

CHAPTER X EDUCATION

General

The number of people with a record of primary schooling in Manchoukuo still bears a small percentage of over 15 to the entire population. This meagre proportion of people with rudimentary learning is to be ascribed to such causes as the existence of a limited number of primary schools and intermittent civil wars that beset Manchuria until the establishment of the New Empire of Manchoukuo in 1932. To these may be added the fact that the vast majority of the Chinese who have migrated to Manchuria during the past three decades represent the labouring classes having little or no school education.

As for educational facilities in Manchuria, they have been best in South Manchuria, especially in the Kwantung Leased Territory and the South Manchuria Railway zone since the termination of the Russo-Japanese War of 1904-05. North Manchuria has lagged far behind South Manchuria in the premisses owing to the paucity of population and the inadequacy of administrative supervision. The only exception is the city of Harbin, where there are to be found several well-equipped educational institutions, which have been largely founded and supervised by Russians.

Since the financial year of 1933-34, the Government of Manchoukuo has appropriated a comparatively large sum of money for educational purposes, especially primary education. Quite a number of primary schools have been

established and many more are being projected.

Educational System

The Department of Education of Manchoukuo is under the direction of a Minister. It consists of three bureaus, namely, the Bureau of General Affairs, the Bureau of Educational Affairs and the Bureau of Rites and Religions. The Bureau of General Affairs is subdivided into the Secretariate Section, the Documents Section, the General Office Affairs Section and the Research Section. The Bureau of Educational Affairs is subdivided into the General Affairs Section, the General Education Section and the Technical Education Section. The Bureau of Rites and Religion is subdivided into the Social Education Section and the Religion Section. The Education Offices of the provinces throughout the Empire are held responsible to the central educational organ.

Recent Situation

More than ninety-five per cent. of the institutions of learning in Manchoukuo in 1935 were primary schools. While the authorities have of late been taking steps to establish higher institutions of learning on a wider scale than before, their attention is still concentrated on primary schools. Thus, of the total of 11,300 schools in operation in May, 1933, as many as 10,952 were primary schools, 177 middle schools, 109 normal schools, 41 vocational schools and 7 colleges. The details are tabulated below:—

Table 1. No. of Educational Institutions (Dec., 1933)

	Primary Schools		Middle Schools		Normal Schools		Vocational Schools		Colleges Opened
	Opened	Not opened	Opened	Not opened	Opened	Not opened	Opened	Not opened	
Hsinking Special Municipality	28	—	2	—	—	—	—	—	—
Fengtien	8,730	1,923	104	19	87	14	29	5	1
Kirin	726	672	25	7	7	6	3	—	—
Heilungkiang	672	214	11	3	9	9	2	—	—
Jehol	598	150	1	4	3	7	—	—	—
Hsingan	66	—	—	—	1	—	1	—	—
North Manchuria Special District ..	91	—	34	—	2	—	6	—	6
Harbin Special Municipality	41	—	—	—	—	—	—	—	—
Total	10,952	2,959	177	33	109	36	41	5	7

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 Yat-sen 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 Government.

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 specimens. The working of those specimens 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 specimens.

Such incompleteness in instruction specimens, although partly attributable to lack of funds, 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

the 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 instruction in the Japanese language in higher grades. In Tsitsihar, in the province of Lungkiang, 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 Fengtien, Lungkiang, Kirin and other 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 for the diffusion of school education within the Empire, sends government students 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 condition, 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 cannot 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 to this cause.

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 consists in cultivating the fundamental spirit of sacrificing personal interests in provincial administration and in reforming 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, the Manchoukuo and Japanese languages, Manchoukuo national affairs, foreign affairs, etc. In view of the fact that the school term being six months, it is apparently too short clearly to acquaint students with State administration and national policy, so that the greatest possible efforts are made by the Government in the selection of authoritative professors and lecturers on selected subjects.

Private Schools

Since the founding of Manchoukuo, many private schools have been 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, indicating the increasing friendship between Japan and Manchoukuo. It should be noted that most of the private schools 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 establishment of private schools of higher standing are filed with the Department of Civil Affairs with the approval of the provincial governors in the respective provinces, the governor in the North Manchuria Special District, 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 instruction in agriculture, industry, commerce, medicine, etc., and the other is the 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 for geographic reasons. 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 instruction is given in the fifth and six year classes in order to acquaint students with business routine. 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 schools are open to all graduates of the Kokumin Gakko. The vocational school term is three years, and the curriculum includes practical lessons only. While there are 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, the national language, music, gymnastics, foreign languages and manual training. Of the weekly school hours, ten hours are given to desk work 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, handicraft, typewriting, bookkeeping, calculation, communications, printing, machine repairing, photography, draughtsmanship, surveying, gardening, etc.

Those completing the vocational school courses may be given higher instruction in special classes. As the average age of graduates from Kokumin Gakko is twelve full years, students may graduate at 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 instruction

in citizenship, literature, mathematics, physics, chemistry, foreign languages, music, gymnastics, natural science, etc. in the first and second year classes, besides general instruction 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, includes 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 training. 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 the 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 abovementioned schools. The Teachers' Training Schools are divided into two sections, A and B. In the A section, citizenship, educational psychology, ethics, philosophy, gymnastics, music, manual training, and a 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 Dec. 31, 1933, was 636,159, classified as follows:

Table 2. Enrollment at Primary Schools
(by provinces)

Province	No. of Students
Fengtien	442,790
Kirin	62,652
Heilungkiang	41,264
Jehol	18,672
Hsingan	3,467
North Manchuria Special District	18,926
Hsinking Special Municipality	4,933
Harbin	3,984
Total	596,688

Table 3. Enrollment at Middle Schools
(by provinces)

Province	No. of Students
Fengtien	12,884
Kirin	3,550
Heilungkiang	1,373
Jehol	92
Hsingan	—
North Manchuria Special District	7,893
Hsinking Special Municipality	229
Harbin	—
Total	26,021

Table 4. Enrollment at Normal Schools
(by provinces)

Province	No. of Students
Fengtien	5,850

Province	No. of Students
Kirin	1,124
Heilungkiang	818
Jehol	188
Hsingan	120
North Manchuria Special District	127
Hsinking Special Municipality	—
Harbin	—
Total	8,727

Table 5. Enrollment at Vocational Schools
(by provinces)

Province	No. of Students
Fengtien	1,919
Kirin	313
Heilungkiang	185
Jehol	—
Hsingan	150
North Manchurian Special District	—
Hsinking Special Municipality	—
Harbin	—
Total	3,092

Table 6. Enrollment at Colleges
(by provinces)

Province	No. of Students
Fengtien	98
North Manchuria Special District	1,533
Total	1,631

Instructors. The number of instructors at primary, middle, normal and vocational schools was 22,583 on Dec. 31, 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	19,632
Middle	1,820
Normal	703
Vocational	428
Total	22,583

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

Table 8. Classification and Hours of Subjects
Per Week

Subjects	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

Subjects	1st year	2nd year	3rd year	4th year	5th year	6th year
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.

Principal Educational Measures in 1935

Principal educational measures taken during 1935 were as follows:—

1. Promotion of the quality of teachers.

A course of lectures was given ten times at a training institute established at Hsinking for the purpose of re-training the primary school teachers. A summer school was opened for the benefit of the teachers in the provinces. Thirty-two teachers selected 12 from among the primary school teachers and 10 each from among the middle school and normal school teachers were sent to Japan for study. A batch of school teachers has been sent to Japan four times since the establishment of the country. During the year under review an examination for the teacher's license for the Prefectural and Special Municipal Schools was carried out, while a lecture on natural science for middle school teachers was opened.

2. Establishment of the Experimental Middle School and the Model Primary School.

In order to promote education it was decided to establish an experimental middle school in every province and designate the most superior of the primary schools of every province as model primary schools.

3. Compilation and approval of the text-book.

Since 1934 the Government had compiled school text-books, the use of which was spread throughout the whole country.

4. Establishment of the system of hiring a physician.

The system of a physician being hired by the school was inaugurated for the benefit of the health of the pupils.

5. Participation in the Pan-Pacific Conference.

Delegates were sent to the Pan-Pacific Conference opened in Tokyo.

In regard to social education the following measures were provided:—

1. Lectures on social education.

A lecture on social education was opened at Mukden, Chinchou, Chengde, Tsitsihar, Harbin and Kirin for the purpose of spreading the fundamental principle of social education and conclusively carrying it out. The lecture was attended by the principals of the prefectural schools, principals of various cultural organs and the

chiefs of the social education bureaus of the Prefectural Governments.

2. Education halls for the benefit of the masses throughout the country number more than 3,000. No small number of them have been closed down through the effect of the 1931 Incident. Since 1934 the authorities have been doing their utmost to get them re-opened for the promotion of the knowledge of the populace by giving a subsidy.

3. Inauguration of the state museum.

The state museum, which had been in course of establishment at Mukden, was opened in August last year.

4. Film education.

Having regard to the importance of films, itinerant film operators have been organized. Since the foundation of the Empire, they have often made a tour of the country. Among the films prepared by the Intelligence Bureau at the State Council in 1935 were those representing "Paradise of Manchoukuo."

