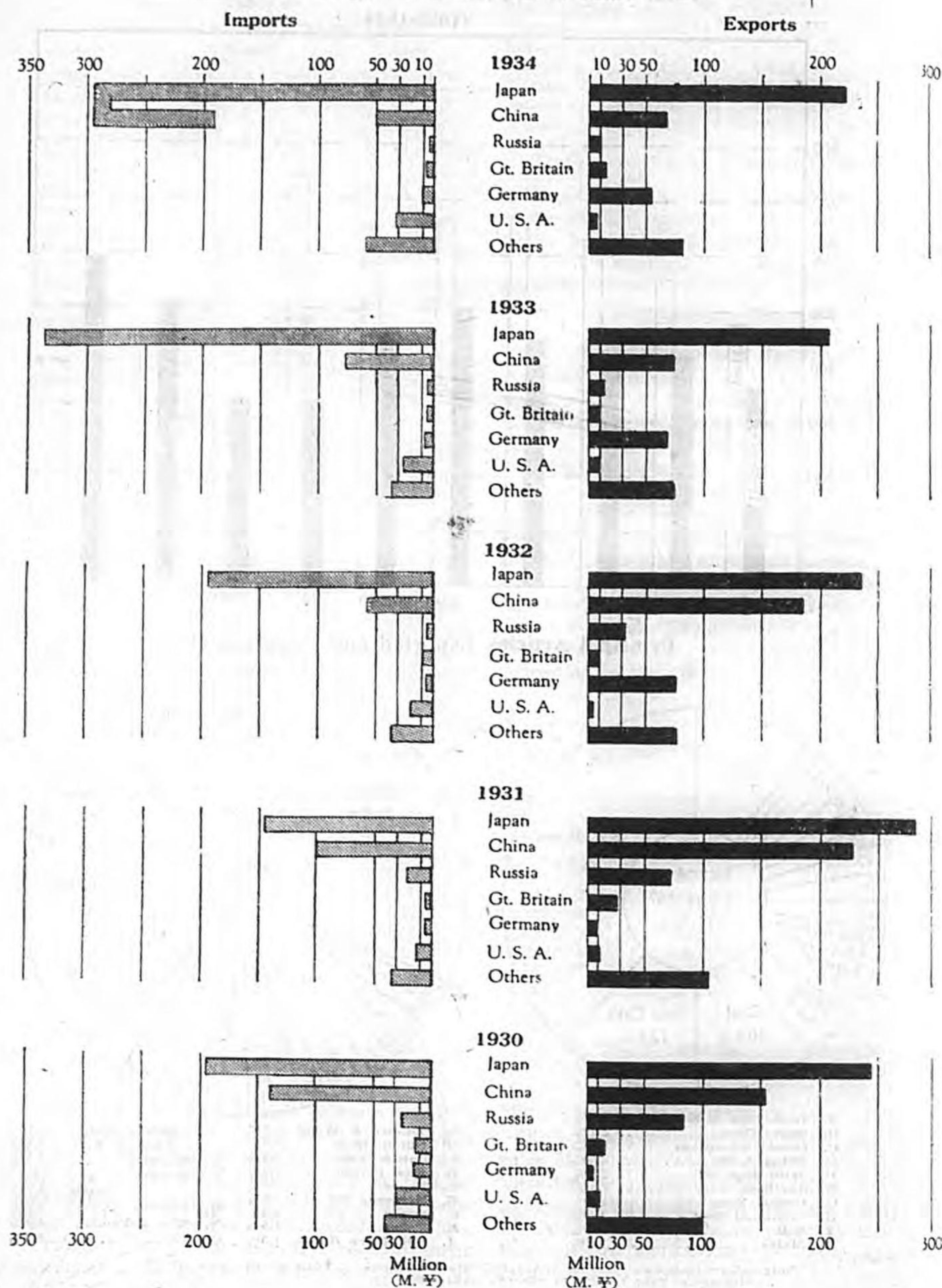


Principal Articles Exported and Imported, 1934



Note:—The Halkwan Tael is converted into Manchoukuo Yuan at the rate of 1 Halkwan Tael to MY1.56 for the years 1925-32.

Values of Exports and Imports by Countries, 1930 to 1934



FOREIGN TRADE

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 1934 amounted to MY68,052,000 comparing with MY69,300,000 for 1933. Japan's share in the exports of the above items in 1934 amounted to MY61,087,000, or 88 percent.

The value of imports of machinery and tools amounted to MY28,056,000 in 1934 as compared to MY9,543,000 in 1933.

The principal articles exported and imported from abroad for the years 1933 and 1934 and for the first half of 1935 are given below:

Table 9
Foreign Trade By Countries (1933—1934)
(In Manchoukuo Yuan)

Countries	1934			1933		
	Exports	Imports	Total	Exports	Imports	Total
Asia						
Japan	172,265,580	383,270,256	555,535,836	177,326,651	313,749,276	491,075,927
Korea	46,832,899	25,321,331	72,154,230	32,414,311	26,158,675	58,572,986
China	65,299,692	57,537,743	122,837,435	71,770,873	79,821,389	151,592,262
Russia	8,423,177	4,880,197	13,303,374	13,359,514	7,567,693	20,927,207
Hongkong	6,848,614	3,596,674	10,445,228	6,498,848	8,005,921	14,504,769
Macao	—	—	—	783,655	—	783,655
British India	645,539	23,961,676	24,607,215	1,090,684	14,702,830	15,793,514
Straits Settlements	1,094,238	586,037	1,680,275	1,086,809	74,484	1,161,293
Netherlands India.	1,701,534	6,694,905	8,396,439	4,049,949	3,324,029	7,373,978
British North Borneo	—	1,132,012	1,132,012	—	1,917,912	1,917,912
French Indo-China	49,801	1,473,793	1,523,594	20,824	635,999	656,823
Philippines	822,370	270,799	1,030,169	1,351,976	52,049	1,404,025
Siam	85,097	62,177	147,274	51,427	4,825	56,252
Turkey	—	935,723	935,723	—	1,095,740	1,095,740
Persia	—	343,706	343,706	—	618,622	618,622
Syria	4,290	—	4,290	—	—	—
Arabia	3	5	8	—	—	—
Palestine	—	—	—	1,627	1,030	2,657
British Colonies	—	—	—	—	—	—
(Aden)	2,352	—	2,352	—	—	—
Total	304,075,186	510,004,034	814,079,220	309,807,148	457,730,474	767,537,622
Europe						
Great Britain	16,189,539	9,298,794	25,488,333	8,822,620	7,190,266	16,012,886
France	2,921,120	541,300	3,462,420	2,547,559	779,322	3,326,881
Germany	53,310,602	12,507,800	65,818,402	66,394,721	10,577,129	76,971,850
Belgium	1,190,409	703,813	1,894,222	280,881	1,291,087	1,571,968
Luxemburg	—	—	—	—	17,324	17,324
Netherlands	8,080,668	388,062	8,468,730	5,914,220	427,414	6,341,634
Denmark	1,658,278	105,713	1,763,991	2,717,502	239,886	2,957,388
Poland	10,005	566,680	576,685	7,224	151,228	158,452
Danzig	—	—	—	4,197	—	4,197
Latvia	5	438	443	1,938	2,119	4,057
Finland	3,000	24	3,024	—	1,400	1,400
Sweden	161,814	1,004,431	1,166,245	1,915,743	294,704	2,210,447
Norway	963,590	205,930	1,169,520	735,347	861	736,208
Spain	81,360	11,849	93,209	13,901	2,231	16,132
Portugal	137,152	—	137,152	37,316	510	37,826
Italy	4,309,837	701,676	5,011,513	1,854,795	459,052	2,313,847
Switzerland	62	516,901	516,963	50	428,531	428,581
Austria	—	2,783	2,783	—	3,578	3,578
Hungary	4,800	281	5,081	—	1,164	1,164
Czechoslovakia ...	1,149	3,096	4,245	3,502	8,015	11,517
Greece	56,975	18,960	75,935	8,760	12,233	20,993
Rumania	—	3	3	1,360	—	1,360
Others	20	—	20	74,382	—	74,382
Total	89,080,385	26,578,534	115,658,919	91,336,018	21,888,054	113,224,072
America						
U. S. of America .	5,959,379	35,289,666	41,249,045	7,603,515	28,961,778	36,565,293
Canada	1,255,126	189,388	1,444,514	1,018,953	123,593	1,142,546

FOREIGN TRADE

(Countries)	1934			1933		
	Exports	Imports	Total	Exports	Imports	Total
Mexico	—	218,100	218,100	—	—	—
Cuba	388,150	—	388,150	—	1,278,816	1,278,816
Panama	—	—	—	—	—	—
British Central America	—	—	—	687,298	—	687,298
Central America ..	5,284	1,228	6,512	—	1,433	1,433
Brazil	—	10,363	10,363	—	—	—
Peru	—	964	964	—	—	—
Chile	7,218	35,078	42,296	—	—	—
Argentine	741	—	741	1,221	4,088	4,088
Uruguay	14,408	—	14,408	—	4,710	5,931
Total	7,630,306	35,744,787	43,375,093	9,310,987	30,374,418	39,685,405
Africa						
Egypt	47,071,407	307,530	47,378,937	37,717,315	7,145	37,724,460
Tripoli	8,158	—	8,158	—	—	—
Tunis	2,581	—	2,581	—	—	—
Algeria	237,025	—	237,025	248,334	700	249,034
Morocco	301,087	—	301,087	40,441	—	40,441
Union of South Africa	1,923	—	1,923	1,588	—	1,588
Total	47,622,181	307,530	47,929,711	33,007,678	7,845	38,015,523
Australasia						
Australia	16,324	20,917,398	20,933,722	14,190	5,931,643	5,845,824
Others	2,185	9,965	12,150	1,584	—	1,584
Total	18,509	20,927,363	20,945,872	15,774	5,831,634	5,847,408
Grand Total ..	448,426,567	593,562,248	1,041,988,815	443,477,605	515,832,425	964,310,030

Table 10
Total Value of Exports and Imports
(Value in MY)

(1st half 1934 and 1935 Compared)

Countries	Exports		Imports		Total	
	1934	1935	1934	1935	1934	1935
	Japan	98,588,324	99,725,045	171,070,817	214,254,748	269,659,103
Chosen	28,907,841	21,301,875	13,113,528	11,125,259	42,021,369	32,427,134
China	30,352,033	30,037,005	21,340,639	12,821,421	51,692,710	42,858,426
Russia	6,617,286	3,137,581	3,146,808	729,396	9,764,094	3,866,977
Hongkong	3,313,180	3,860,292	946,548	1,199,154	4,259,728	5,059,446
British India	464,954	1,465,302	10,143,387	9,086,787	10,609,341	10,552,089
Netherlands India ..	1,424,603	428,042	2,562,650	3,121,766	3,987,253	3,549,808
Great Britain	3,104,580	11,889,392	4,921,440	4,852,103	8,026,020	16,741,495
France	1,984,950	2,537,493	259,097	218,781	2,244,047	2,756,274
Germany	21,736,427	17,296,927	5,271,220	8,683,157	27,007,647	25,980,084
Belgium	755,613	209,742	182,811	1,028,661	938,424	1,238,403
Netherlands	4,315,431	7,936,014	139,305	206,501	4,454,736	8,142,515
Italy	1,962,279	2,766,124	604,422	269,387	2,566,721	3,350,511
U.S.A.	2,869,210	10,187,385	22,910,120	14,182,935	25,779,330	24,370,320
Other	20,949,657	12,514,536	11,501,244	16,463,009	32,450,901	28,977,545
Total	227,347,368	225,292,755	268,114,056	298,243,065	495,461,424	523,535,820

Table 11
Principal Articles Exported Abroad
(Value in MY)

Articles and Destinations.	1933		1934		First Half 1935	
	Quantity	Value	Quantity	Value	Quantity	Value
	Bristles	26,693	2,297,233	28,121	2,145,821	7,248
Japan	1,823	296,240	2,943	459,036	2,371	380,282
Korea	2	85	—	—	16	2,362
China	15,064	213,265	19,087	529,603	2,511	262,680
Hongkong	—	—	148	19,942	68	17,536

FOREIGN TRADE

Articles and Destinations	1933		1934		First Half 1935	
	Quantity	Value	Quantity	Value	Quantity	Value
Great Britain	1,026	148,454	1,432	238,528	488	152,639
Germany	522	97,914	450	67,706	128	24,533
Belgium	123	15,744	15	1,841	—	—
Netherlands	—	—	239	28,751	—	—
Italy	18	2,625	99	12,316	1,409	355,166
U. S. of America ..	8,115	1,522,906	3,708	788,098	257	47,023
Other Countries	—	—	—	—	—	—
Hides and Leather Value						
Japan	—	1,189,811	—	763,488	—	499,025
Korea	—	1,163,064	—	736,297	—	493,167
China	—	10,427	—	20,598	—	2,731
Other Countries	—	16,320	—	6,598	—	3,127
Skins Value						
Japan	—	2,147,836	—	1,923,515	—	1,796,891
Korea	—	1,035,754	—	1,036,080	—	943,872
China	—	19,685	—	28,705	—	861
Russia	—	223,459	—	168,624	—	100,984
Great Britain	—	—	—	200	—	—
France	—	28,046	—	100,867	—	39,587
Germany	—	5,188	—	1,960	—	—
U. S. of America ..	—	48	—	18,625	—	—
Other Countries	—	826,602	—	562,619	—	704,360
Soya Beans Piculs						
Japan	39,111,549	169,095,488	41,308,789	160,348,746	14,395,529	62,847,648
Korea	7,381,857	33,598,390	8,238,088	31,297,681	5,055,638	22,818,553
China	1,035,420	3,681,871	2,659,594	8,353,300	926,753	3,350,819
Russia	1,710,708	7,806,781	2,579,556	9,030,531	934,747	4,107,039
Hongkong	4,010,122	11,827,018	2,458,260	7,823,758	884,468	2,895,543
British India	354,224	1,619,861	296,455	1,106,037	—	—
Netherlands India ...	386	1,685	134	469	139,505	631,741
Great Britain	799,269	3,654,468	368,159	1,313,629	55,777	250,998
France	1,356,884	5,982,530	3,173,553	13,714,170	1,882,901	8,473,957
Germany	58,635	265,359	294,188	1,071,822	137,606	619,228
Netherlands	12,203,430	54,932,391	8,887,528	36,257,990	2,302,141	10,359,635
Italy	390,808	1,766,233	79,581	312,666	49,770	223,965
Egypt	225,764	995,436	365,762	1,515,032	125,470	564,615
Other Countries	8,363,266	37,509,002	11,329,238	46,179,247	1,214,980	5,467,412
Other Beans Piculs						
Japan	1,220,776	5,454,463	578,693	2,372,414	685,773	3,085,043
Korea	1,530,758	9,180,185	2,161,663	9,993,577	1,237,325	6,052,801
China	1,239,581	7,754,355	1,360,739	6,414,596	728,546	3,770,205
Hongkong	92,997	433,245	271,815	1,242,965	140,531	644,387
British India	63,634	317,950	314,935	1,329,997	217,578	887,277
Netherlands India ...	52,331	318,028	77,159	357,511	51,082	257,709
Great Britain	2,476	15,135	12,276	55,314	10,173	50,908
France	7,933	42,540	1,719	8,595	—	—
Germany	8,536	49,530	46,665	215,956	4,337	19,517
Belgium	—	—	4,789	22,411	419	1,886
Netherlands	9,661	57,966	31,165	155,825	—	—
U. S. of America ...	8,131	50,778	1,581	7,437	—	—
Other Countries	45,478	140,658	38,820	182,970	84,659	420,912
Buckwheat Piculs						
Japan	539,533	3,222,612	855,946	4,251,198	170,305	955,426
Korea	17,901	105,619	4,599	19,616	4,618	26,234
China	10,905	55,737	66,426	319,778	51,883	246,818
Hongkong	825	4,135	962	4,806	345	1,620
Great Britain	—	—	1	4	—	—
Germany	832	4,160	5,326	27,846	854	5,124
Belgium	400,920	2,400,838	628,490	3,151,034	74,090	444,540
Netherlands	9,234	58,822	59,739	287,550	14,800	88,800
Italy	98,916	593,301	88,142	428,180	22,182	133,092
U. S. of America ...	—	—	1,333	7,002	—	—
Other Countries	—	—	92	368	—	—
Kaoliang Piculs						
Japan	2,565,867	7,215,389	3,333,038	7,310,645	436,224	1,434,297
Korea	1,233,310	3,236,631	1,641,551	3,242,270	147,013	517,456
Other Countries	37,191	166,407	33,968	105,739	8,060	36,544

FOREIGN TRADE

Articles and Destinations.	1933		1934		First Half 1935	
	Quantity	Value	Quantity	Value	Quantity	Value
China	1,295,327	3,812,241	1,596,434	3,838,665	278,139	869,755
Hongkong	4	11	1,067	3,686	—	—
Netherlands India ..	3	7	—	—	—	—
Germany	—	—	44,515	86,254	—	—
Netherlands	—	—	6,690	12,042	—	—
U. S. of America ...	—	—	8,290	21,044	3,012	10,542
Other Countries	32	92	523	945	—	—
Maize Piculs	1,180,248	3,319,490	2,056,292	5,016,061	248,483	720,248
Japan	421,364	1,212,701	1,028,253	2,314,870	59,790	210,252
Korea	221,593	686,633	186,986	587,809	43,051	137,234
China	532,799	1,408,926	766,572	1,949,972	131,646	323,776
Other Countries	—	—	28,600	62,471	9,016	31,556
U. S. of America ...	4,492	11,230	45,881	100,939	4,980	17,430
Millet Piculs	2,803,882	14,745,699	4,006,123	19,940,104	1,100,671	5,691,356
Japan	157,746	686,960	298,469	1,122,731	24,773	129,738
Korea	2,515,751	13,465,611	3,396,643	17,483,964	958,683	5,113,583
China	109,692	498,080	237,513	1,063,212	50,871	149,485
Netherlands India ...	6	29	—	—	—	—
Great Britain	3,022	14,121	6,356	22,661	1,253	5,639
France	1,283	6,158	883	3,091	—	—
Germany	5,815	26,553	36,515	130,642	—	—
Belgium	922	4,300	1,052	3,682	—	—
Netherlands	3,149	14,114	419	1,467	—	—
Italy	164	787	5,161	20,227	—	—
U. S. of America ...	5,460	25,234	22,643	86,576	64,421	289,896
Other Countries	872	3,752	469	1,851	670	3,015
Beancake Piculs	17,788,439	57,614,313	20,380,045	51,508,798	10,986,642	33,042,172
Japan	12,184,050	39,059,499	14,677,844	36,874,624	7,503,014	22,518,423
Korea	469,254	1,888,861	1,628,005	4,501,363	994,445	2,925,349
China	3,859,776	12,975,960	3,010,866	7,474,469	1,702,266	5,237,649
Great Britain	27,300	80,746	15,765	39,414	10,052	30,156
Germany	138,326	471,004	154,222	385,556	57,282	171,846
Belgium	21,950	63,385	25,682	64,206	168	504
Netherlands	85,852	257,399	73,393	183,484	—	—
Italy	36,367	111,587	10,031	25,078	—	—
U. S. of America ...	418,547	1,264,597	502,559	1,256,401	585,222	1,755,666
Other Countries	547,007	1,441,275	281,678	704,203	134,193	402,579
Ginseng Catties	401,003	1,380,455	435,853	1,139,349	298,758	612,956
Japan	68	318	2,160	2,896	406	760
Korea	126	201	13,678	14,546	7,532	12,002
China	211,774	781,204	182,789	515,848	169,937	374,336
Hongkong	189,035	598,732	237,226	606,059	120,883	225,858
Other Countries	—	—	—	—	—	—
Bean Oil Piculs	1,342,266	18,472,609	1,608,975	16,262,187	840,149	11,752,659
Japan	4,231	56,954	21,273	293,646	4,640	63,345
Korea	382	5,760	658	8,120	289	4,496
China	759,269	10,519,313	527,131	4,792,115	61,538	859,921
Hongkong	9,322	130,970	26,618	316,023	80,325	1,119,931
Netherlands India ...	—	7	—	—	—	—
Great Britain	81,061	1,127,288	41,592	454,122	152,160	2,130,240
France	—	—	1,408	12,513	—	—
Germany	403,372	5,469,476	723,181	7,702,668	289,071	4,046,994
Netherlands	41,628	569,687	169,270	1,754,237	115,289	1,614,046
Italy	4,302	56,683	847	7,623	—	—
U. S. of America ...	32,445	449,102	7,419	81,647	76,286	1,068,004
Other Countries	6,254	87,369	89,569	839,473	60,551	845,682
Paraffin Wax ... Piculs	282,692	962,647	235,712	740,780	139,017	451,184
Japan	282,692	962,647	235,712	740,780	139,017	451,184
Korea	—	—	—	—	—	—
Other Countries	—	—	—	—	—	—
Groundnuts Piculs	917,837	8,826,350	1,562,933	14,129,008	1,509,819	13,450,520
Japan	53,768	509,644	74,976	670,355	50,115	439,747
Korea	153	1,185	2,963	19,495	370	2,991

FOREIGN TRADE

Articles and Destinations	1933		1934		First Half 1935	
	Quantity	Value	Quantity	Value	Quantity	Value
China	1,890	19,996	4,440	16,281	2,055	10,649
Hongkong	86,088	905,223	105,934	1,115,463	5,102	40,762
Great Britain	15,309	146,549	29,137	261,099	45,248	365,934
France	164,328	1,692,606	145,628	1,205,294	163,594	1,390,640
Germany	134,428	1,256,478	283,054	2,605,884	211,362	1,929,371
Belgium	2,804	22,269	47,523	473,481	3,381	25,122
Netherlands	200,227	1,897,139	428,423	3,909,922	618,828	5,695,968
Italy	60,380	501,742	133,270	1,093,542	128,607	1,133,543
U. S. of America ...	14,384	127,419	28,820	227,196	22,970	166,363
Other Countries	184,078	1,746,100	278,765	2,530,996	258,187	2,248,930
Hemp Seed Piculs	542,601	3,052,666	1,078,279	4,410,253	940,935	3,641,793
Japan	83,802	446,492	173,592	685,796	200,313	770,766
Korea	405	1,064	69,916	248,290	92,123	356,803
China	277	1,300	266	1,014	302	1,099
Hongkong	756	4,136	2,091	7,643	—	—
British India	17	89	—	—	—	—
Great Britain	18,676	111,032	19,583	85,054	4,566	17,800
France	97,382	552,644	147,171	578,149	72,381	284,387
Germany	244,922	1,391,625	448,933	1,950,131	35,498	140,891
Belgium	13,884	75,181	29,742	118,283	14,966	59,616
Netherlands	25,999	147,019	23,216	94,703	4,096	16,169
Italy	3,437	19,300	7,854	33,785	1,003	3,909
U. S. of America ...	26,291	148,025	115,348	435,379	496,229	1,918,443
Other Countries	26,753	154,759	40,567	154,026	19,458	71,910
Perilla Seed Piculs	439,870	3,051,312	533,389	4,152,603	728,746	5,262,339
Japan	429,826	2,974,783	394,209	3,152,311	554,606	4,003,973
Korea	1,130	8,135	116,918	822,903	158,273	1,144,266
China	21	136	251	2,005	385	2,066
U. S. of America ...	8,893	68,258	22,011	175,384	15,237	110,442
Other Countries	—	—	—	—	245	1,592
Sesamum Seed . Piculs	343,569	4,664,176	582,877	5,865,119	201,158	2,170,985
Japan	214,224	2,742,595	284,082	2,523,457	60,391	575,780
Korea	83,331	1,293,463	88,258	1,259,324	39,468	588,325
China	4,143	54,380	11,379	90,758	3,598	29,870
France	—	—	1,022	10,220	—	—
Germany	3,360	43,680	11,779	117,790	—	—
Belgium	2,509	34,286	10,322	103,220	1,669	16,690
Netherlands	2,867	37,271	17,717	177,170	—	—
Italy	5,023	69,054	140,484	1,404,840	77,277	772,770
U. S. of America ...	28,112	389,447	3,881	38,810	12,867	128,670
Other Countries	—	—	13,953	139,530	5,888	58,880
Sweepings (Cereals)						
Piculs	2,311,806	6,381,965	4,275,173	8,668,058	986,404	2,023,935
Japan	2,290,370	6,322,844	4,233,408	8,581,813	959,246	1,971,618
Korea	21,428	59,105	40,043	83,602	20,397	42,601
China	8	16	196	482	11	24
Hongkong	—	—	26	44	—	—
Other Countries	—	—	1,500	2,117	6,750	9,392
Coal Tons	4,537,769	47,201,710	4,302,722	41,955,600	2,160,360	21,304,973
Japan	2,854,528	29,661,501	3,026,380	29,360,885	1,515,316	14,830,753
Korea	480,755	5,159,109	486,058	5,299,317	270,874	2,959,103
China	715,797	7,321,682	415,792	3,777,413	169,730	1,581,025
Russia	3,110	36,527	150	1,500	—	—
Hongkong	176,360	1,590,646	157,556	1,370,722	96,328	863,400
Netherlands India ...	3,523	38,783	—	—	—	—
Great Britain	85,319	1,007,669	94,569	924,099	54,779	539,782
France	—	—	680	6,800	—	—
Germany	1,382	16,031	2,170	21,700	360	3,600
Netherlands	89,813	482,557	33,351	333,510	15,133	151,330
Other Countries	177,182	1,887,175	86,016	859,654	37,840	375,980
Shale Oil Tons	50,422	1,295,718	39,934	963,978	24,443	574,894
Japan	50,336	1,293,554	39,928	963,951	24,441	574,843