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 rôle 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 in primary schools, and 65 in 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 the number of schools, instructors and students they were as follows as on May 1, 1934:—

Table 12. Japanese Managed Primary Schools (May, 1934)

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	23,177

Kinds of Institutions	No. of Institutions		No. of Students		Education Budget.
	Leased Territory	S. M. R. Zone	Leased Territory	S. M. R. Zone	
Kogakudo	11	11	12,714	4,951	Appropriations for the Education Department in the government's budget for the fiscal year 1936 (January—December,) amount to MY5,090,043. The appropriation consists of MY4,421,676 in the Ordinary Account and MY668,367 in the Extraordinary Account, and is classified as follows:
Futsugakko	114	—	31,737	—	
Total	148	50	64,594	28,128	

Table 13. Japanese Managed Middle Schools (May, 1934)

Kinds of Institutions	No. of Institutions		No. of Students		Education Budget.
	Leased Territory	S. M. R. Zone	Leased Territory	S. M. R. Zone	
Middle School	4	5	2,887	2,134	Education Office M.Y. 547,497 Salary M.Y. 275,726 Office Expense 206,439 Examination Expense 14,712 Relics Preservation 34,120 Confucius Festival 16,500
Girls' Middle School	4	5	2,893	2,351	
Girls' Home Training Middle School	2	13	150	572	
Technical School	3	2	2,114	734	Social Education 80,735 Educational cinema 30,240 Encouragement, etc 45,000
Total	13	25	8,044	5,791	Higher Normal School 283,954 Salary 132,888 Office 151,066

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

Manchuria Medical University: Established at Mukden by the South Manchuria Railway in June, 1911 for Japanese and Manchurian students. Course: preparatory 3 yrs., university 4 yrs. Enrollment in 1934—university course, 279; preparatory course & special preparatory course, 272; Special course, 84. Clinic attached.

Port Arthur Engineering University: Formerly Port Arthur Engineering School. Elevated to university status August, 1922. Departments: mechanical engineering, electric engineering mining, metallurgy. Course: preparatory 3 yrs., university 4 yrs. Enrollment in 1934: Preparatory course, 244 (197 Japanese, 47 Manchurians); university course, 155 (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: 257 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 Hsingyaocheng. Course, 1 to 2 yrs. With dormitory facilities.

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

Table 14. Ordinary Expenditures

Education Office	M.Y. 547,497
Salary	M.Y. 275,726
Office Expense	206,439
Examination Expense	14,712
Relics Preservation	34,120
Confucius Festival	16,500
Social Education	80,735
Educational cinema	30,240
Encouragement, etc	45,000
Higher Normal School	283,954
Salary	132,888
Office	151,066
Agricultural Schools	120,524
Salary	71,868
Office	48,656
Teacher's Training Institutes	101,706
Salary	25,014
Office	76,692
Middle Schools	2,560,833
Salary	1,638,804
Office	714,869
Students	207,210
Cultural Research Institute	71,000
Salary	39,636
Office	31,364
Libraries	40,640
Salary	19,330
Office and Equipment	24,260
Local Cultural Organs	134,450
Salary	77,460
Office	56,990
Studies Abroad	369,664
Teachers	35,000
Students	205,220
Bannermen	129,444
Miscellaneous	110,623
Total	M.Y. 4,421,676

Extraordinary Expenditures

Text Book Compilation	44,284
Salary	26,436
Office	17,848
Text Book Donations	336,700
Teachers' Training	37,770
Language Training	11,416
Teachers' Training	26,354
Education Research	16,000
Ching Dynasty History Printing	120,160
Subsidies	342,561
Miscellaneous Undertakings	120,900
Experimental Primary School	54,287
Private Schools	167,374

Special Research of Jehol Relics	21,392
Higher Technical Schools Preparations	86,200
Total	M.Y. 668,367
GRAND TOTAL	M.Y. 5,090,043

Private School Regulations. The provisional regulations governing private schools as promulgated by the government in July 13, 1933, are 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 or 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 articles 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 with permitting the establishment of any private school must without delay 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, director, 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) in 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 the 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 to preserve 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 alter 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 an 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, within 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 1933 numbered as follows:

Table 15. Shrines, Temples, etc.

Religions	Churches Shrines, Temples	Followers
Buddhism	1,742	1,745,902
Taoism	1,075	235,786
Mohammedanism	180	258,789
Lamaism	333	468,676
Roman Catholicism	190	84,685
Protestantism	302	63,861

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

Hungwanzchui or Red Swastika 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, represented 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 Rinza Zen. It is most popular and accordingly influential in Kirin province and also in Hunchun, Ningan, Tsitsihar and elsewhere.

Alive to the importance of religion, Chinese in responsible posts created schools for priesthood and Chinese priests organized the Chinese Buddha Society. Laymen taking an 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 is observed as the National Festival of Manchoukuo, and is conducted every year throughout the country on September 5.

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, bath-keepers 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 for the Mohammedans, who are accordingly recognized 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 popular 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.

Taoyuan and World Buddha Scarlet Cross Society. Taoyuan was originated in Shantung Province in December, the 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 kinds of social work. Buddha Scarlet symbolizes great benefit of vast magnitude like that of the sun. Taoyuan and Buddha Scarlet Cross Society are mutually dependent, one inseparable from the other. A person who is member of one must be a member 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.

References: Tables 1, 2, 3, 4, 5, 6, 7, 15—Manchoukuo Nienpao (Official Annual of Manchoukuo), 1935. Tables 8, 9, 10, 11, 14—The Official Bulletin of Manchoukuo. Tables 12 & 18—Kwantu Kyoku Yoran (Outline of the Kwantung Bureau), 1935.

CHAPTER XI

STATE FINANCE

General

Five times has the national Budget been compiled by Manchoukuo since its foundation. Although it is only four years since that epochal event, a study of the transition undergone by the series of budget compilations reveals traces of administrative improvements and national consolidation. Below is given a summary review of the developments witnessed in the successive Budgets.

(1) Period Immediately Following the Establishment of the State.—During this early period which covers only four months from March 1 to June 30, 1932, the proper functions of the various administrative organs could not be secured completely, and it was extremely difficult to make a definite estimate of revenue and expenditure on a yearly basis. The Government was, therefore, obliged to compile a monthly Budget.

(2) First Financial Year of Tatung (1932).—As a temporary measure the system in practice during the former days was adopted, and the Government fixed the financial year to cover the 12-month period from July 1, 1932 to June 30 of the following year. On the belief that it was most urgent to consolidate the state finances first, the Government decided on the fundamental policy of not borrowing either by issuing bonds or by contracting loans to make up deficits in revenue. Accordingly, after making this policy thoroughly understood by all the Departments, the authorities ordered them to prepare and submit their respective draft estimates strictly in accordance with this policy. It was not until October 18 that the Budget was fixed. Great importance was attached to the maintenance of peace and order and consolidation of the national finances and endeavours were made to maintain as far as possible the balance between revenue and expenditure, not by incurring any substantial increase in the burden upon the people, but ensuring the security of revenue through the adjustment of the tax collecting system on the one hand, and by exercising strict economy in expenditure on the other. Moreover, the Budget included a special reserve fund amounting to MY15,000,000 for ensuring

smooth functioning of the budgetary system lest the expansion of the nation should in any way be obstructed. Military expenditure, which under the former regime, used to occupy as much as 83 per cent. of the total expenditure now represented only 29 per cent., and a major portion of the budgetary estimates was allotted, as has always been the case ever since the foundation of this State, to measures designed to promote the hitherto neglected welfare of the people, a fact without precedent before Manchoukuo came into being.

(3) Second Financial Year of Tatung (1933).—Promulgated on the same basis as that of the previous financial year. With the elapse of one and a half year's time since that establishment of the State, it was possible now to make a forecast of revenue and expenditure, and, accordingly, it was unnecessary to keep a large special reserve fund as in the previous year. Moreover, the local budgets which up till then used to be compiled by each provincial government, were taken over by the central Government. The unusually large appropriations in the extraordinary Budget are accounted for by the Government's need of funds to meet the payment of the Government-subscribed shares of the Central Bank of Manchou and other special companies to finance pacification campaigns in the interior regions and to build or repair various central and local government offices.

(4) First Financial Year of Kangte (1934).—The Budget which was promulgated on June 28, 1934 was based as previously on the policy of eliminating the so-called red ink finance, consolidating the basis of the State finances and maintaining internal order—a policy which has been consistently followed since the very beginning. Special stress was laid on the institution of facilities for the development of industries.

(5) Second Financial Year of Kangte (1935).—The Budget was promulgated on June 26, 1935. Owing to the decision of the Government to make each financial year correspond to the calendar year on and after January 1, 1936, the

Budget covered a half-year from July 1 to December 31. The policy of preserving sound finance was followed as faithfully as before.

(6) Third Year of Kangte (1936).—The Budget was published on December 28, 1935. In compiling this Budget the Government closely adhered to its traditional policy of solidifying the basis of national finances avoiding as far as possible an undue increase of expenditure by exercising strict retrenchment. Provisions are made in the Budget, as in the previous financial years for the necessary preparations required for the proposed abolition of extraterritoriality and transfer or adjustment of the administrative rights in the South Manchurian Railway Zone,

the sum of MY3,600,000 being set aside for this purpose.