FOREIGN TRADE

Articles and Destinations.	1933		1934		First Half 1935	
	Quantity	Value	Quantity	Value	Quantity	Value
Korea	—	2	—	—	—	—
Other Countries	86	2,162	6	27	2	51
Timber and Wood						
Value	—	2,864,028	—	3,876,270	—	1,998,124
Japan	—	62,332	—	56,472	—	58,034
Korea	—	657,887	—	1,525,700	—	1,117,706
China	—	2,139,644	—	2,271,066	—	816,809
Hongkong	—	—	—	6,710	—	—
Great Britain	—	32	—	12,685	—	—
Other Countries	—	4,133	—	3,637	—	5,575
Raw Silk, Wild Catties						
Japan	2,647,232	9,565,278	2,461,066	7,408,875	1,609,866	4,822,154
Korea	2,577,113	9,357,186	2,192,227	6,674,563	1,280,210	3,893,213
China	4,690	19,701	—	—	—	—
Other Countries	65,429	188,391	268,839	734,312	329,656	928,941
Wool, Sheep's Catties						
Japan	3,418,288	1,170,464	2,638,712	756,104	1,317,887	295,930
Korea	71,532	41,315	47,178	25,612	729	659
China	258	78	—	—	—	—
Germany	1,677,817	356,358	2,318,986	581,434	251,181	78,615
U. S. of America	—	—	2,672	802	—	—
Other Countries	1,440,504	716,048	269,876	148,256	1,065,977	216,656
Cotton Yarn ... Piculs						
Japan	93,248	6,999,467	81,069	6,136,108	33,540	2,712,523
Korea	70,948	5,442,837	68,711	5,105,300	16,283	1,139,264
China	8,686	459,680	6,326	387,011	1,315	88,671
British India	13,118	1,057,500	5,867	641,404	15,149	1,411,260
Other Countries	496	39,350	165	2,393	793	73,328
Iron, Pigs and Kentledge						
Japan	8,124,905	10,446,543	7,281,597	10,380,305	4,172,673	6,029,731
Korea	7,582,111	9,745,193	6,701,311	9,596,223	3,856,445	5,577,602
China	113,788	116,502	154,105	141,584	62,328	58,582
Hongkong	348,158	476,348	325,538	489,403	237,036	367,407
Netherlands India	15,376	21,350	11,904	18,452	10,416	16,145
Germany	—	—	2,479	3,843	—	—
Netherlands	16,864	19,995	37,696	57,834	—	—
Italy	10,416	15,624	18,848	28,097	2,480	3,844
U. S. of America	8,432	11,089	—	—	—	—
Other Countries	24,304	33,492	14,340	21,260	—	—
Sulphate of Ammonium						
Japan	557,833	1,756,591	475,099	1,717,696	599,225	2,099,665
Korea	310,292	999,819	232,559	853,668	409,332	1,403,019
China	22,849	149,616	34,714	143,582	34,469	144,962
Hongkong	1,646	6,514	49,848	183,637	54,137	206,056
Netherlands India	25,600	88,540	75,549	298,147	41,626	136,638
U. S. of America	68,661	168,732	46,930	101,345	15,870	35,762
Other Countries	128,785	343,370	34,832	134,850	43,705	172,870
Salt						
Japan	3,904,910	3,582,315	5,766,009	5,438,114	1,495,313	1,605,659
Korea	3,138,096	2,818,318	4,901,391	4,746,239	1,433,409	1,556,256
China	672,156	541,587	864,328	691,469	61,794	49,279
Hongkong	25,440	157,622	290	406	110	124
Other Countries	69,218	64,788	—	—	—	—
Cotton Piece Goods, Grey						
Value	—	27,093,560	—	18,844,444	—	13,964,192
Japan	—	17,750,900	—	14,631,566	—	12,984,344
Korea	—	437,669	—	563,492	—	686,927
China	—	8,853,838	—	3,632,936	—	291,671
Great Britain	—	13,116	—	2,182	—	350
Other Countries	—	38,037	—	14,268	—	900

FOREIGN TRADE

Articles and Destinations	1933		1934		First Half 1935	
	Quantity	Value	Quantity	Value	Quantity	Value
Cotton Piece Goods, White or Dyed . Value						
Japan	—	28,132,679	—	25,820,155	—	12,011,496
Korea	—	26,860,010	—	24,936,803	—	11,805,936
China	—	80,374	—	167,470	—	54,722
Great Britain	—	1,072,085	—	553,460	—	97,897
Other Countries	—	78,985	—	105,132	—	37,979
Cotton Piece Goods, Printed . Value						
Japan	—	10,295,900	—	10,948,430	—	3,870,760
Korea	—	9,673,105	—	10,541,057	—	3,833,807
China	—	31,777	—	159,565	—	14,021
Russia	—	82,051	—	66,926	—	19,352
Great Britain	—	492,312	—	169,675	—	—
Other Countries	—	10,735	—	8,814	—	2,810
Cotton Piece Goods, Miscellaneous . Value						
Japan	—	3,782,616	—	12,439,547	—	1,989,816
Korea	—	3,641,307	—	10,978,325	—	1,949,668
China	—	34,224	—	404,976	—	9,495
Great Britain	—	82,886	—	969,010	—	18,655
Other Countries	—	9,815	—	30,958	—	4,682
Raw Cotton . . . Piculs						
Japan	230,056	11,046,028	281,007	12,283,717	66,013	3,074,094
Korea	97,260	4,866,876	10,542	438,588	—	—
China	609	27,652	444	21,451	396	18,836
British India	19,915	911,866	12,729	507,320	1,748	84,519
U. S. of America	86,226	3,858,845	237,989	10,262,992	62,696	2,903,876
Other Countries	26,046	1,380,789	18,897	1,038,005	1,173	66,863
Cotton Yarn . . Catties						
Japan	28,787,638	20,927,257	16,555,701	12,533,416	6,681,467	5,609,870
Korea	9,474,814	7,598,644	5,628,809	5,054,955	4,039,363	3,523,179
China	405,718	390,590	453,165	379,722	46,170	31,930
British India	18,906,854	12,937,874	10,418,091	7,054,531	2,595,934	2,054,761
Other Countries	252	149	55,636	44,208	—	—
Gunny Bags . . . Piculs						
Japan	820,283	16,991,772	932,977	16,133,998	377,925	6,422,959
Korea	235,560	3,556,773	407,633	4,947,095	161,239	1,993,027
China	26,582	265,895	36,810	366,573	7,101	74,403
Hongkong	25,335	395,373	29,609	518,368	4,437	61,125
British India	131,828	2,820,378	37,070	724,720	4,579	80,339
Other Countries	392,131	9,717,846	421,179	9,565,796	200,566	4,214,027
Woollen Piece Goods						
Value	—	7,831,441	—	9,579,386	—	5,122,472
Japan	—	5,791,220	—	7,692,846	—	4,362,392
Korea	—	54,538	—	95,963	—	11,955
China	—	98,512	—	18,633	—	5,555
Great Britain	—	1,022,814	—	986,687	—	376,520
Germany	—	377,281	—	164,689	—	61,550
Poland	—	80,297	—	529,939	—	175,046
Italy	—	190,463	—	13,394	—	7,471
U. S. of America	—	138,925	—	32,351	—	91,582
Other Countries	—	77,391	—	44,884	—	5,316
Silk Piece Goods . Value						
Japan	—	8,128,007	—	10,942,415	—	8,293,339
Korea	—	4,262,068	—	9,471,408	—	8,030,578
China	—	43,435	—	48,666	—	11,850
Great Britain	—	3,730,809	—	1,384,090	—	238,774
France	—	37,215	—	13,455	—	3,025
Germany	—	19,218	—	4,826	—	2,269
Italy	—	15,746	—	5,012	—	6,023
Other Countries	—	15,640	—	—	—	—
	—	3,876	—	14,958	—	820

FOREIGN TRADE

Articles and Destinations.	1933		1934		First Half 1935	
	Quantity	Value	Quantity	Value	Quantity	Value
Iron and Steel .. Value	—	39,996,734	—	58,227,008	—	29,677,142
Japan	—	30,782,969	—	46,792,958	—	22,629,358
Korea	—	1,006,384	—	1,425,291	—	141,143
China	—	339,590	—	416,328	—	13,488
Great Britain	—	665,505	—	1,045,223	—	919,278
Germany	—	4,336,060	—	5,609,314	—	4,230,234
Belgium	—	943,076	—	494,346	—	905,818
Netherlands	—	225,408	—	237,794	—	22,201
Denmark	—	177,920	—	14,789	—	10,891
Norway	—	—	—	45,665	—	—
U. S. of America ...	—	1,302,984	—	2,078,013	—	777,033
Other Countries	—	186,838	—	67,287	—	27,698
Machinery and Tools						
Value	—	9,543,611	—	28,056,386	—	14,857,439
Japan	—	7,647,381	—	21,466,738	—	10,850,822
Korea	—	266,831	—	204,528	—	67,387
China	—	551,024	—	697,171	—	312,199
Great Britain	—	186,587	—	1,762,635	—	993,715
France	—	98,521	—	40,781	—	7,879
Germany	—	326,552	—	1,990,775	—	1,258,617
Sweden	—	151,093	—	330,322	—	280,107
Italy	—	200	—	257,035	—	165
U. S. of America ...	—	283,620	—	1,129,559	—	890,418
Other Countries	—	31,802	—	176,842	—	196,130
Vehicles and Vessels						
Value	—	22,698,784	—	30,945,763	—	17,623,643
Japan	—	17,608,848	—	25,699,679	—	15,413,375
Korea	—	557,202	—	1,478,984	—	305,179
Great Britain	—	31,165	—	18,464	—	57,536
Germany	—	80,175	—	304,955	—	49,292
Belgium	—	76,838	—	—	—	—
U. S. of America ...	—	4,305,401	—	3,294,979	—	1,594,998
Other Countries	—	39,155	—	148,702	—	196,137
Tea	Piculs					
Japan	89,366	3,312,404	77,987	3,023,190	2,773,982	1,074,136
Japan	14,935	546,093	21,433	859,348	1,045,273	378,049
Korea	116	4,022	125	6,078	2,925	943
China	73,577	2,681,166	55,775	2,083,698	1,697,778	657,413
British India	699	77,620	586	66,469	23,976	34,219
Other Countries	39	3,503	68	7,597	4,030	3,512
Rice and Paddy . Piculs						
Japan	555,943	4,079,819	1,224,583	7,476,455	665,705	5,898,883
Japan	71,941	628,820	177,169	1,203,683	66,339	641,626
Korea	227,024	1,737,766	137,845	1,296,023	174,011	1,871,582
China	100,860	647,874	245,755	1,392,518	51,081	309,912
Hongkong	60,302	514,518	68,443	542,999	42,190	326,242
British India	5,100	25,595	288,434	1,534,101	134,206	956,040
French Indo-China ..	90,657	524,778	298,125	1,463,834	178,951	1,669,172
Other Countries	59	468	8,812	43,297	18,927	124,309
Wheat Flour ... Piculs						
Japan	8,369,879	58,678,946	8,648,710	57,058,521	4,742,233	32,799,800
Japan	4,623,995	32,571,472	4,293,417	27,126,749	2,900,001	20,065,306
Korea	189,368	1,298,801	196,430	1,510,455	37,472	268,181
China	2,769,528	18,023,906	1,254,704	6,575,373	12,136	94,673
French Indo-China ..	15,826	110,924	—	—	—	—
U. S. of America ...	84,984	809,641	168,133	1,357,414	9	79
Canada	9,203	70,586	0	2	—	—
Australia	676,975	5,793,616	2,735,950	20,488,022	1,791,146	12,358,873
Other Countries	—	—	76	506	1,469	14,688
Sugar	Piculs					
Japan	2,001,214	16,028,768	1,526,970	11,318,566	841,286	5,947,778
Japan	1,288,759	10,172,871	1,028,973	7,612,006	608,299	4,277,335
Korea	445,143	3,793,409	293,047	2,118,304	163,766	1,082,620
Hongkong	154,400	1,230,243	110,104	935,134	17,761	148,800
Netherlands India ..	85,836	537,239	42,270	287,557	45,264	386,094
Other Countries	27,076	295,006	52,574	365,565	2,423	25,958