Continuing its policy and practice of upholding international good faith, the Government has set aside in the new Budget the sum of MY10,342,687 to meet its due share of foreign loans secured on the Chinese Maritime Customs and Salt Gabelle, thus bringing the total of the "Adjustment Fund for Old Loans Secured on Customs Duties and Salt Gabelle" to MY46,497,739.

The sum of MY19,500,000 has been appropriated in the Budget for Manchoukuo's share of the defence expenditure incurred by the stationing of Japanese troops in this country in accordance with the protocol of September 15, 1932.

Table 1. General Account Revenues of State Budgets Since

Foundation of State

(Unit: MY)

Fiscal Year	Budgetary Estimates	Index Number (First Fiscal Year of Tatung—100)	Net Receipts
Period Immediately After State Establishment (March 1—June 30, 1932)	—	—	21,237,229
First Fiscal Year of Tatung (July 1, 1932—June 30, 1933)	137,957,000	100	152,922,929
Second Fiscal Year of Tatung (July 1, 1933—June 30, 1934)	170,542,352	124	194,574,151
First Fiscal Year of Kangtê (July 1, 1934—June 30, 1935)	199,930,025	145	214,899,465
Second Fiscal Year of Kangtê (July 1, 1935—December 31, 1935)	106,079,686	154	—
Third Fiscal Year of Kangtê (January 1, 1936—December 31, 1936)	219,405,000	159	—

Table 2. General Account Expenditures of State Budgets Since

Foundation of State

(Unit: MY)

Fiscal Year	Budgetary Estimates	Index Number (First Fiscal Year of Tatung—100)	Actual Disbursements
Period Immediately After State Establishment (March 1—June 30, 1932)	19,327,898	14	18,197,864
First Fiscal Year of Tatung (July 1, 1932—June 30, 1933)	137,957,000	100	129,634,904
Second Fiscal Year of Tatung (July 1, 1933—June 30, 1934)	170,542,352	124	165,482,237
First Fiscal Year of Kangtê (July 1, 1934—June 30, 1935)	199,930,025	145	187,241,541
Second Fiscal Year of Kangtê (July 1, 1935—December 31, 1935)	106,079,686	154	—
Third Fiscal Year of Kangtê (January 1, 1936—December 31, 1936)	219,405,000	159	—

Note:—The index number of the second fiscal year of Kangtê which covered only a 6-month period was figured out by doubling the actual figures of that period for convenience of comparison.

Details of Budget Estimates for 1936 the General Account. Compared with the Budget for 1935 totals ¥219,405,000 for previous year, it shows an increase of ¥9,470,000.

Ordinary Revenue amounts to ¥193,234,000 and Extraordinary Revenue to ¥26,107,044. As for expenditure, Ordinary Expenditure amounts to ¥134,322,810 and Extraordinary Expenditure to ¥85,082,295. In the Special Account, Revenue is put at ¥111,335,295 and Expenditure at ¥99,658,427. The figures of the Budget Estimates for 1936 are appended:—

Table 3. General Accounts Budget For 3rd Fiscal Year of Kangtê (1936)
Revenue Estimates
Ordinary

Taxes and Duties	MY161,757,000
Customs Duties	84,761,000

Internal Revenue	53,148,000
Salt Gabelle	23,848,000
Stamp Revenue	8,639,326
General Monopoly Bureau Profits.	13,234,000
Salt Transportation Office Profits.	2,600,000
Revenues from State Industries and other sources	7,003,730
TOTAL	MY193,234,056

Extraordinary

General	MY 4,099,678
From Special	
Accounts	2,925,489
Loan Funds	10,000,000
Surplus from previous year	9,145,777
TOTAL	MY 26,170,944

GRAND TOTAL MY219,405,000

Expenditures

Jurisdiction	Ordinary	Extraordinary	Total
Imperial Household	MY 2,000,000	MY —	MY 2,000,000
General Affairs Board	9,910,150	39,004,371	48,914,521
Dept. of Civil Affairs	24,205,777	15,867,934	40,073,711
Dept. of Foreign Affairs	1,185,423	345,924	1,531,347
Dept. of Defence	60,871,899	12,673,231	73,545,130
Dept. of Finance	14,229,270	11,165,011	25,394,281
Dept. of Industry	2,890,266	2,733,102	5,623,368
Dept. of Communications	2,689,268	1,426,454	4,115,722
Dept. of Justice	9,671,752	214,378	9,886,130
Dept. of Education	4,421,676	668,367	5,090,043
Dept. of Mongolia Administration	2,247,329	983,418	3,230,747
TOTAL	MY134,322,810	MY85,082,190	MY219,405,000

Revenue.—Some amount of the natural increase arising through a reform in peace and order and a readjustment of the taxation system is estimated. As for a surplus of revenue, the same amount as that for 1934 is estimated. Borrowings of ¥10,000,000 are estimated in order to meet the construction of state roads and similar works as already laid down. Principal items of Ordinary Revenue are tax receipts of ¥161,750,000 (77% of the whole revenue), profits on monopoly sales of ¥15,830,000 (7%), stamp receipts of ¥8,630,000 (4%). Extraordinary Revenue is put at ¥16,170,000, which consist chiefly of a surplus.

Expenditure.—As for premier items of expenditure apart from the Imperial Household expenditure which is put at ¥2,000,000, administrative expenditure occupies 46% of the total at ¥110,100,000, expenditure for defence and peace and order 35% at ¥77,380,000, national loan expenditure 10% at ¥20,860,000, tax collection expenditure 6% at ¥13,550,000. To compare the total Budget Estimates of Manchoukuo for

the year under review with other countries, it corresponds to Japan's Budget in 1899, substantially exceeds the present Budget of the Government-General of Korea and is larger than those of such countries of Europe as Norway, Sweden, Denmark and Switzerland.

Special Account.—As will be noted from the table, Special Account amounts to ¥231,500,000 in Revenue and to ¥173,680,000 in Expenditure. Due to an additional item of the "Forest Account" having been created for 1936, the total number of items has been increased to 14.

Increase in Important Sources of Revenue.—Tax revenue which constitutes the most important source of annual revenue and which occupies 75 per cent. of the whole Budget Estimates, shows an increase of ¥20,673,413 over 1934. To refer to details, customs receipts are put at ¥84,761,000, which is ¥12,122,893 more than the corresponding figure for 1934. This estimate, which is based upon the figure for 1934 and the recent progress of foreign trade, tells marvellous developments made by both branches of trade. The estimated

salt gabelle is ¥23,848,000. It shows an expansion of ¥2,232,000. This increase in the estimate is suggestive of a prospective increase in sales consequent upon a gradual restoration of peace and order. Receipts from domestic taxes are estimated at ¥53,148,000, which shows an improvement of ¥6,318,520. This increased estimate is accounted for by a rational reform effected in the sâké and other taxes and also the readjustment of organs for collection of taxes.

Stamp Receipts.—Stamp receipts are estimated at ¥8,639,326. It is ¥581,206 larger than for 1934. This is due chiefly to the promulgation of new laws such as the Mining Industry Tax Law, the Patent Law, etc.

Receipts from Government Undertakings.—Receipts from Government undertakings are es-

timated at ¥15,834,000 which shows an expansion of ¥8,234,000 over 1934. This is due to an increase in profits on monopoly sales. In other words, it is due to the stabilization of the oil monopoly sale and a great decrease in the secret cultivation of poppy heads and the secret sale of opium.

Loan Issue.—The issue of national loans for the year is estimated at ¥10,000,000, showing an increase of ¥5,000,000 over 1934. It represents borrowings to be made to meet an expenditure required for the prosecution of the construction of state roads and other constructional works already laid out.

Other Receipts Unclassified.—Other receipts unclassified are estimated at ¥3,185,884, showing an expansion of ¥89,588 over 1934.

Table 4. Special Accounts Budget For 3rd Fiscal Year of Kangtê (1936)

	Revenues and Expenditures	
	Revenues	Expenditures
General Affairs Board		
Sinking Fund	MY 6,837,854	MY 6,837,854
Adjustment Fund for Old Loans Secured on Customs Duties and Salt Gabelle ...	46,497,739	—
Supplies	7,690,450	7,690,450
Capital Construction Bureau	6,424,919	6,300,508
Dept. of Defence		
Army Clothing Factory	MY 4,620,300	MY 4,649,029
Arsenal	3,300,000	3,300,000
Dept. of Finance		
State Properties Adjustment Fund	MY 4,907,366	MY 3,928,458
Investments	10,656,884	10,656,884
Opium Monopoly	37,692,641	32,135,389
Oil Monopoly	20,176,718	17,090,472
Salt Transportation Office	17,566,451	16,120,941
Railway Loans	49,383,237	49,383,237
Dept. of Industry		
State Forestry Enterprise	MY 10,557,600	MY 10,370,165
Dept. of Communications		
Postal Administration	MY 5,220,918	MY 5,220,918
TOTAL	MY 231,553,077	MY 173,684,305

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 per cent. of the total Ordinary Revenue of the state, or 72,041,000 yuan.

Table 5. Internal and 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.¥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
L. Central Bank of Manchou Loss Recouping Loan	33,000,000	5.0	Dec. 16, 1934	Apr. 25, 1942
Japanese:				
F. National Foundation Loan	G.¥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
M. North Manchuria Railway Purchasing Loan (3)	30,000,000	4.0	Dec. 19, 1934	Feb. 5, 1945

Note: A, L—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, K, M—Purchasing of North Manchuria Railway.