FOREIGN TRADE

Articles and Destinations.	1933		1934		First Half 1935	
	Quantity	Value	Quantity	Value	Quantity	Value
Cigarettes ... Hundred	5,913,430	1,733,718	8,433,642	2,677,899	2,947,881	1,008,639
Japan	661,710	140,410	1,626,598	442,852	436,161	110,747
China	3,577,820	741,382	5,643,504	1,526,803	1,810,372	405,526
Russia	231,600	73,269	186,345	47,202	6,520	1,890
Hongkong	792,100	187,108	101,300	20,880	500	409
Great Britain	581,330	533,941	779,039	577,137	668,255	464,198
U. S. of America ...	44,300	43,803	69,220	44,390	17,300	16,955
Other Countries	24,570	13,805	27,636	18,635	8,773	8,914
Leaf Tobacco .. Catties	25,493,859	9,502,854	28,290,663	8,558,080	5,468,428	2,488,474
Japan	3,672,975	1,105,495	2,445,290	549,118	1,116,379	195,556
Korea	493,300	94,129	13,402	3,705	—	—
China	7,594,693	2,196,710	17,046,790	4,394,832	1,751,731	551,142
Hongkong	125,741	32,452	66,663	27,475	—	—
Great Britain	25,676	37,365	6,711	20,093	4	1
U. S. of America ...	13,532,640	6,027,830	8,704,750	3,549,413	1,509,936	1,380,326
Other Countries	38,834	8,873	7,057	13,444	60,732	13,429
Gasolene Naphtha, & Benzine, Mineral Am.galls	12,289,188	9,009,428	19,565,249	9,864,769	7,039,896	4,004,998
Japan	1,004,257	684,853	565,355	316,712	1,066,059	613,588
Russia	995,100	825,026	1,013,907	484,537	9,950	14,777
Netherlands India ..	1,852,253	1,518,698	3,421,027	1,592,870	1,775,762	890,357
British North Borneo	1,646,870	1,458,636	1,621,885	691,323	6,810	5,400
U. S. of America ...	6,694,175	4,457,566	12,830,881	6,720,742	4,166,326	2,472,566
Other Countries	96,533	64,649	112,194	58,585	210	639
Kerosene Oil Am.galls.	11,495,940	7,582,478	24,754,697	11,620,857	3,731,906	2,024,404
Japan	1,754,808	948,380	941,662	538,963	317,913	152,980
Korea	165,455	100,635	116,756	55,826	4,201	2,819
China	212,900	156,559	1,448	747	210	158
Russia	2,053,212	1,483,287	1,418,918	761,682	9,222	8,297
Straits Settlements .	—	—	1,152,601	501,382	—	—
Netherlands India ..	—	—	8,064,944	3,798,266	459,809	232,449
British North Borneo	31,060	19,100	131,596	63,141	2,026	1,438
U. S. of America ...	6,397,364	4,239,158	12,886,772	5,880,850	2,938,525	1,626,263
Other Countries	881,141	635,359	40,000	20,000	—	—
Paper	Value					
Japan	—	10,012,077	—	12,139,498	—	5,771,480
Japan	—	6,296,728	—	9,192,778	—	4,841,120
Korea	—	296,794	—	327,598	—	163,168
China	—	2,959,526	—	2,075,205	—	399,353
Great Britain	—	86,164	—	56,464	—	41,381
Germany	—	98,207	—	148,012	—	120,198
Sweden	—	27,004	—	176,620	—	118,319
Netherlands	—	25,588	—	4,294	—	12,370
U. S. of America ...	—	188,215	—	99,919	—	32,150
Other Countries	—	34,451	—	58,608	—	43,421
Timber and Wood Value	—	9,637,643	—	17,499,097	—	6,328,633
Japan	—	4,124,008	—	7,635,704	—	3,232,553
Korea	—	3,681,558	—	4,145,155	—	1,736,616
China	—	141,330	—	305,795	—	92,432
Russia	—	915,873	—	246,740	—	112,350
Hongkong	—	55,516	—	37,649	—	15,012
Philippines	—	19,350	—	—	—	—
U. S. of America ...	—	669,108	—	4,936,908	—	1,027,955
Canada	—	25,457	—	115,200	—	30,415
Other Countries	—	5,443	—	75,946	—	81,300
Cement	Piculs					
Japan	3,418,915	6,328,133	5,423,557	7,900,636	1,301,601	1,972,755
Japan	1,874,456	3,538,260	4,103,047	5,388,944	1,074,171	1,632,166
Korea	1,411,443	2,540,318	1,271,428	2,414,027	226,191	337,632
Russia	91,567	145,928	141	250	—	—
Other Countries	41,449	103,627	48,941	97,415	—	—

References: Tables 2, 3, 4, 5, 6, 7, 8, 9, 10, 11—Annual & Monthly Returns of the Foreign Trade of Manchoukuo.

CHAPTER XXIII

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, 1927 and again in 1933.

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 Bureau 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.

Physicians with modern medical education are still few in Manchoukuo. In 1934 it was estimated that the number of Manchurian physicians numbered 600, while there were approximately 400 foreign doctors, including Japanese, Russian and other nationalities. These doctors carry on their profession mostly in the cities. The common people living in the rural districts receive most of their medical treatment from Manchurians educated in the Chinese school of medicine. Such physicians number several thousands.

Public Health Organization

The supervision of public health is under the Public Health Bureau of the Civil Affairs Department. The Bureau consists of the General Affairs, Medical, Epidemic and Sanitation Sections. The provincial public health detachments have been increased in number since the establishment of Manchoukuo, and at present they are rendering active service in conjunction with the police corps.

In order to propagate sanitary idea among the people and improve their general health, the Government has established the "Kungyi" (public physician) system which is being put into practice according to the following plan:

1. One public physician to be appointed to each district (hsien);
2. The present plan to be executed within five years, inasmuch as it is difficult to cover all the districts at the same time for financial and other reasons;

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3. Besides carrying on his regular practice, a public physician is to take charge of matters relating to public health, sanitary investigation and medical affairs of the police;
 4. Coupons for free medical treatment to be issued to the poor and needy.
- Up to the November 1935 67 physicians have been despatched to 67 different districts by the Departments of Civil Affairs and Mongolia Administration. The names of districts and date of their appointments are as follows:

Table 1
Location of Public Physicians

Provinces	Districts	Date of appointment	Heiho	Date of appointment		
Fengtien	Hsingking	Sept. 16, 1934	Chiko	Sept. 10, 1934		
	Shuangshan	Sept. 10, 1934		Huma	Oct. 1, 1935	
	Kangping	Oct. 8, 1934	West Hsingan	Kailu	Oct. 1, 1935	
	Mengkiang	Oct. 1, 1935		Tapanshang	Mar. 26, 1934	
Kirin	Fuyo	Jan. 31, 1934	South Hsingan	Tungliao	June 1, 1934	
	Changling	June 1, 1934		Wangyehmiao	Mar. 23, 1934	
	Chienan	Sept. 10, 1934	North Hsingan	Hailar	Mar. 23, 1934	
	Yushu	Jan. 15, 1935		Nalamutu	"	
Lungkiang	Nungan	Oct. 1, 1935	East Hsingan	Puhsi	Mar. 23, 1934	
	Hwatie	Jan. 31, 1934		N.B. In addition to the above places, three more are to be sent to different places in the Hsingan Provinces and one to Chanyu, Lungkiang Province, by the end of 1935.		
	Kaitung	"	Plague in 1933			
	Tuchuan	"	In 1933 Manchoukuo suffered a visitation from bubonic plague which took a toll of 1,546 lives. Mortality was largest at Nungan, Kirin Province and amounted to 490. The localities which were worst hit by the plague are given below:			
	Paichuan	"	Table 2			
	Nenkiang	Sept. 10, 1934	No. of Patients & Mortality			
	Tetu	"	Place	Prov.	Patients	Mortality
	Kannan	"	Tungliao	Hsingan South	477	362
	Chinghsing	"	Kaitung	Lungkiang	13	13
	Ian	Oct. 1, 1935	Taonan	Lungkiang	9	9
Talai	Jan. 31, 1934	Chanyu	Lungkiang	28	28	
Jehol	Liaoyuan	Jan. 31, 1934	Nungan	Kirin	503	490
	Chihfeng	"	Fuyu	Kirin	5	5
	Weichang	Sept. 10, 1934	Chienan	Kirin	80	65
	Fengning	"	Changling	Kirin	31	31
	Lunghua	"	Koshan	Lungkiang	1	1
	Pingchuan	"	Chienping	Jehol	287	242
	Chienping	"	Kailu	Hsingan West	1	1
Chinglung	Oct. 1, 1935	Others	Hsingan West & South	351	299	
Pinkiang	Yenshou	Jan. 31, 1934	Total	1,786	1,546	
	Muling	Sept. 10, 1934				
	Ningan	Oct. 23, 1934				
	Mishan	Jan. 31, 1934				
	Anta	"				
Chinchow	Mulan	"				
	Chaochow	"				
	Chingcheng	Oct. 1, 1935				
	Hulin	Jan. 31, 1934				
Chinchow	Suichung	Jan. 31, 1934				
	Taian	Sept. 10, 1934				
	Peichen	Jan. 31, 1934				
	Chaoyang	Oct. 1, 1935				
Chinchow	Fuhsin	Oct. 1, 1935				

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 laboratory 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:

Table 3
Patients Treated in 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	209,497
1921	136,018	2,783	20,207	8,961	50,086	193,252	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
1932	162,775	3,797	13,727	4,476	22,207	131,107	338,089
1933	138,478	3,632	21,227	6,185	26,878	139,422	335,822

S. M. R. Hospitals

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, Ssupingkaï, Kungchuling, Kirir, Penhsihu, and Hsinking along the railway lines, and a hospital at Harbin. Branch hospitals are established in the Manchu quarters of Dairen, Yingkow, and Hsinking, principally for the pur-

pose 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 in-patients. 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-ology, 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 classwork 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:—

Table 4
Number of Patients

	No. of Patients treated			Accounts (Yen)		
	Inpatients	Outpatients	Total	Income	Expenses	Deficit met by Co
1907-08	31,704	230,863	262,272	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
1933-34	540,457	1,123,189	1,663,646	2,600,637	2,135,961	*464,676

Note: *—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, Russi-

ans 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:—

Table 5
Persons Treated by the Red Cross

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 Sheng-ching 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:

Table 6
Foreign Hospitals

	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	Hsiuyenhiencheng	"
Chenghonan Hospital	Chenghonan	British
Tsichang Hospital	Lungtsingtsun	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, permitting 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 an official of 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 owner 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 engage in the examination and seizure of "ssu-tu".

References: Table 1—Official Bulletin of the Manchoukuo Govt. Table 2—Annual Report of the Civil Department of Manchoukuo, 1934. Table 3—Mai-Nichi Nenkan, 1934. Table 4—Researches of S. M. R. Table 5—The Red Cross Society of Japan.