Table 6. Former Chinese Foreign Loans

Secured by Customs Revenue;	
18,982,860 Pounds	M.¥ 298,737,264
Secured by Salt Gabelle;	
66,699,598 Pounds	1,049,664,913
104,525,481 Gold Dollars	319,458,103
993,092 Florins	1,064,993
Total	M.¥ 1,668,624,973

Table 7. Redemption Fund On Same Effected By Manchoukuo

Year	MY
1932	13,475,057.00
1933	25,893,712.00
1934	32,313,900.00
1935	36,173,052.00
1936	46,497,739.00

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 deducted a fixed amount from the total revenue to redeem 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-

rests with the Nanking Government.

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 wholesale agents, and the cancellation of the appointments of such oil wholesale agents;
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 grammes of pure silver is the unit of the value. The right of minting coins and of issuing notes is an exclusive right of the Government. It is exercised by the Central Bank of Manchou by order of the Government. The yuan is divided decimally into the "Chiao" (1/10 of the yuan), the "fen" (1/100 of the yuan) and the "li" (1/1000 of the yuan).

The Central Bank of Manchou must have a reserve fund in gold or bullion, reliable foreign money, or gold or silver money deposited with foreign banks, corresponding to not less than 30 per cent. of the total value of the note issue of the Bank. The Bank should have a security reserve in the form of public bonds, or bills issued or guaranteed by the Government, or other reliable bills or bonds against the note issue beyond the currency reserve mentioned above.

Currency Stabilization.—On November 4, 1935 the Department of Finance issued a statement regarding the Government's policy for stabilizing the exchange rate of "kuopi" or the national currency against the Japanese currency, the gist of which follows:—

"The Government has for some time past been making efforts to stabilize the exchange rate of the national currency against the Japanese currency. As a result of such endeavours, our currency has attained its ideal point of stabilization, being at par with the Japanese yen since the early part of September last.

"It is very encouraging to us to learn that the Japanese Government, fully realizing the intent of our policy, has decided to render every possible assistance in its execution. We are, therefore, convinced that this support on the part of the Japanese Government will greatly contribute towards strengthening further the basis of our monetary system. Its effects will be far-reaching, inasmuch as the Japanese Government has decided upon the fundamental policy of withdrawing from circulation in Manchoukuo the notes of the Bank of Chosen, which, in the

past proved likely to hinder the stabilization of our currency, and has made it clear that it will take necessary measures to that end, expressing at the same time its intention of inducing its officials and people resident in this country to use our money as far as possible.

"Since what Manchoukuo aims at is nothing more than the unification and stabilization of the currency, it is sincerely hoped that all the Japanese banks in Manchoukuo will bear in mind the fundamental policy mentioned herein and endeavour to discharge their functions as financial organs more efficiently than before for the promotion of trade between the two countries as well as the development of industries in Manchoukuo."

Simultaneously with the publication of the foregoing statement, the Japanese Government also issued a statement on the same subject, the essential points of which are as follows:

"In view of the special and close relationship between Japan and Manchoukuo, and with a view to collaborating in Manchoukuo's efforts to stabilize and unify her currency, our Government at to-day's Cabinet Council session came to the conclusion that it was appropriate to unify our bank notes in circulation in Manchoukuo under the Manchoukuo national currency at a suitable time and thereby contribute to the stabilization of the value of that currency.

"In effecting such unification, however, not only is it necessary that precautions should be taken to prevent any disruption to the economic relations between the two countries, in particular, to our investments there, but it is also important that the withdrawal of Japanese notes should be effected gradually, as this step involves numerous matters requiring serious consideration, such as the relinquishment of our extraterritorial rights, adjustment or transfer of the administrative rights within the S.M.R. Zone, the probable effect on our banks subsequent to the proposed currency unification, etc. The Kwantung Leased Territory is not included in the area wherein the currency is to be unified.

"Based upon the aforementioned policy, we

have decided to proceed by first exercising necessary control on the business in Manchoukuo of the Bank of Chosen, and allowing it to conclude some suitable business agreement with the Central Bank of Manchou. Next, when exchange control is put into force in Manchoukuo, we hope to give proper consideration to our own exchange control so as to enable that nation to achieve the best results, at the same time causing our banks in Manchoukuo to co-operate in this matter. Furthermore, we shall encourage our officials and people in Manchoukuo to use the Manchoukuo currency as far as circumstances permit, urging especially our military stationed there and the South Manchuria Railway Company to make their payments as far as possible in 'Kuopi'.

Exchange Control.—On November 30, 1935 the Minister of Finance issued a proclamation relating to the Exchange Control Law, which became effective on December 10, 1935, the substance of which follows:—

With a view to promoting the welfare of the people and to solidifying the basis for the development of national economy, the Government, since the founding of the State, has endeavoured to unify the monetary system and to stabilize the value of the national currency. The task of unifying the monetary system has thus been nearly completed and the national currency has come to enjoy universal confidence. In surveying the economic conditions of the world, however, we note that the various nations, in their eagerness to stabilize their currencies and to improve their trade, are at present resorting to various extraordinary measures, imposing, inter alia, stringent restrictions upon trade and foreign exchange transactions. It is with the intention of coping with such an international situation and thereby safeguarding our national welfare and prosperity that the Government has decided to exercise control over foreign exchange on and after the 10th of December, 2nd year of Kangte (1935), by promulgating the Exchange Control Law and related Departmental Orders. The aim of the present legislation, therefore, is to prevent sudden and artificial fluctuations in the value of the national currency against those of foreign currencies and to consolidate the basis of the monetary system, by prohibiting speculative transactions in the national currency, preventing the flight of capital abroad, promoting better circulation of the national currency, and preventing the exodus of bullions.

Among the stipulations of the Exchange Control Law, the following matters should be

especially borne in mind by the people at large, and in as much as offenders thereof shall be severely dealt with, it is hoped that the people will strictly observe the present Law and Orders. Banks, money exchange brokers and dealers in bullions are advised to study carefully the Law and Orders, as well as other related regulations touching upon banking, money exchange, brokerage and bullion transactions.

I. Matters placed under ban

- (1) Buying or selling for speculative purposes any foreign currency (including foreign obligations) or foreign exchange (meaning bill of exchange, cheque, telegraphic and postal money order issued or drawn in this country on any foreign country and vice versa. The Kwantung Leased Territory shall be regarded as a foreign country, the same applying throughout the present legislation.); and
- (2) Buying or selling Hsien-Tayang, Hsien-Hsiaoyang or any silver coin of the former regime, the sale of such to the Central Bank of Manchou being excepted.

II. Matters requiring official permission

- (1) Buying of any foreign currency (currency circulated in accordance with Japanese law being excepted) quoted in Manchoukuo national currency or any currency circulated in accordance with Japanese law or foreign exchange (that drawn on the Kwantung Leased Territory or on Japan being excepted);
- (2) Remittance of money to any foreign country (that to the Kwantung Leased Territory or to Japan being excepted);
- (3) Any payment to be made within this country in accordance with consignment made in any foreign country (Kwantung Leased Territory and Japan being excepted);
- (4) Importation of any foreign currency (including any silver coin of the former regime, but excluding any currency circulated in accordance with Japanese law);
- (5) Exportation of gold bullion (including alluvial gold), alloy, any article made chiefly of gold, any silver coin (including any silver coin of the former regime, but excluding any silver coin circulated in accordance with Japanese law) or silver bullion;

- (6) Conveyance by transportation facilities of gold bullion (including alluvial gold), any silver coin (including any silver coin of the former regime, but excluding any silver coin circulated in accordance with Japanese law) or silver bullion;
- (7) Issue of debenture or contract for deposit as well as for loan for consumption within the country in any foreign currency (excluding that circulated in accordance with Japanese law); or
- (8) Buying or selling within the country bond and securities expressed in terms of any foreign currency (excluding that circulated in accordance with Japanese law).

III. Matters requiring no official permission

In the cases mentioned below, no official permission is required in respect of items (1), (2) and (3) of the preceding paragraph:

- (1) In case it is necessary for the importation or exportation of goods from or to any foreign country;
- (2) In case it is necessary for remitting to a claimant resident in any foreign country principal and interest of public bond, debenture loan or deposit or dividend for share and other profit coming under similar category;
- (3) In case a person intending to travel abroad finds it necessary to carry with him travelling expenses to meet his requirements for a period not exceeding one year;
- (4) In case it is necessary to remit to a

person travelling or staying abroad travelling expenses, salaries wages, allowances, school expenses or other expenses coming under similar category to meet requirements for a period not exceeding one year, or when it is necessary for remitting to one's family living abroad living expenses to meet its requirements for a period not exceeding one year.

Currency Unification. Simultaneously with its establishment, the Central Bank of Manchou amalgamated four banks, namely, the Bank of Three Eastern Provinces, the Frontier Bank, the Bank of Kirin Province and the Bank of Heilungkiang Province and took over all the note issue of these banks. It was quite uphill to regulate and redeem these notes, which were diverse in kinds and enormous in amount. They amounted to MY142,234,881 in terms of the Manchoukuo currency. Notes were issued by the Central Bank of Manchou to that extent in order to redeem the old notes, whose circulation has been limited to a period of two years. The Bank had made every effort to complete the redemption of these notes by the end of June, 1934, or by the expiration of the two year period of currency. As the redemption of notes remained to be finished, however, the period was extended a year for the benefit of the holders. This business of redeeming the old notes ended at the end of August, 1935, with such good results that 138,214,120 yen's worth of old notes had been redeemed as against the note issue of the Central Bank of Manchou of ¥142,234,881, or that 97.2 per cent. of the old notes has been withdrawn.