CHAPTER XXIV

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 consists of 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. By virtue of a treaty concluded in May, 1915 between Japan and China, (the former secured the right to extend the lease of the Kwantung Territory and the South Manchuria Railway Zone to 99 years (until 1997). The founding of Manchoukuo in 1932 has altered considerably Japan's position in the Leased Territory.

Administration

A general reorganization of the administrative system of the Kwantung Leased Territory was undertaken after the birth of Manchoukuo. The four separate Japanese administrative organs, namely, the Kwantung Government, the Kwantung Army, the Consulates and the South Manchuria Railway Company were united under one head and the whole administration was entrusted to a figure vested with the powers of the Commander of the Kwantung Army, Governor of the Kwantung Leased Territory and Ambassador Extraordinary and Plenipotentiary to Manchoukuo. This important position was held at the time of writing by General Jiro Minami, who succeeded General Takashi Hishikari and the late Marshal Nobuyoshi Muto. In December 1934 certain minor changes were made to the administrative system. The Kwantung Government was replaced by the Kwantung Bureau and subordinated under the Japanese Embassy. Matters relating to Kwantung Province are managed by the newly created Kwantung Provincial Office which is under the supervision of the Kwantung Bureau. (For dia-

grammatic chart refer to Chapter IV Administration.)

Garrison and Railway Guards

One army division is stationed in South Manchuria 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.

Table 1

Annual Revenue and Expenditure

	Revenue (in unit of yen)				
	1931-32 (Settled)	1932-33 (Settled)	1933-34 (Settled)	1934-35 (Budget)	1935-36 (Budget)
Ordinary:					
Taxes	3,475,387	2,344,976	6,055,041	4,233,970	5,561,980
Receipts from Government undertaking and properties ...	10,217,122	14,405,988	14,406,042	10,585,545	9,968,654
Stamp receipts	490,180	651,172	1,350,303	715,014	602,281
Miscellaneous receipts	483,942	525,306	711,392	544,521	666,235
Total	14,666,631	17,927,442	22,522,779	16,079,050	16,799,150
Extraordinary:					
Proceeds of sale of State property	423,013	428,101	582,231	367,219	446,314
Surplus of the preceding year transferred	5,290,264	3,729,526	7,175,399	2,637,273	5,005,311
National Treasury grants	3,700,000	4,000,000	6,000,000	4,000,000	1,947,412
Receipts from the issue of public loans	548,121	4,027,796	3,183,935	—	—
Total	9,961,431	12,185,607	16,951,702	7,000,492	24,828,187
Grand total	24,628,062	30,113,049	39,474,482	23,079,542	41,627,337

Expenditure

(in unit of yen)

	1931-32 (Settled)	1932-33 (Settled)	1933-34 (Settled)	1934-35 (Settled)	1935-36 (Budget)
Ordinary:					
Kwantung Adm. Office	1,534,423	1,460,912	1,452,439	1,497,877	1,805,810
Courts and Prisons	483,238	476,915	508,477	506,987	511,147
Police	4,197,662	4,035,169	3,966,676	4,180,555	4,432,695
Education	2,148,941	1,915,637	1,946,516	2,097,431	2,251,420
Communications	5,007,747	5,075,076	4,384,632	2,861,511	3,022,626
Marine Bureau	146,188	150,388	161,040	186,314	184,814
Hospitals	391,433	108,760	108,183	134,828	131,828
Other expenses	2,615,478	2,948,672	3,706,087	4,343,075	4,499,989
Reserves	—	—	—	300,000	300,000
Total	16,525,110	16,171,528	16,234,050	16,108,578	17,140,329
Extraordinary:					
Undertakings	2,139,408	1,471,832	1,661,785	1,565,077	2,036,103
Special guards	237,031	213,293	191,137	226,823	226,823
Subsidies	1,234,936	1,796,946	3,206,826	1,561,172	2,118,980
Manchuria Incident	579,004	3,125,833	2,450,965	3,337,317	2,909,468
Total incl. others	4,373,426	6,766,122	9,068,000	6,970,964	7,687,858
Grand total	20,898,536	22,937,649	25,302,050	23,079,542	24,828,187

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 regarding 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 Territory, 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 communication 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 by the 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 tables:—

Table 2

No. of Post, Telegraph and Telephone Offices, etc.

Fiscal year	Communications offices	Post offices	Post branch offices	Wireless Telephone			Post telegraph exchange agencies	Telegraph agencies	Wireless Telephone		Total
				Post stations	stations	offices			agencies	agencies	
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	388
1931-32	1	43	9	22	4	3	149	100	37	22	391
1932-33	1	44	9	22	4	3	151	102	38	25	399

Table 3

Mail Lines Classified

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
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
1931-22	85.4	330.0	2,204	9,902	1,875	2,818
1932-33	643.5	2,281.5	4,290	16,804	1,875	2,818

Table 4

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
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
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	421,208	1,096,339	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
1933-34	146,108,961	117,691,602	263,800,563	785,402	2,156,760	2,942,162

Table 5
Length of Telegraph Lines

Year	Aerial Lines (Li)			Underground Lines (Li)			Submarine (Sea miles)						
	Routes	Bare		Routes	Cable		Routes	Cores		Routes	Lines		Cores
		Lines	Cores		Lines	Cores		Lines	Cores				
1912-13	228	1,114	—	—	—	—	—	—	—	1	1	1	
1916-17	238	1,528	0	0	2	—	—	1	—	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	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	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	3,174	
1932-33	1,178,100	11,360,811	31,416	34,513	954,061	6,818	6,675	95,033	1,587	1,587	4,761	4,761	

* Figures since 1929-30 are in meters.

Table 6. No. of Telegrams dealt with at Telegraph Offices

Fiscal year	Despatched			Arrived			Transit
	Domestic	Foreign	Total	Domestic	Foreign	Total	
1912-13	816,980	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	2,602,387	336,692	2,939,079	2,428,881	338,147	2,767,028	3,726,307
1933-34	—	—	3,314,636	—	—	3,095,866	—

Table 7. Length of Telephone Lines

Fiscal year	Aerial (Li)			Underground Lines (Li)					
	Routes	Bare		Routes	Cable		Routes	Cores	
		Lines	Cores		Lines	Cores		Lines	Core
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	
1931-32	2,363,452	29,603,897	289,093	615,174	55,464,210	19,125	42,248	43,659,722	
1932-33	2,367,378	31,375,492	307,154	454,416	58,744,738	19,125	42,248	44,108,610	

* Figures since 1929-30 are in metres.

Table 8. No. of Telephone Subscriptions & Messages

Fiscal year	Subscription			No. of Messages		
	No. of subscribers	No. of telephones	No. of public telephones	Urban	Suburban	Total
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	56,085,185
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
1932-33	21,255	24,722	123	295,272,612	1,257,101	296,529,713
1933-34	23,237	—	—	—	—	327,092,364

References: Table 1—The Official Bulletin of Japan. Table 2, 3, 4, 5, 6, 7, 8—Kwanto Cho Yorán (Outline of the Kwantung Government), 1934.

CHAPTER XXV

PRINCIPAL CITIES

Port Arthur (Ryojun)

Location—The city is located on the southern tip of the Liaotung peninsula facing Weihaiwei and Chefoo on the Shantung peninsula across the Gulf of Pechili. Surrounded by mountains on all sides but one, the city is stretched out from east to west and is endowed with a good natural harbour with its entrance between the Lachuwei peninsula and the Huchin mountain measuring only 330 metres.

Climate—The climate of Port Arthur is most favorable throughout Manchuria, the average temperature being in the neighborhood 10° C. The lowest temperature registered during 1933 was 16° 4' below zero in the month of January and the highest 35° 2' in the month of July. Because it is the southern extremity of Manchuria facing the sea, the city is popular as a summer or winter resort.

Population—The total population of the city as at the end of August, 1934, was returned at 141,291, comprising 21,482 households and including 12,964 Japanese nationals.

History—In old times, the city was called Mashihchien and under the Chinese Sui and Tung regimes of the Middle Ages, Tulichen and Shintzukow respectively. Following the advent of Ming dynasty, its name was changed to Lushun. In 1858 when China was ruled by Emperor Wensung, a British fleet commanded by Admiral Sir Michael Seymour seized possession of the city.

Following the construction in 1897 of a Chinese naval base there, the old Peking Government organized newly the so-called Northern Squadron under the command of Admiral Ting Juchang who took up his headquarters at Port Arthur. At that time, the city was commonly acknowledged as one of the five best ports in the world. During the Sino-Japanese War (1894-5), the Chinese armada of more than 30 warships under Admiral Ting and with Port Arthur and the Gulf of Pechili as its base operation, was defeated by the Japanese fleet. After the termination of the war, the port fell under Japanese control for some time, but was

finally returned to China through the Three Power Intervention.

By virtue of the so-called Cassini Treaty signed secretly between China and Czarist Russia in 1896, the latter took control of Port Arthur as its naval base of operation in the Far East. During the Russo-Japanese War, however, the port came under Japanese occupation, following which military administration was proclaimed. On September 1, 1906, the Port Arthur Civil Administration Office was inaugurated as a sequel to the abolition of military administration. With a Japanese naval depot, the city is of considerable strategic value.

Institutions—Important, banking, business and educational institutions are the following: The Government of the Kwantung Leased Territory; the Port Arthur Civil Administration Office; the Port Arthur naval depot; branches of the Bank of Chosen, Shoryu Bank and Yokohama Specie Bank; the Dairen Steamship Company's dockyard; the S.M.R. Company's coal-selling shop; the South Manchuria Electric Company's branch office; the Manchurian Silk Reeling Company's factory; the Oriental Development Company's Yankshukow works; the Dai Nippon Salt Manufacturing Company's Shuantaowan factory; the Dairen Ice Manufacturing Company's branch; the Port Arthur Engineering College; one middle school; two girls' higher schools, two primary schools; two Kogakudo (primary school for Manchus and Chinese)

Communications—Port Arthur is connected with Dairen through the Port Arthur branch line of the S.M.R. with a mileage of 59 kilometres. An omnibus service is also available between the two cities along a highway measuring 44.5 kilometres. As means of marine traffic, small steamers and junks ply between the city and other ports on the Liaotung peninsula and those on the Shantung peninsula. Within the city, rickshas and automobiles are available. The number of city telephones is 792.

Principal public facilities: Water-works and sewerage system; public playgrounds; sea-bathing places; youth training institutes; two parks; one light-house; crematories; garbage dumps;

fish and vegetable markets; nurseries; five official and private hospitals.

Principal products: Vegetables, peaches, pears, silk yarns and piece goods, salt (approximately 100,000,000 lbs. a year) and poultry.

Shrines and temples: The Paijushan Charnel-house; branch of Izumo shrine; Higashi Hongan-ji, Eigenji, Ryushin, Myoshoji and Nishin temples.

Dairen (Dalny)

Location—Dairen is also situated on the southern tip of the Liaotung peninsula, lying at a point 36° 56' N.Lt. and 120° 36' E.Long. Latitudinally, its position is similar to that of Tsuruoka, a city in Yamagata prefecture, Japan, and longitudinally, Taihoku, the Formosan capital. To the south of the city rise Mt. Nanshan and Mt. Lushan. In the north it faces the Bay of Dairen. Measuring 2.64 li from east to west and 1.12 li from north to south, the city covers altogether an area of three square li.

Climate—The climatic condition of the city is better than any other parts except Port Arthur, the temperature averaging 10° C. July is the hottest month of the year with an average temperature of 28° 9' and January the coldest with an average temperature of 10° 4' below the zero point.

Population—The total population of the city as at the end of August, 1934, was 444,686, comprising 82,598 households and including 127,791 Japanese subjects.

History—Formerly, Dairen was only a small fishing village, named Chingniwa. When the allied troops of Britain and France advanced on North China in 1858, the British fleet in China waters occupied this bay as its base of operation and renamed it Victoria Bay. This heralded the introduction of Western civilization to Dairen.

Later, Marshal Li Hung-chang, Governor-General of Chihli province, was transferred to Shantung province, who erected fortresses and piers at this point and turned the city into a naval base. After the Sino-Japanese War, Kwantung province lapsed to Japan by dint of the Shimonoseki Treaty, but following the Three Power Intervention of Japan returned the territory to China.

In 1898, Czarist Russia leased this port and managed it along the lines of modern city planning after renaming it Dalny. During the Russo-Japanese War, the Japanese Army occupied it. On the anniversary in 1905 of the founding of the Japanese Empire, the headquarters of the

Japanese Army operating in Manchuria against the Czarist troops changed the name of the haobr from Dalny to Dairen. In June, the same year, the Kwantung Civil Administration Office was organized under the direct supervision of the Army. The following year witnessed the establishment of the Government of the Kwantung Leased Territory. Simultaneously, the Dairen Civil Administration Office was brought into being. Since that time, Dairen has played an important role in Oriental trade as the only free port.

Institutions—Official, banking and business institutions: The Dairen Civil Administration Office; the Dairen Municipal Office; the Swedish, Dutch, British, American, Finnish and Soviet Consulates; the main offices of the S.M.R. Co.; the South Manchuria Electric Company; branches of the Mitsui Bussan Kaisha, Mitsubishi Trading Company, Osaka Shosen Kaisha, N.Y.K., Oriental Development Co., Bank of Chosen, Yokohama Specie Bank, Bank of China, National City Bank of New York, Bank of Communications, Kinjo Bank, Hongkong & Shanghai Banking Corporation, Mitsukoshi Department Store; the Shoryu Bank; the Kokusai Unyu Kaisha; the Dairen Steamship Co.; the Dairen Insurance Co.; the Manchurian Bank; the Dairen Machinery Co.; the Dairen Ice Manufacturing Co.; the Nisshin Flour Milling Co.; the Dairen Stock Exchange; the Dairen Exchange Trust Co.; the Dairen Currency Exchange Trust Co.; the Dairen Stock and Merchandise Exchange; the Fuchang Hukung Kungssu; the Kikuya & Co.; the Toa Tobacco Co.; the Changkuang Manufacturing Co.; the Eastern Asia Civil Engineering Co.; branches of the Okura Trading Co., Okura Civil Engineering Co., Nippon Cotton Spinning Co., and Toyo Cotton Spinning Co.; the Manchurian Hemp Co.; the Hungyeh Kungssu; the Santai Bean Oil Mill Co.; the Chinfu Railway Kungssu; the Aioi Gomei Kaisha; the First Financing Association; the Torai Mutual Financing Association; the Dairen Merchandise Trust Co.

Principal public facilities and schools: Water-works and sewerage system; 5 sea-bathing places; 3 middle schools; 6 girls' higher schools; 3 commerial schools; 16 primary schools; 5 Kogakudo; 3 youth training institutes; 3 nurseries; 5 municipal markets; municipal apartment houses; public pawnshops; municipal employment offices; 6 parks; slaughter-houses; 2 crematories; 2 cemeteries: garbage dumps and 1 light-house.

Principal products: Bean cakes, bean oil, coal, bricks, soap, ice, cement, powdered animal bones and glass.

Communications and traffic—The S.M.R. main line starts at Dairen. The city is 650 nautical miles from Moji (Japan), 530 from Shanghai and 247 from Tientsin. An omnibus service also connects the city with Dairen. Within the city, buses, tramcars, carriages and rickshaws are running. The number of city telephones is 9,581.

Principal vernacular papers: The Manshu Nippo, Dairen Shimbum, Taito Nippo, Kanto Ho and the Manchurian Daily News (English).

Chinchou

Location—Chinchou is situated at a point 2.9 miles from Tafangshen, 20.1 from Dairen and 226.3 from Mukden.

History—Chinchou is the oldest of all towns in Manchuria. It is said that its creation antedates the history of modern Manchuria, but historians trace back its advent to the Liao era of China. Because of its antiquated origin, the town is characterized by the dignity and composure which the other towns of Manchoukuo lack, and is blessed with scenic beauty. As it is situated in relatively close proximity to Dairen, the town is frequented by Japanese holiday-makers.

With various modern enterprises developed there in recent years, Chinchou is gradually assuming the dimensions of an industrial city. From the point of view of communication, it is quite important as the starting-point of the Chinfu (Chinchou-Chengtzutung) railway. The town is also famous as a scene of fierce fighting during the Sino-Japanese and Russo-Japanese Wars.

When the Kwantung Territory was leased by Japan after the end of the Russo-Japanese War, the Chinchou Military Administration Office created during the war was abolished, followed by the proclamation on May 18, 1905, of civil administration.

Population—The total number of citizens as at the end of August, 1934, was 125,701, comprising 18,907 households and including 2,197 Japanese subjects.

Principal institutions—The Chinchou Civil Administration Office; branch of the Manchurian Bank; the Chinchou Credit Association; the Chinchou Primary School; 1 Kogakudo; the Nanchin Shoin (college); Futsugakudo (schools for Manchurian and Chinese children); public libraries; the Liaoting Education Society; library of the Chinchou Endowment; the Chinchou Boy Red Cross Association; branch of the Dairen Hospital; water-works; slaughter-houses; the experimental farms of the Kwantung Government; the Chichou Seedling Garden; the Stud-

horse station of the Kwantung Government; post-offices; the Chinchou watch-house of the Dairen Customs agricultural associations; branch of the Red Cross; branch of the Kwantung Fruit Growers' Association; the Peanut Growers' Association; branch of the Manchurian Sericultural Society.

Communications—The S.M.R. main line runs through the town from south to north. The town is the starting-point of the Chinfu railway. It also is connected with Dairen and Pulantien through regular omnibus services managed by the South Manchuria Electric Company.

Principal products: vegetables, grapes, pears, apricots, cocoon raising, stock-raising and mining.

Pulantien

Location—Pulantien is the northern most town of the Kwantung Leased Territory, situated at a point 47.9 miles from Dairen and 189.5 from Mukden.

History—It is said that the town derives its name from the Mongolian language. Its creation dates as far back as the Ming dynasty of China. Relatively small though it is, the town is the centre of economic activities in the locality.

Population—Official statistics taken at the end of August, 1934, place the populace of the town at 166,809, comprising 22,976 households and including 1,497 Japanese nationals.

Principal institutions—The Pulantien Civil Administration Office; post-offices; branch of the Manchurian Bank; branch of the Dai Nippon Salt Industry Co.; the Pulantien Electric Light Co.; parks etc.

Communications—The town is run by the S.M.R. main line. It is quite conveniently located with omnibus services available regularly with all important towns in the vicinity.

Main products: Peanuts, rice cotton, vegetables, pears, salt and mineral products including gold, iron and manganese.

Wafangtien

Location: A town along the main line of the S.M.R., Wafangtien is located at a point 65.2 miles from Dairen and 181.2 from Mukden. It is built up on a basin surrounded on all sides by mountains and watered by the Huitao river.

History: When Czarist Russia held a position of predominance in Manchuria before the Russo-Japanese War, Wafangtien, along with Kungchuling and Liaoyang, was one of the three biggest towns on the southern sector of the old Chinese Eastern Railway, managed on quite

a large scale with a huge locomotive depot, Russian troop barracks and other important institutions established. The town still is as important for the S.M.R. as it was for the Czarist Chinese Eastern Railway.

Situated just in the heart of Fu hsien (prefecture), it is easy access from all other parts of the prefecture. This accounts for the fact just before the outbreak of the Manchurian Incident all the prefectural government offices of the Chang military regime were moved from Fuchou to Wafangtien, adding a great deal to the geographical importance of the latter.

Population: The total number of citizens as at the end of August, 1934, was returned at 14,152, comprising 2,687 households and including 3,640 Japanese residents.

Principal institutions:

Manchoukuo... The Government of Fu hsien, police station, revenue office, chamber of commerce, post-office and agricultural association Japanese... Garrison, post-office, branch office of the S.M.R. Co., district procurators' office, locomotive depot, primary and other schools, kindergarten, libraries, branch of the Shoryu Bank, S.M.R. hospital, Wafangtien shrine, branch of the Higashi Honganji temple, Kyoto, Nippon-san Myohojo temple and preaching post of the Sodo sect of Buddhism

Communications: Wafangtien ranks among the principal towns on the S.M.R. main line. Regular omnibus services under Manchu management are in operation from the town to Pitzukow, a port facing the Yellow Sea, and Fuchou, the former capital of Fu hsien.

Principal products: Apples, pears, strawberries and other kinds of fruit.

Hsiungyuehcheng

Location: Hsiungyuehcheng is the westernmost town of the Kwantung Leased Territory, facing the Gulf of Pechili and situated at a point 110.7 miles from Dairen and 135 from Mukden by the S. M. R. main line. The creation of this walled town dates as far back as the Han dynasty of China. It is very famous as a hot-spring resort. Before the Russo-Japanese War, the hot springs there had been left in their antiquated form with no modern facilities available.

In 1906 after the termination of the war, Japanese troops garrisoning there introduced modern bath-tubs, following which a number of hotels were built there. The hot springs are located along the Hsiungyueh river less than two miles to the southeast of the town. Sand-baths

are in vogue there and all visitors are admitted free. Hence, in the hot season, hundreds of people from all parts of Manchuria throng the place daily. The hot water spring in abundance from underneath the river and its vicinity is wellnigh crystal, containing small amount of hydrogenous sulphide and alkali. The average temperature of the water is 50° C and is credited with a remarkable medical virtue for rheumatism, stomach and other diseases.

Population: The population of the town, according to official statistics taken at the end of August, 1934, numbered 9,047, comprising 1,645 households and including 667 Japanese subjects.

Principal institutions: Post office, post of the Japanese garrison, branch office of the S.M.R. Co., agricultural training institute, primary schools, kindergartens, S.M.R. experimental farms, Hsiungyuehcheng Industrial Development Co., Hsiungyuehcheng shrine and branch of the Honganji temple (Kyoto).

Communications: The S.M.R. main line is the sole means of communication available for the town, but in spring and summer, special excursion trains are run between the town and Dairen.

Products: Apples, pears and other kinds of fruit.

Tashihchiao

Location: Being the pivotal point of the Liaotung peninsula, Tashichiao adjoins three important prefectures, Haiping, Yingkow and Kaiping, and across them, confronts Hsiuyen, Shuanho and Fuhsien. The town is 148.8 miles away from Dairen and 97.6 from Mukden.

Climate: The climate is continental, the lowest temperature, however, hardly going down below 20°C below zero and the highest hovering along the level of 30. Rainfalls are scarce.

History: Formerly, Tashihchiao was only a small village along the road between Yingkow and Hsiuyen. The town derives its name from the stone bridge over a river flowing in the vicinity, from which Emperor Tasung of the Chinese Tung dynasty while preceeding to Korea on a punitive expedition, it is said, was thrown off his horse into the river. The word, Ta, stands for big, shih stone and chiao a bridge.

This village suddenly developed into a brisk town following the erection by the Czarist Government of the southern line of the Chinese Eastern Railway which was provided for in the Russo-Chinese Treaty of 1898. During the 30 years which have passed since the termination

of the Russo-Japanese War, the town has been modernized in a surprising measure for which the S.M.R. is primarily responsible. Prospering as it does at present, the town is the centre of economic activities in the locality.

Population: The number of citizens as at the end of August, 1934, was returned at 11,080, comprising 2,071 households and including 4,240 Japanese residents.

Principal institutions:

Japanese—Garrison, gendarmerie corps, post office, Tashihchiao Electric Light Co., credit association, importers' association, Tahai Trust Co., S.M.R. Consumption Guild, primary, girls' higher and other schools, kindergartens.

Manchoukuo—Office of the chief of the 2nd district of Yingkow prefecture, police station, taxation office, post office, branch of the Salt Gabelle Bureau, chamber of commerce, agricultural association, primary and other schools, Manchoukuo Cotton Co's factory.

Communications: The S.M.R. main line branches off here and leads to Yingkow. Modern highways have been built to connect the town with various strategic places in the neighborhood such as Haiping, Hsiuyen, Wanfushuan, Shuanho, Shaling, Kaiping, Wafangtien, Newchwang and Panshan

Principal products: Magnesite and other mineral products, cotton, cocoons, salt, fruits and vegetables.

Temples and Shrines: Tashihchiao shrine, Choko Temmangu shrine, Inari shrine, Higashi Honganji temple, Banryu temple (Jodo sect of Buddhism), Catholic and Christian churches.