Table 1. Exchange Rate of New Currency for Former Currencies
(At end of 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 (bear-	

Former Currencies	Exchange rate against one yuan of New Currency
ing 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) Hsiaoyang-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 Hsiaoyang-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 on June 31, 1934.

Table 2. Amount of Old Notes Redeemed
(As on June 30, 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
(as on Dec. 31, 1934)		135,659,505.07	6,575,375.93	95.4
(as on June 30, 1935)		138,213,643.07	4,021,237.93	97.2

The amount of new notes issued by the Bank of Manchou 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, the proportion of the latter to the former being 51.3%. The following table shows the situation since July, 1932.

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

At end of	Notes Issued	Reserve (Gold & Silver)	Reserve %	Security Reserve
1932				
*July	142,234,881	80,490,183	56.6	61,744,698
July	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.	154,851,603	87,859,438	56.7	66,992,165
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	50,985,634
June	112,263,519	76,059,565	67.8	36,203,953
July	110,865,267	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.	129,809,868	68,529,237	52.8	61,280,631
Feb.	134,027,574	68,687,439	51.2	65,340,134

*—1st.

	Notes Issued	Reserve (Gold & Silver)	Reserve %	Security Reserve
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	47,735,855
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.	114,011,886	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	93,518,843
1935				
Jan.	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
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
Sept.	121,661,727	65,460,215	53.8	56,201,512
Oct.	134,973,018	69,728,628	51.7	65,244,390
Nov.	147,770,200	75,490,409	51.1	72,279,790
Dec.	178,655,996	92,230,971	51.6	86,425,024

Table 4. Amount of Subsidiary Coins Issued

At end of	(in M.Y.)				Total
	Nickel Coins		Copp Coins		
	1-Chiao Pieces	5-Fen Pieces	1-Fen Pieces	5-Li Pieces	
1933					
May	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	35,500	14,510	2,170	786,980
Nov.	1,250,880	79,000	14,510	2,170	1,346,480
Dec.	1,999,800	151,500	15,210	2,320	2,168,830
1934					
Jan.	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.	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
Sept.	16,535,200	2,222,400	1,347,560	178,770	20,283,930
Oct.	16,535,200	2,222,400	1,347,560	178,770	20,283,930
Nov.	16,535,200	2,222,400	1,347,560	178,770	20,283,930
Dec.	16,535,200	2,222,400	1,347,560	178,770	20,283,930

Table 5. Manchoukuo Yuan Foreign Exchange Rates

	Hsinking							
	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
November	108.17	147.8	32.00	159.2	1-3.03	110.8	99.30	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	153.8	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
September	100.00	136.6	29.03	144.4	1-2.10	103.9	78.59	82.1
October	100.00	136.6	28.62	142.4	1-2.02	103.3	80.37	84.0
November	100.00	136.6	28.65	142.5	1-1.98	101.7	96.42	100.7
December	100.00	136.6	28.71	142.8	1-1.99	101.7	97.65	102.0

History

Prior to the establishment of the new state the currency situation in Manchuria 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 used another province's currency according to a

different valuation. No port or city in the same province had the same currency 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 nearly ten years up to 1916. Since the price of silver rose owing to the European war, the issue of the smaller silver coins has decreased, and the note issue, nominally based on the silver coin, has come 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 the North and the 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 Tails	82 Tails	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 governments, 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) have 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 trading with China.

Copper Coins

Among native coins, a copper coin (Chichien), round in form with a square hole in the center, is the oldest in 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 coin has borne the characters of the calendar name of each Emperor. It 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 have been imprinted on each coin. "Chichien" itself signifies "Official money." Meanwhile Ssueh-chien, coins made by private guilds or persons, came into existence, besides those brought from China proper, and the old Korean and Japanese coins which were exchanged in the barter trade. In the middle of the nineteenth century, many varieties of coins 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 mint coins 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 dimi-

nished. 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 lines 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.

Another copper coins, or Tungyuan, to use the native term, were soon turned out in large quantities by the Government mints in Mukden and Kirin. Amur Province received its supplies of copper coins from the Mukden and Kirin mints. The value of these new coins was measured by the old cash. They had inscriptions such as 5 (old coins) 10 or 20 according to their sizes. 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 coins. But the Mukden Government resumed the minting in September, 1908 supplying the whole to Manchuria, particularly after the Republican 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 "Yangchien," 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 coins. 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	16,433,976	16,433,976
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 is 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 denominations hsiaoyangchien signifying small yangchien. The tayangchien circulated but little in Manchuria owing to the smallness of its issue which had 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 embarrassments 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. Large transactions 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 European war 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 amount, also, by the Mukden Government, and the value in circulation was estimated at about 90,000,000 yuan in 1929.

Silver notes are called Yangchien-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 the 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 Hsiaoyang-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, 1918. 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 300,000,000 dollars. During the civil war between the North and the 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 dollars 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, on 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 notes 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 the exchange business. 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, note), or chaopiao. The note must be silver yen, and called by the Chinese yin-piao 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 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 Specie Bank was finally authorized by an Imperial Ordinance to issue notes on gold coin 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 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 the 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 yen at the end of 1922. Meanwhile the acute fluctuations in the price of silver stopped, and the Produce Exchange of Dairen readopted (in 1923) the silver unit for account settlement.

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— 3 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 ex-

ceedingly 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 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 (1933)

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 notes listed hereunder, 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 Liaping.

References: Tables 1, 6—Manchoukuo Nienpao (Official Annual Report of Manchoukuo), 1935. 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. Tables 7, 8—Research of S.M.R.

CHAPTER XIII

BANKING

Native Banks

Central Bank of Manchou.—Prior to the establishment of Manchoukuo each province of Manchuria had a banking organ of its own. These were the Provincial Bank of the Three Eastern Provinces, the Kirin Provincial Bank and the Heilungkiang Provincial Bank.

All these banks were authorized to issue notes, each playing the role of a central bank for the province which it represented. Besides, in Mukden there was the Frontier Bank in Fengtien Province, which was also empowered to issue notes. In addition to the banking business, these banks were engaged in quite an extensive scope of business. Naturally, they were liable to be reckless in issuing notes and the resultant fall in the value of the note had very prejudicial effects upon the economics of the farming districts, the financial markets in general and indeed every economic structure of the country. Having regard to this bitter experience, the authorities of the new Government thought it as of urgent necessity to regulate and control the currency system immediately after the founding of the Empire and established a central bank styled the "Central Bank of Manchou." It was brought into being on June 11, 1932 by the amalgamation of the abovementioned four government banks of the former regime with a capital of MY30,000,00. It has 125 branch offices and agencies throughout the country.

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

- (1) To unify and stabilize the currency;
- (2) To function not only as a central banking institution for Manchoukuo, but also to engage in general banking business and give necessary aid to enterprises;
- (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 institutions 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:—

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 the pawning business, brewing, oil refining and sundry goods besides popular financing. However, such commercial and industrial enterprises as lumbering, flour-milling, paper manufacture, 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 of Manchou

- (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 receive money on deposit, and to make overdraft.
- (4) To buy and sell gold and silver bullion, and foreign money.
- (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

- (7) To make loans generally on safe security.
 - (8) To collect money on bills for banks and firms having accounts with the Bank.
 - (9) To draw cheques and documentary drafts.
- Besides the above the Bank is authorized to purchase national bonds, provincial bills and bonds, also valuable papers specified by the Government.

The Central Bank of Manchou is legally a joint-stock company organized by the Government and people, but heretofore 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 approval of the Government. In 1934 the Government had subscribed to 15,000,000 yuan, or one-half of the authorized 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 in compliance with the provisions 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 1. 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	Dec. 31, 1935
Capital Unpaid	MY 15,000,000.00	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	52,946,452.46
Time Loans	19,873,521.71	23,343,903.11	12,525,194.07	17,354,030.94
Time Loans on Mortgage	32,651,139.61	46,039,784.95	40,529,372.71	51,315,253.83
Overdrafts	28,656,577.81	60,965,209.23	46,639,299.75	45,009,980.42
Bills Discounted, etc. ..	926,430.70	2,298,412.87	4,389,308.24	1,810,569.67
Loans Outstanding	8,796,821.09	7,845,609.28	8,652,947.65	2,564,906.33
Deposits with other Banks	60,546,691.96	50,439,837.05	41,359,429.85	82,062,017.53
Liabilities of Customers against Acceptance and Guarantee	576,576.90	504,039.90	280,779.51	231,960.00
Suspenses (Short-term Advances)	14,915,015.78	11,896,427.35	10,719,361.33	1,660,121.37
Various Securities	57,289,364.49	58,973,071.95	58,653,838.30	60,050,013.10
Bullions	37,080,687.61	38,538,535.76	40,490,064.82	50,448,382.44
Bank Properties	19,223,063.71	21,312,495.76	18,590,039.50	20,800,574.69
Cash on hand	7,902,696.63	7,566,166.44	10,432,923.38	10,684,876.89
Total	MY322,538,568.00	MY369,323,493.65	MY342,009,011.57	MY411,938,839.67
	II. Liabilities			
Capital Subscribed	MY 30,000,000.00	MY 30,000,000.00	MY 30,000,000.00	MY 30,000,000.00
Legal Reserve	525,000.00	777,000.00	1,050,000.00	1,380,000.00
Notes Issued	100,540,956.43	168,332,756.45	113,692,412.75	178,655,996.50
Government Deposits ..	54,867,174.48	51,210,365.04	73,476,568.53	73,734,877.94
Fixed Deposits	6,718,183.97	7,886,991.02	7,279,434.39	21,036,218.66
Current Deposits	28,126,952.53	22,430,640.57	24,875,025.87	30,030,045.18
Special Current Deposits	3,954,612.88	5,480,372.88	6,449,253.79	8,577,441.75
Deposits at Notice	31,764,015.08	11,402,062.76	19,823,113.45	12,888,352.38
Bills Issued	96,223.49	—	—	—
Other Deposits	1,651,687.24	2,960,425.92	5,393,361.72	5,667,776.25
Loans from Other Banks	18,430,700.88	20,753,810.46	17,389,838.25	18,000,000.00