Anshan

Location: Situated in the southern part of Liaoyang hsien, Fengtien province, Anshan is 192 miles to the north of Dairen whence the S.M.R. main line starts. The town covers altogether an area of 1 square kilometre, of which nearly one half is occupied by the Showa Iron and Steel Works.

Climate: In January, the coldest month of the year, the thermometer often goes down as 20° C below zero. June is the hottest month, when the temperature goes up as high as 100° F.

History: Anshan is a comparatively young industrial town, its creation dating back to 1908 when the iron ores deposited in the locality were discovered.

Population: The number of citizens as at the end of June, 1934, was officially put at 33,312, comprising 11,956 households and including 9,779 Japanese nationals who mostly reside in the

Railway Zone.

Communications: The S.M.R. main line is the only means of communication available for the town. The number of city telephones is 818, of which 250 are owned by the Showa Iron and Steel Works and offices of the S.M.R.

Principal products: Iron, steel, coal, ammonium sulphate, Benzol, naphthaline, pitch.

Principal institutions: Japanese garrison, Showa Iron and Steel Works, branches of the Manchurian Bank and Shoryu Bank, Japan-Manchoukuo Joint Enterprise Development Co., South Manchuria Industry Co., Anshan Real Estate Trust Co., Onoda Cement Co.'s factory, Manchurian Zinc Co., branch of the South Manchuria Electric Co., branch of the South Manchuria Gas Co., Anshan Middle School, Anshan Primary School, Anshan Futsu Gakko (school for Manchus) and Anshan Kogakko.

Vernacular paper: The Anshan Nichi Nichi Shimbun.

Shrines and temples: Anshan shrine, Higashi Honganji temple, Nishi Honganji temple, preaching posts of the Sodo, Shingon, Nichiren sects of Buddhism and of the Tenri and Konko teachings.

Liaoyang

Location: Liaoyang is situated at a point 206.4 miles from Dairen and 40 miles from Mukden.

History: Liaoyang is one of the oldest towns in Manchuria, and was the seat of government under many Chinese regimes of old times. Hence, it is possible to study the history of Manchuria through that of this walled town. There are many places of historic note inside and outside of the town.

While Czarist Russia held sway over Manchuria, the town was the principal point of strategic importance for Russian activities in the East as one of the three biggest towns along the southern sector of the old Chinese Eastern Railway, which was ceded to Japan after the Russo-Japanese War. Even at present, the town is of much strategic value for the Japanese Army.

Population: The total population of the town, according to official statistics taken at the end of June, 1934, was 57,370, comprising 10,169 households and including 4,340 Japanese who mostly reside in the S.M.R. Zone.

Principal institutions:

Japanese—Consulate, police station, garrison, gendarmerie post, branch of the Paymasters' office of the Kwantung Army, garrison hospital,

branch of the S.M.R. Co., S.M.R. Liaoyang factory, locomotive depot, commercial, girls' higher and other schools, kindergartens, libraries, Japanese residents' association, Commerce and Industry Bank, branch of the Bank of Chosen, Manchurian Cotton Spinning Co., Liaoyang Credit Association, Liaoyang Importers' Association, Liaoyang Businessmen's Association, Liaon Trust Co., Manchurian Cement Co., parks S.M.R. hospital, temples and shrines.

Manchoukuo—Prefectural government, police station, post-office, normal schools for men and women, middle schools etc.

Vernacular paper: The Liaon Mainichi Shimbun (Japanese)

Suchiatun

Location: Suchiatun is situated at a point 9.7 miles to the south of Mukden and 236.7 to the north of Dairen. It is an important town from the point of view of communications, because the Antung-Mukden line branches from the S.M.R. main line here.

Population: Statistics taken at the end of June, 1934, showed that the total number of citizens was 4,779, comprising 1,177 households and including 3,247 Japanese nationals.

Principal Institutions: Post-office, Japanese garrison, primary and other schools, Suchiatun Lumber Antiseptic Co., Suchiatun Ceramic Co. (Note: The Suchian Lumber Antiseptic Co. is managed by the S.M.R., designed to afford aseptic treatment principally to railway sleepers and poles for telegraphy and telephony by using creosote produced mainly by the Showa Iron and Steel Works and the Fushun Mining and Colliery Works. It has a daily capacity of asepticizing 1,200 sleepers).

Fushun

Location: Fushun is 35 kilometres east of Mukden, and is famous for its vast coal-field.

Climate: Because it is surrounded on all sides by mountains, it is well sheltered from wind. The temperature in winter averages 10° C. below zero and in summer 10° C.

Population: The total population of the town as at the end of June, 1934, was returned at 117,699, comprising 20,833 households and including 19,859 Japanese subjects.

History: Before the Russo-Japanese War, Fushun was a sparsely populated village, but it made epochal development after the S.M.R. Co. began to exploit the coal deposits there. In 1920 when the S.M.R. commenced the so-called open-cut or surface mining method on a gigantic

scale, the company purchased the whole town, heralding the modernization of the entire district.

Communications: The S.M.R. main line branches off at Suchiatun and leads to Fushun. A tramcar service is in operation to connect the coal-field and the residential quarters of the town. Omnibuses, rickshas and carriages are the means of traffic within the town. The number of telephone subscribers is 1,849.

Principal institutions: Water-works and sewerage systems, municipal hospital, 4 primary schools, 1 middle school, 1 girls' higher school, 4 kindergartens, 4 parks, 1 Kogakudō, 1 engineering training institute, 1 quarantine hospital, cemeteries.

Principal products: Coal (annual exceeds 6,800,000 metric tons), heavy oils (annual output is 43,000 tons.), ammonium sulphate, ceramics and bean cakes.

Vernacular papers: The Fushun Shimpō (Japanese language), the Fushun Min Pao (Manchurian language).

Shrines and temples: Fushun shrine, Honganji temple, preaching post of the Jodo sect of Buddhism, Zenshoji temple (Sodo sect), Henshoji temple (Shingon sect), Catholic and Christian churches.

Mukden (Fengtien)

Location: Lying on a vast prairie embraced by the Hon river, a tributary of the Liao river, Mukden is 419.6 kilometres from Shanhaikwan, 397 from Dairen, 305 from Hsinking and 276 from Antung. As one of the principal cities in Manchuria, its geographical position is ideal. The city is divided into three sections, namely, the town within the city wall, the S.M.R. Zone and the mart.

Climate: The climate of the city has continental features characteristic of Manchuria. The highest temperature during 1933 was 35.7° C. registered on July 17 and the lowest 27° 9' below zero registered on February 18. Humidity ranges from 20 to 60 per cent. The rainy season sets in towards the end of July and lasts a month.

Population: The total population of the city as at the end of June, 1934, was returned at 479,051 comprising 87,388 households. Statistics taken at the end of August, 1934, showed that the number of citizens residing in the S.M.R. Zone was 67,481, comprising 12,697 households and including 46,117 Japanese subjects.

History: From old, Mukden has been the political centre of Manchuria. It was the seat

of government under the Yuan, Min and Hsin dynasties of China. Originally, it was called Shenchou, but later was renamed Shenyang, Chengking and Fengtien. When Marshal Chang Hsuehliang ruled Manchuria, the city was again named Shenyang, but after the establishment of Manchoukuo, Fengtien was restored as the name of the city. The city also is quite familiar to the ears of the Japanese nation as the scene of the famous Mukden Battle during the Russo-Japanese War.

Principal institutions: (Manchoukuo)—The government of Fengtien province, high court of justice, public procurators' office, government of Shenyang hsien, municipal office, Mukden Railway Bureau, revenue superintendent office of Fengtien province, garrison, Shenyang police station etc. (Japanese)—Consulate-general, special service section of the Kwantung Army, police station, post office, Mukden exchange, Japanese residents' association, chamber of commerce and industry, association of ex-soldiers etc. Under joint Japan-Manchoukuo control)—Mukden Central Telegraph Bureaus. (Foreign)—American, British, Soviet, French, German, Austrian and Italian Consulates.

Principal banking and credit corporations: (Manchoukuo)—branch of the Central Bank of Manchou, Huihua Bank, Mukden Commercial Bank, Bank of Forestry, Shihhokung Bank, branch of the Communication Bank. (Japanese)—branches of the Yokohama Specie Bank, Shoryu Bank, Manchurian Bank (Dairen) and Oriental Development Company, Tungsheng Industrial Company, Eastern Asia Industrial Development Co., Tungfanghsingyeh Kungssu, Mukden Credit Association and Mukden Trust Company. (Foreign)—branches of Hongkong and Shanghai Banking Corporation, National City Bank of New York, Banque Franco-Asiatique.

Principal business corporations: (Japanese side)—branch of the S.M.R. Co., the Manchurian and Mongolian Wool Co., Manchurian Aviation Co., Manchurian Exchange Co., Mukden Importers' Association, branches of the Okura & Co., Mitsui Bussan Kaisha, South Manchuria Electric Co., Kokusai Unyu Kaisha, Toa Tobacco Co., Osaka Shosen Kaisha and Mitsubishi Trading Co., and Mukden arsenal.

News Agencies and vernacular papers: (Japanese language)—Hoten Shimbun, Hoten Mainichi Shimbun, Hoten Nichinichi Shimbun. (Manchurian language)—Shengking Jih Pao, Taya Kung Pao, Min Pao, Fengtien Jih Pao, Tungya Jih Pao, Shenyang Shin Pao, Fengtien Telegraphic

News Agency.

Educational institutions: (Manchoukuo side)—State library, First and Second Fengtien Technological Schools, First Fengtien Commercial school, First Fengtien Middle School, Fengtien Women's Normal School, First, Second and Third Fengtien Elementary and Middle Schools, First Fengtien Girls' High School, First Fengtien Girls' Technical and Vocational School, 23 primary schools. (Japanese side)—S.M.R. Mukden library, middle school attached to the Manchurian Medical College, Mukden Middle School, Mukden Girls' High School, 5 primary schools.

Communication: Railways—(1) S.M.R. main line (2) Antung-Mukden line, (3) Mukden-Shanhaikwan line, (5) Mukden-Kirin line. Omnibuses and taxis are running within the city. Further, regular air services, managed by the Manchurian Air Transport Company, are available for Tsitsihar (daily), Dairen (daily), Dairen (daily) and Shingishu, Korea (except Sunday).

Principal public facilities: 3 Japanese and 5 Manchoukuo post-offices, water-works and sewerage systems, 2 parks, public playgrounds, Red-Cross hospital, museum.

Principal products: Cotton yarns and piecegoods, woolen yarns and piecegoods, wheat flour, tobaccos, furs and leather.

Shrines and temples: Mukden shrine, Mukden temple, Renkaiji temple, Higashi Honganji temple, Northern and Eastern Mausoleums, Lama temple.

Tiehling

Location: Situated at a point 42° 25' N. Lat. and 123° 55' E. Long., Tiehling is 71.4 kilometres north of Mukden. An important town along the S.M.R. main line, it adjoins Faku hsien (prefecture) to the west, Shenyang hsien to the south and Kaiyuan hsien to the north.

Climate: The extremes of climate are surprisingly great, the temperature in summer rising to 38° C and declining to 30° below zero in winter. Rainfalls are scarce and aridity is quite high.

History: During the Ming Dynasty of China, the city was called Tiehlingwei, but later its name was changed to Tiehling. After the outbreak of the Russo-Japanese War, the city fell under Japanese occupation in March 16, 1905. Military administration was immediately proclaimed over the city. Following the abolition in 1906 of military rule, the city was taken under the control of the Japanese Consulate-

General in Mukden. By virtue of the Sino-Japanese Treaty signed in September, the same year, Tiehling was formally opened to foreign trade. The city began to make phenomenal development particularly after the railways in the vicinity were ceded by the Army to the management of the S.M.R.

Population: The number of citizens as at the end of June, 1934, was officially returned at 52,945 comprising 9,829 households. An official census taken at the end of August, 1934, showed that the number of people residing in the S.M.R. Zone within the city was 7,611, including 3,271 Japanese nationals and composed of 1,484 households.