	June 30, 1934	Dec. 31, 1934	June 30, 1935	Dec. 30, 1935
Bills Payable	2,088,405.58	2,011,180.97	1,416,881.41	1,677,035.81
Acceptance and Guarantee Suspenses (Short-term Deposits)	576,576.90	504,039.90	280,779.51	231,960.00
Balance Carried over ..	42,230,849.33	44,520,000.13	39,604,045.84	28,560,159.69
Net Profit for the Half Year	160,087.46	230,229.21	295,847.55	413,295.88
Total	807,141.75	823,618.34	932,448.33	939,362.51
	MY322,538,568.00	MY369,323,493.65	MY342,009,011.57	MY411,938,839.67

Profit and Loss Account

	MY 6,521,237.71	MY 6,445,147.09	MY 8,554,211.86	MY 7,699,140.16
Total Gross Profit for the Period				
Total Gross Loss for the Period	5,714,095.96	5,621,528.75	7,621,763.53	6,759,777.65
Net Profit for the Period	807,141.75	823,618.34	932,448.33	939,362.51
Balance Carried Over ..	160,087.46	230,229.21	295,847.55	413,295.88
Total	MY 967,299.21	MY 1,053,847.55	MY 1,228,295.88	MY 1,352,658.39

Allocation of Profits

	MY 65,000.00	MY 68,000.00	MY 100,000.00	MY 100,000.00
Reserve against Loss and Contingencies				
Reserve for Dividend ..	17,000.00	25,000.00	30,000.00	50,000.00
Special Reserve	170,000.00	180,000.00	200,000.00	200,000.00
Bonus for Executives ..	35,000.00	35,000.00	35,000.00	45,000.00
Dividend for Shareholders (6% per annum)	450,000.00	450,000.00	450,000.00	450,000.00
Balance Carried forward	230,229.21	295,847.55	413,295.88	507,658.39

Other Native Banks.—The organs for monetary circulation in Manchuria consisted of ordinary banks, exchanges and pawn-shops. The ordinary banks were in a very infantile stage of development due to the utter disorganization of the currency system and the pressure brought to bear upon them by the government banks and other banking institutions of the military clique and also by foreign banks. Even those large ordinary banks, which had been supported by the government banks had almost lost their inherent function partly through lapses in the way of pursuing policy and partly the world-wide depression and the political uneasiness following the Manchurian incident.

The exchange and pawn-shops are nothing but financial organs of primitive character which have

grown to meet the needs of the merchants and manufacturers and the farmers of the middle classes and downwards.

Under the circumstances, there was almost no bank properly functioning at the time of the founding of Manchoukuo. It is for this reason that the Government enacted the Bank Act, the full text of which is given elsewhere under the present chapter, for the purpose of reviving the ordinary bank and helping in its healthy development thereby protecting the interests of the depositors. In 1934 there were seven prominent native banks in Manchoukuo, including the Central Bank of Manchou. The larger banks are chiefly in Hsinking and Mukden. A table of Manchou banks in the country in 1936 is given below:—

Table 2. Principal Native Banks in Manchoukuo (1936)

	Head office	No. of Branches	Established	Capital	
				Nominal	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 & Indus- trial Bank	Mukden	—	1934	2,200,000	2,200,000

	Head office	No. of Branches	Established	Capital	
				Nominal	Paid up
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
Shengyang Bank	Mukden	—	1934	400,000	200,000
Mukden Forestry Bank	Mukden	—	1934	390,000	390,000
Antung Local Bank	Antung	—	1934	400,000	200,000
Huihua Bank	Hsinking	—	1934	250,000	250,000
Mukden Exchange Bank	Mukden	—	1935	1,000,000	400,000
Shuisiang Bank	Harbin	—	1935	300,000	300,000

Table 3. Assets and Liabilities of Native Ordinary Banks and Chinese Banks in Manchoukuo (as on 31st Jan., 1935) Unit: MY

	Fengtien Province	Kirin Province	Chinchow Province	Antung Province	Sankiang Province	
No. of Bank	18	1	4	7	1	
Capital Unpaid	1,400,000	—	50,000	—	—	
Loans	14,542,306	1,397,051	181,134	2,719,631	116,330	
Deposits with Other Bank	962,597	635,366	88,714	159,723	—	
Futures Bought	15,000	1,252,697	—	—	—	
Various Securities	160,897	10,424	—	476,869	—	
Bullions	1,229	5,586	—	—	—	
Bank Properties	4,552,851	121,128	7,821	563,693	2,198	
Cash on Hand	174,689	51,355	63,096	37,531	3,055	
Others	677,310	922,957	56,120	81,332	1,362	
Total	22,486,879	4,396,564	446,886	4,038,779	122,945	
Capital Subscribed	7,319,000	500,000	120,000	2,105,000	24,000	
Reserves	593,291	142,203	28,347	835,598	13,500	
Deposits	4,162,202	728,312	239,333	704,257	22,345	
Loans from Other Banks	9,078,851	—	1,557	217,370	—	
Money Orders	140,674	1,774,157	2,664	19,764	44,014	
Futures Sold	—	1,227,280	—	—	—	
Others	1,192,861	24,612	54,985	156,790	19,086	
Total	22,486,879	4,396,564	446,886	4,038,779	122,945	
	Hsinking Province	Hsinking	Harbin	Total	Chinese Banks	Grand Total
No. of Banks	4	4	12	51	24	75
Capital Unpaid	50,000	1,000,000	200,000	2,700,000	—	2,700,000
Loans	229,239	4,940,636	4,669,943	28,796,270	22,084,013	50,880,285
Deposits with Other Banks	32,881	829,776	2,955,092	5,664,149	9,275,407	14,939,556
Futures Bought	—	—	727,797	1,995,494	1,727,038	3,722,532
Various Securities	8	47,210	60,879	756,287	4,612,631	5,368,918
Bullions	15,669	4,678	14,364	41,526	5,507	47,033
Bank Properties	6,045	151,300	443,894	584,893	4,499,250	10,349,180
Cash on Hand	17,410	105,532	330,847	783,516	1,275,703	2,059,219
Others	90,782	915,393	489,264	3,234,516	12,585,349	15,819,865
Total	442,034	7,994,525	9,892,076	49,820,688	56,064,898	105,885,586
Capital Subscribed	190,000	2,270,000	1,550,000	14,078,000	200,000	14,278,000
Reserves	2,305	330,265	153,722	2,099,731	7,230	2,106,961
Deposits	134,294	2,988,540	5,359,675	14,338,958	26,185,669	40,524,627
Loans from Other Banks	18,942	678,882	496,129	10,490,731	2,709,280	13,199,911
Money Orders	33,390	1,301,988	795,035	4,111,686	853,848	4,965,534
Futures Sold	5,893	—	733,473	1,966,646	1,614,598	3,581,244
Others	56,710	424,850	805,042	2,734,936	24,694,273	27,429,209
Total	442,034	7,994,525	9,892,076	49,820,688	56,064,898	105,885,586

Credit Associations

The pawn-shops had been the only organ of monetary circulation for the merchants and manufacturers of the middle class and the agricultural districts. That was very inconvenient especially for the agricultural industry which has

to be financed easily at a moderate rate and for a long period of time. After considering various measures to be taken to meet the situation, the authorities of the new Government established in 1932 credit associations one each in Shengyang and Fuh sien after the manner of similar institu-

tions in Germany, Japan, Korea and Kwantung Province. The following year eleven more associations were established one each in eleven hsien (counties) under the jurisdiction of Mukden, Kirin and Heilunkiang Provinces. On September 17, 1934 the Credit Association Act was promulgated. On the 17th of the following December thirteen of these associations under the new law formed themselves into a federation, of which Mr. K. Tanaka, director of the Financial Affairs Bureau of the Department of Finance, was appointed Chief Director. In 1935 39 new associations were organized, making the total of these financial organizations now extant 52. The Department of Finance contemplates bringing the total up to 300 within five years.

Outline of Credit Association.—A general idea of the Credit Association according to the Credit Association Act referred to above may be gathered from the following:

- (1) **Object and Organization:** The Credit Association is a corporate juridical person having for its object accommodating funds to its members for the purpose of promoting their economic status.
- (2) **Business:** The business of the Credit Association consists in (a) loaning to its members such an amount of funds as may be deemed necessary for their economic development, (b) receiving money on deposits from the members (c) receiving from the members money periodically for reserves. With approval of the Minister of Finance the Credit Association may deal with the outsider, or non-member in regard to the latter two forms of business.
- (3) **Special Favours By the Government:** The Credit Association is entitled to receive great favours from the Government. In the early days of its establishment when it cannot gain enough earnings, it can be subsidized by the Govern-

ment for defraying a part of its upkeep and also can borrow funds from the Government without interest as a part of working capital. Moreover, the Association is entitled to obtain low-interest loans from the Central Bank of Manchou through the Federation.

- (4) **Subscriptions:** A subscription to the fund is fixed at ¥5.00 in the case of the village association and at ¥20.00 in the case of the town institution. The subscriber finds no difficulty in paying the subscription since the call is to be made at several different times.
- (5) **Rights and Obligations of Members:** No one can be a member of the Credit Association without subscribing to one or more shares. Any member can transfer his share or shares to others with the consent of the Association. When any member is in need of funds, he can receive from the Association a loan not exceeding ¥200.00 without security and not exceeding ¥500.00 with security in the case of a village association. In the case of a town institution a member can borrow a sum not exceeding ¥1,000.00 without security and not exceeding ¥3,000.00 with security. The member is entitled to receive, according to his amount of subscriptions, distribution of any surplus which may be found on the annual settlement of the accounts.

The accounts of the credit associations for their first financial year were closed on June 30, 1935. Advances during the year under review aggregated ¥8,360,000, recoveries ¥2,914,000, the outstanding amount of advances at the end of the year ¥5,446,000, deposits ¥8,011,000, payments ¥7,321,000 and the balance of deposits at the year-end ¥690,000. There was a surplus of ¥41,000.

Table 4. State of Business of Credit Associations at End of Aug., 1935
(Unit: MY)

Province	(A) Assets						Total
	Investments Unpaid	Advances	Deposits	Miscellaneous	Loss	Cash	
Kirin	56,851.00	1,097,978.00	347,487.20	25,067.18	68,921.92	11,814.65	1,608,119.95
Lungkiang	42,522.00	584,551.38	195,435.27	20,905.77	66,949.66	16,806.13	927,170.21
Sankiang	7,919.00	153,063.50	100,109.52	4,103.23	15,052.14	501.75	280,749.14
Pinkiang	30,223.00	576,398.00	203,044.49	15,281.11	54,261.43	9,514.51	888,722.54
Antung	7,600.00	105,793.00	90,830.54	9,448.64	19,848.38	214.64	233,735.20
Fengtien	123,680.93	3,395,913.62	1,363,620.81	58,241.17	180,524.71	101,002.42	5,222,983.66
Chinchow	40,850.00	843,117.37	273,443.02	16,175.31	57,657.09	16,669.77	1,247,912.56
Jehol	5,572.00	104,855.00	68,423.67	3,905.32	16,955.54	1,057.85	200,769.38
Hsingan South	460.00	—	24,002.24	1,063.79	3,633.88	208.67	29,368.58
Total	315,677.93	6,861,669.87	2,666,396.76	154,191.52	483,804.75	157,790.39	10,639,531.22

(B) Liabilities

Province	No. of Associations	Membership	Investments	Reserves	Borrowing
Kirin	12	11,866	71,385.00	16,646.64	885,500.00
Lungkiang	13	9,954	54,295.00	7,201.00	478,000.00
Sankiang	3	2,047	9,940.00	3,094.00	150,000.00
Pinkiang	12	8,168	40,815.00	11,460.08	439,500.00
Antung	5	1,900	9,500.00	1,000.00	105,000.00
Fengtien	23	33,686	180,815.00	26,882.60	3,451,000.00
Chinchow	9	10,682	53,840.00	4,200.00	767,000.00
Jehol	4	1,339	6,965.00	2,255.61	80,000.00
Hsingan South	1	115	575.00	—	—
Total	82	79,752	428,130.00	72,739.93	6,356,000.00

Province	Fund Loaned from Govt.	Deposits & Periodic Reserves	Miscellaneous	Profits	Total
Kirin	240,000.00	321,123.48	11,978.14	61,486.69	1,608,119.95
Lungkiang	260,000.00	40,581.36	25,573.26	61,269.59	927,170.21
Sankiang	60,000.00	40,341.33	2,028.88	15,344.93	280,749.14
Pinkiang	240,000.00	94,147.25	8,764.06	54,036.15	888,722.54
Antung	80,000.00	80,000.00	2,802.66	27,389.66	233,735.20
Fengtien	480,000.00	854,469.94	22,184.87	207,631.25	5,222,983.66
Chinchow	180,000.00	183,765.38	2,365.99	56,741.19	1,247,912.56
Jehol	80,000.00	6,410.95	3,870.46	21,267.36	200,769.38
Hsingan South	20,000.00	2,667.00	37.00	6,089.58	29,368.58
Total	1,640,000.00	1,551,799.57	79,605.32	511,256.40	10,639,531.22

Foreign Banks

Foreign banking institutions in Manchoukuo represent Japan, China, America and other countries. The Japanese banks have been most active during the last few years due largely to the increasing volume of business between the two countries. In 1935 there were ten prominent Japanese, five Chinese and five European and American banks in Manchoukuo.

Japanese Banks

Yokohama Specie Bank.—A Japanese banking institution in Manchoukuo appeared for the first time in January, 1900 when the Yokohama Specie Bank opened a branch at Newchwang. In 1902 the Tientsin branch of the Bank started an issue of notes, and later the Newchwang branch also commenced an issue of notes. The opening of the Russo-Japanese War suddenly stimulated the activity of the Y.S.B. branches of those districts.

By the Imperial Ordinance No. 27 issued in September, 1906 the Yokohama Specie Bank was recognized as the 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 the Kwantung Leased Territory decided to use the gold notes as the standard for its revenue in order to stabilize its financial position. The South Man-

churia 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 notes in Manchuria, the Bank hoped to be 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 into gold coins or to Bank of Japan notes, besides silver notes which it had been issuing. In October, 1919 the Bank made its first issue of gold notes.

Bank of Chosen.—Due to the economic development of Manchuria, the Japanese Government recognized the need of special banking institutions for the benefit of Japanese business men 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.

Oriental Development Co.—The Government also commissioned the Oriental Development Company which entered the field of Manchuria to undertake the task of providing funds required

for real estate deals. As a result, the Yokohama Specie Bank was obliged to return to its original field of an exchange bank. Thus, the Yokohama Specie Bank, the Bank of Chosen and the Oriental Development Company have become three main Japanese banking organizations in Manchuria in their respective fields of activity.

The Japanese banking policy in Manchuria

started with the silver standard. Later the bimetalism was adopted in order to gradually unify the currency by the gold standard.

Principal Japanese banks (exclusive of the Oriental Development Company) doing business in Manchoukuo are detailed in the following table:—

Table 5. Principal Japanese Banks in Manchoukuo (1936)

	Head Office	Branches in Manchoukuo	Est.	Capital		Reserves (¥)
				Nominal (¥)	Paid-up (¥)	
Yokohama Specie Bank ...	Yokohama	6	1180	100,000,000	100,000,000	142,935,390
Bank of Chosen	Keijo	13	1909	40,000,000	15,000,000	7,927,226
Shoryu Bank	Dairen	12	1908	12,000,000	5,624,375	1,217,634
Manshu Bank	"	18	1923	10,000,000	2,906,623	1,260,715
Nikka Bank	Tiehling	—	1919	500,000	500,000	73,710
Hsinking Bank	Hsinking	—	1917	1,000,000	400,000	265,491
Antung Commercial Bank ..	Antung	—	1919	500,000	125,000	176,311
Kyosei Bank	"	—	1920	1,000,000	250,000	156,723
Shinko Bank	Yingkow	—	1918	1,175,000	500,000	133,601
Kirin Bank	Kirin	—	1920	300,000	75,000	83,476

Branch Office:

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

Manshu Bank—Chinchou, 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, Ssuningkai, Lungchingtsun.