Principal official institutions: (Japanese side)—Police station, branch of the S.M.R., S.M.R. hospital, Japanese garrison, gendarmerie post, branch of the Kwantung Army's arsenal, garrison hospital, Chamber of Commerce and Industry, post-office, Japanese residents' association, Korean residents' association, branch of the Korean Bank, Nikka Bank, importers' association, credit association, electric light companies, primary schools, kindergartens and girls' higher school. (Manchoukuo side)—Government of Tiehling hsien (prefecture), police station, district court, public procurators' office, branch of the Central Bank of Manchou, provincial middle schools, girls' higher school, women's normal school, 12 primary schools, telephone exchange bureau.

Communications: Besides being run by the S.M.R. main line, the city is connected with the principal towns of the adjoining Faku prefecture through a private-owned railway which was installed in 1933 at a cost of 50,000 yuan in conformity with the railway laws of the Manchoukuo Government. A State road from Mukden also runs through this city northward to Kaiyuan. Another highway leads eastward to Tsamulin, a town on the Shenhai line, by way of Tatientzu and Paichichai. At Mafengkou, two miles west of the city, flows the Liao river, from which junks ply between Tungkiangkou and Newchwang.

Principal products: Cattle and cotton yarns and piecegoods.

Shrines and temples: Tiehling shrine, Inari shrine, Higashi Honganji temple, Nishi Honganji temple, preaching posts of the Shingon, Nichiren, Sodo and other sects of Buddhism, Christian church, two Manchu temples.

Vernacular papers: Tiehling Jiho (Japanese language), Tiehling Kung Pao (Manchou language).

Kaiyuan

Location: Kaiyuan is one of the principal cities along the S.M.R. main line, situated at a point 311.6 miles from Dairen, 65.2 miles from Mukden and 124.2 miles from Hsinking. Latitudinally, its position is similar to that of Sapporo, Hokkaido island.

Climate: The climate takes on continental features, the temperature rising to 39° C in summer and declining to 35° below the zero point in winter.

History: The city is divided into two sections, that is, the S.M.R. Zone and the town within the wall. The latter is nearly three miles northeast of the former. Formerly, the Railway Zone was a small village called Sunchiatai, but after the erection of the S.M.R. main line, it developed rapidly into a flourishing town as it is at present, because of its close proximity to the Tungshan district, better known as the granary of Manchuria, whence large volumes of soya beans and other farm products are shipped to other localities. In fact, it is the local distributing centre of Manchurian beans. Before the railway was constructed, these farm products were taken mainly to Tiehling for transport to Newchwang by the Liao river. The walled town has been regarded from old as one of the principal Manchurian cities, its creation reputedly dating as many years back as 3,000. Of late, however, the growing prosperity of the Railway Zone has detracted much from its economic activity.

Population: The number of citizens within the walled town as at the end of June, 1934, was officially returned at 39,219, comprising 6,539 households. The population residing within the Railway Zone, according to a census taken at the end of August, 1934, was 22,195, comprising 3,810 households and including 2,601 Japanese nationals.

Principal institutions: (Japanese side)—post-office, branch of the consulate, police station, garrison, gendarmerie post, branch of the S.M.R. Co., Kaiyuan Bank, branch of the Shoryu Bank, branch of the Yokohama Specie Bank, branch of the Bank of Chosen, branch of the Manchurian Bank, Kaiyuan Trade Trust Co., Kaiyuan Staple Produce Association, Kaiyuan Trade Exchange Trust Co., Kaiyuan Merchandise Trust Co., branch of the Manchurian Electric Co., branch of the Nisshin Steamship Co., branch of the Kokusai Unyu Kaisha, S.M.R. hospital. (Manchoukuo side)—prefectural government, police station, revenue office, post office, chamber of commerce, normal school, middle schools, Kogakudo, branch

of the Central Bank of Manchou, branch of the Bank of Communications, branch of the Manchurian Bank.

Communications: The Kaifeng light railway starts from the Railway zone and runs through the walled town to Hsifeng. The Railway Zone also is connected with the walled town by carriages. Regular omnibus services run from the city to Tsaoshih, a town in Chingyuan hsien, and Tungkiangkou, Changtu hsien.

Shrines and temples: Kaiyuan shrine, Honganji temple, Kaiyuan temple (Sodo sect of Buddhism), Myohoji temple (Nichiren sect), preaching hall of the Jodo sect, Christian church.

Vernacular papers: Kaiyuan Shimpo, Junten Mimpo

Ssupingchieh (Ssuping kai)

One of the principal cities along the S.M.R. main line, Ssupingchieh is situated in lat. 43° N. and long. 124° E., a point just 115 kilometres from Hsinking, 189.3 from Mukden and 585.9 from Dairen. The city is divided into the S.M.R. Zone and the new town which is peopled principally by Manchous.

History: Before Czarist incursion into Manchuria, Ssupingchieh was a lonesome village called Imiencheng. After the erection by Russia of the now defunct Chinese Eastern Railway running through it, this village began suddenly to prosper as a town with Russian military barracks and other important buildings constructed, and its populace multiplied many times. After the Russo-Japanese War, the town was placed under Japanese administration. Backed by the fertile Liao area where the larger part of Manchurian beans and other farm products is grown, Ssupingchieh naturally became their distributing centre, notably after the outbreak of the European War which brought a phenomenal rise in exports of Manchurian farm produce. The erection in 1923 of the old Ssupingchieh-Taonan railway added further to the geographical importance of the town, which is now commonly acknowledged as the biggest distributing centre of Manchurian farm products.

Population: The number of citizens is estimated at roughly 45,000, although no authentic figures are available in this regard. An official census taken of the Railway Zone at the end of August, 1934, showed that the people residing there totalled 16,831, comprising 2,985 households and including 4,924 Japanese subjects.

Principal institutions: (Japanese side)—gendarmerie post, police station, produce exchange,

branch of the S.M.R. Co., branch of the Shoryu Bank, branch of the Bank of Chosen, branch of the Kokusai Unyu Kaisha, branch of the Nisshin Steamship Co., Ssupingchieh Trust Co., Ssupingchieh Day-and-night Credit Co., Daido Electric Light Co., Kwantung Government Credit Association, Japanese residents' association, Korean residents' association, importers' association, kindergartens, primary schools, girls' schools, public library. (Manchoukuo side)—municipal office, 2nd branch office of the Public Security Bureau, post-office, Ssupingchieh-Taonan Railway Management Bureau, Ssupingchieh-Taonan Railway hospital, Ssupingchieh Electric Light Co., branch of the Central Bank of Manchou, branch of the Bank of Communications.

Vernacular papers: Shicho Shimbun (Japanese language)

Kungchuling (Huaiteh)

Location: Situated at a point 43° 30' N. Lat. and 124° 48' E. Long., Kungchuling is 39 miles from Hsinking and 399 from Dairen. The city is divided into the Manchurian town, commonly called Honan, and the Railway Zone, usually called Hopei.

Climate: The climate of the city is highly continental, the mercury rising often to 100° F in summer and declining to 42 below zero in winter.

History: Chronicles state that the city derived its name from the old Chinese mausoleum called Kungchuling, which is located at a point 8 Chinese li north of the city. Formerly, the city was a sparsely-populated village, but when the old Chinese Eastern Railway was erected by Czarist Russia, Kungchuling, along with Liao yang and Wafangtien, was regarded as one of the three principal stations. Further, large Czarist troops were stationed in the city as of great strategic importance. In this manner, Ssupingchieh rapidly took on the dimensions of a modern city under Russian management. The city is also of historic interest, because the cession to Japan of the southern sector (now S.M.R. main line) of the C.E.R. took place here after the signing of the Portsmouth Treaty ending the Russo-Japanese War. Even at present, the city remains as important strategically for Manchoukuo as it was for Czarist Russia.

Population: The population of the Manchurian town was officially returned at 25,235 as at the end of June, 1934, comprising 4,877 households. The number of citizen residents in the Railway Zone, according to a census taken at the end of

August, 1934, was 15,472 comprising 2,396 households and including 3,167 Japanese subjects.

Principal institutions: (Japanese side)—post-office, police station garrison, branch of the Intendance Bureau of the Kwantung Army, branch of the garrison hospital, branch of the S.M.R. Co., S.M.R. experimental farms, agricultural training institute, kindergartens, primary schools, girls' schools, branch of the Manchurian Bank, branch of the Daido Electric Light Co., branch of the Kokusai Unyu Kaisha, Asano Brewery Co., Manchurian Textile Co.'s factory, Nikka Kungssu, branch of the Oya Gumi & Co. (Manchoukuo side)—police bureau postal bureau, revenue office, chamber of commerce, branch of the Central Bank of Manchou, branch of the Bank of China, Kogakudo schools, markets.

Communications: Railways—S.M.R. main line. Omnibus services to Huaiteh, Fengtien province, and Itung, Kirin province. Roads... (1) southeast to Itung and Mopanshan, Kirin province by way of Kaoshantun, (2) south to Hsiao-hushan, Kirin province, by way of Ershih-chiaotzu, (3) northeast to Pachiatzu and farther to Shuangchengpu, Kirin province, by way of Heilintzu, Fengtien province, (4) North to Yang-chiaotachengtzu via Chaoyangpu, Fengtien Province.

Telegraphy and telephony: The total number of outgoing telegrams from September, 1933, to August, 1934, was 22,023 and that of incoming telegrams 31,360. The number of city telephone subscribers is 296.

Principal public facilities: Parks, cemeteries, city waterworks.

Vernacular papers: Kungchuling Sho Ho.

Shrines and temples: Kungchuling shrine, Shokonsha shrine, Koyasan Daishiji temple, Higashi Honganji temple, Hokkeji temple, Koshoji temple, Busshinji temple, Ichimyoji temple, preaching post of the Tenri sect of Buddhism.

Hsinking

Location: Being the northern terminus of the S.M.R. main line, Hsinking, the capital of Manchoukuo, is located at a point 43° 55' N. Lat. and 701.4 kilometres north of Dairen. The total area of the city, composed of the walled town, the mart, the S.M.R. Zone and Kuanchengtzu, is put at 21 square kilometers. After the completion however, of the official city reconstruction program, its area will be just 200 square kilometers.

Climate: The climate of the city nearly resemble that of Tokyo, July being the hottest month of the year. The temperature begins to

fall about the middle of August, it sometimes declining as low as 30° below zero in winter.

Population: The population of the city was returned at 201,293 as at the end of June, 1934, comprising 36,887 households. The official census taken at the end of August, 1934 revealed that the total number of people within the S.M.R. Zone was 57,520 comprising 9,515 households and including 28,642 Japanese nationals.

History: Hsinking, formerly called Changchun, is a relatively new city, it having a history of only 100 years or so. In old times, this area, it is said, formed a vast pasturage for Mongolians. Later under the Han dynasty of China, Chinese farmers immigrated there and set up a small town called Changchunpo at a point 10 Chinese miles north of the present Hsinking. Under the Ching dynasty, the town was selected as the seat of local government. By virtue of the Sino-Russian Treaty of 1899, Czarist Russia extended the defunct Chinese Eastern Railway southward to Port Arthur and Dairen, following which the town began suddenly to develop as the local centre. Simultaneously with the creation of Manchoukuo, it was designated as the capital and its name was changed from Changchun to Hsinking.

Principal official institutions: (Manchoukuo side)... Imperial Palace, Privy Council, Legislative Council (Yuan), Council of State Affairs, Supervisory Council, Supreme Court, Supreme Procuratorate, High Court, High Procurate, State Secretariat, General Affairs Board, Bureau of Legislation, General Administrative Office of Hsinking Province, Department of Civil Affairs, Department of Foreign Affairs, Department of Military Administration, Department of Finance, Department of Industry, Department of Communications, Department of Justice, Department of Education, Central Bank of Manchou. (Japanese side)... Headquarters of the Kwantung Army, Embassy, Consulate-General.

Principal banking and business corporations: Hsinking Chamber of Commerce and Industry, Japanese Residents' Association, branch office of the S.M.R. Co., branch of the Bank of Chosen, branch of the Yokohama Specie Bank, branch of the Shoryu Bank, branch of the Manchurian Bank, Hsinking Bank, Market Co., branch of the O.S.K., branch of the Manchurian Air Transport Co., branch of the Dairen Fire and Marine Insurance Co., branch of the Fuchou Kungssu, branch of the Fuchou Kungssu, branch of the Tungsheng Industry Co., branch of the Nisshin Match Co., branch of the Mitsui Bussan Kaisha, branch of the Kokusai Unyu Kaisha, branch of