Table 6. Conditions of Japanese Banks in Manchoukuo (in Gold Yen, Silver Yen and the Manchoukuo Yuan)

1934	Deposits	Loans	Cash on hand at the end of month	1935		
				January	February	March
January						
Gold	228,162,139	191,928,642	7,058,410	255,382,000	198,004,000	9,283,000
Silver	28,550,823	9,439,888	6,258,124	23,254,000	5,563,000	7,308,000
M.Y.	10,053,000	11,208,000	656,000	17,356,000	13,211,000	367,000
February						
Gold	220,624,167	196,655,113	5,209,379	286,660,000	206,916,000	8,715,000
Silver	29,619,190	12,383,194	5,757,564	17,673,000	6,049,000	6,142,000
M.Y.	9,439,000	12,036,000	1,391,000	20,503,000	14,346,000	430,000
March						
Gold	253,670,176	204,847,427	7,529,347	265,060,000	210,794,000	9,248,000
Silver	34,060,338	11,427,181	6,839,839	17,037,000	6,378,000	5,845,000
M.Y.	10,422,000	11,794,000	716,000	23,485,000	16,489,000	569,000
April						
Gold	263,524,299	211,171,229	7,444,823	271,441,000	224,604,000	9,771,000
Silver	36,673,212	9,667,270	6,767,186	19,612,000	8,244,000	6,370,000
M.Y.	13,667,000	11,702,000	683,000	24,154,000	21,858,000	489,000
May						
Gold	283,441,000	206,689,000	7,277,000	267,272,000	238,880,000	11,842,000
Silver	32,821,000	10,449,000	6,719,000	24,802,000	10,515,000	6,012,000
M.Y.	13,129,000	13,411,000	616,000	18,000,000	29,957,000	662,000
June						
Gold	261,322,000	197,774,000	9,035,000	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

	Deposits	Loans	Cash on hand at the end of month
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
June			
Gold	256,832,000	234,795,000	11,043,000
Silver	9,052,000	6,272,000	4,854,000
M.Y.	25,334,000	30,427,000	461,000
July			
Gold	245,466,000	233,072,000	8,793,000
Silver	10,929,000	4,645,000	4,835,000
M.Y.	31,555,000	23,487,000	480,000
August			
Gold	255,376,000	226,726,000	8,526,000
Silver	10,565,000	3,186,000	4,254,000
M.Y.	37,922,000	20,382,000	529,000
September			
Gold	260,858,000	242,905,000	11,947,000
Silver	11,482,000	3,128,000	4,873,000
M.Y.	30,594,000	17,904,000	572,000
October			
Gold	270,708,000	231,979,000	12,873,000
Silver	14,123,000	3,330,000	4,551,000
M.Y.	24,810,000	21,001,000	392,000
November			
Gold	291,834,000	241,707,000	10,668,000
Silver	13,432,000	3,467,000	4,094,000
M.Y.	24,544,000	25,238,000	594,000
December			
Gold	314,238,000	235,542,000	12,330,000
Silver	8,834,000	3,859,000	3,472,000
M.Y.	26,979,000	42,322,000	1,801,000

Chinese Banks

The Chinese banks in Manchoukuo are under the supervision of the Department of Finance of the Manchoukuo Government as the ordinary banks according to the Bank Act. Owing to the fact that the head offices of all the Chinese banks in Manchoukuo are within the realm of China and consequently not amenable to the Manchoukuo legislation, they are caused to deposit with the Government a certain sum of money simultaneously with the granting of a charter for their inauguration of business against their prospective liabilities and so protect the interests of depositors. Those Chinese banks, which have branches or agencies in the districts

under the jurisdiction of the Kwantung Government are not, of course, amenable to the Manchou Bank Act.

The principal Chinese banks doing business in Manchoukuo are the Bank of China, the Bank of Communications, the Chincheng Bank, Tachung Bank and Tunglai Bank.

Bank of China.—The Bank of China, whose branch is in Mukden, was established in 1911 with a capital of 25,000,000 yuan, of which 24,712,200 yuan is paid up. It is the first class bank in China. The Head Office is in Shanghai. Originally it was known as the Huipu Bank which was established in 1908 with a capital of Tis. 10,000,000. Later it was renamed as the Taching Bank. It was after China became a republic and the bank was again renamed the Bank of China that it extended its activity to Manchuria. Its first branch was established in Changchun in 1913. In 1927 it was removed to Harbin in order to meet the growing economic activity in that place. Prior to this, or in 1919 a branch office was opened in Mukden. Thus, the Bank of China exerted influence over both North and South Manchuria. The situation has changed since the foundation of Manchoukuo. In 1935 in Hsinking there was established the Manchou Headquarters of the Central Bank of China. Although the Bank has many branches and sub-branches with Mukden and Harbin as the centre, it wields no such influence as it once enjoyed together with the former government banks and the frontier banks. Since the independence of Manchoukuo, the Bank has lost the privilege of dealing with public money and of issuing notes, and with the growing credit of the Central Bank of Manchou, it has gradually lost its hold on the exchange business.

Bank of Communications.—The Bank of Communications was founded in 1907 as a direct organ of the quondam Post and Telegraph Department of China with the object of promoting the railway, steamship, postal and telegraph services. The authorized capital is 10,000,000 yuan, of which 8,715,600 yuan was paid up. It is one of the two largest special banks of China, the other being the Bank of China. The Bank extended its activity to Manchuria in June, 1909 when it established a branch office at Yinkow. Later branches were opened in Changchun and Mukden. After the inauguration of the Republican regime other branches were set up in Harbin, Kirin and Heilungkiang. At present the branch office is in Hsinking and sub-branches are in Harbin, Kirin, Tsitsihar, Mukden and Yingkow. Harbin and Mukden are still the centre

of the activity of the Bank.

Chincheng Bank.—The Chincheng Bank was established in May, 1917 with a capital of 10,000,000 yuan, of which 7,000,000 yuan is paid-up. The Head Office is at Shanghai. The Harbin branch was set up in May, 1931.

Tachung Bank.—The Tachung Bank was

brought into being in March, 1929 with a capital of 4,000,000 yuan, of which 2,600,000 is paid-up. Its Manchou branch is at Harbin.

Tunglai Bank.—The Bank is capitalized at 3,000,000 yuan and has its Head Office at Tientsin and a branch at Dairen.

Table 7. Principal Chinese Banks in Manchoukuo (1935)

	Head office	Branches in Manchoukuo	Estab-lished	Capital	
				Nominal	Paid-up
Bank of China	Shanghai	14	1905	(M¥) 25,000,000	24,712,200
Bank of Communications	"	9	1907	10,000,000	8,715,600
Chincheng Bank	Harbin	1	1917	10,000,000	7,000,000
Tachung Bank	"	—	1929	4,000,000	2,600,000

Table 8. European and American Banks in Manchoukuo (1935)

	Head office	Estab-lished	Capital		Reserves	Branches in Manchoukuo
			Nominal	Paid-up		
Hongkong & Shanghai Banking Corporation	Hongkong	1865	\$ 50,000,000	20,000,000	10,000,000	Dairen, Mukden, Harbin
National City Bank of New York	New York	1812	G\$127,000,000	127,000,000	40,944,550	Dairen, Harbin
Chartered Bank of India, Australia and China	London	1853	£ 3,000,000	3,000,000	3,000,000	Harbin
Trifcor Bank	Shanghai	1927	G\$ 100,000	100,000	—	Harbin, Hailar
Banque Franco-Asiatique	Paris	1928	Frs. 25,000,000	6,900,000	—	Harbin, Mukden
International Savings Society	Shanghai	1912	St.\$ 2,797,203	—	—	Hsinking, Mukden, Hailung, Harbin, Antung

Other Foreign Banks

Excepting the Japanese and Chinese banks, there are only five foreign banks in Manchoukuo representing England, the United States and

Huifeng Bank.—The Huifeng Bank, which is an English bank commonly known as the Hongkong Shanghai Banking Corporation, was established in Hongkong in 1865 with a capital of 50,000,000 Chinese dollars, of which 20,000,000 dollars is paid up. It shows great activity as an issuing and exchange bank, in South and Central China with Honkong as the centre. With the declining of the activity of Russian banks in North Manchuria, the Bank extended its activity to Harbin. It has branches in Harbin, Mukden and Dairen. It is engaged chiefly in financing industries and the import trade in miscellaneous goods.

Huachi Bank.—The Huachi Bank, an American bank, was established in 1901. In 1926 it was merged in the National City Bank of New

France. They show activity chiefly in Harbin, Mukden and Dairen. The five banks are as follows:—

York (established in 1812). It is capitalized at \$127,000,000 and has reserves for \$40,944,550. It has branches in Harbin and Dairen. The Bank's advances in Manchoukuo have so far been limited to leading American and European business men and a portion of Manchou capitalists.

Maichiali Bank.—The Maichiali Bank is an English bank. It is widely known as the Chartered Bank and has its head office at London. It is capitalized at £3,000,000. It was in 1928 that the Bank extended its activity to Manchuria. It has a branch office at Harbin.

Hsinchi Bank.—The Bank, which is an American bank known as the Trifcor Bank, was founded in 1927 and capitalized at \$100,000. The Head Office is at Shanghai. It has branches at Harbin and Hailar.

hai. It has branches at Harbin and Hailar. Paris. The authorized capital is 25,000,000 francs, of which 6,900,000 francs is paid-up. It Franco-Asiatique was established in 1928 in has branch offices at Harbin and Mukden.

Table 9. (A) Domestic P.O. Money Orders Issued (1934—1935)

	Ordinary Money Order		Petit Money Order		Total	Amount (M¥)
	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	41,308	—	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
July	24,610	584,091	14,995	192,871	—	776,962
August	23,185	596,302	14,172	183,597	—	779,899
September	25,584	609,031	17,882	231,818	—	840,849
October	24,760	635,188	17,647	228,879	—	864,067
November	24,564	621,986	18,236	240,622	—	862,608
December	27,247	724,027	20,425	272,849	—	996,876
Total	285,268	7,298,293	171,963	2,237,747	—	9,536,060

(B) Domestic P.O. Money Orders Paid (1934—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
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	—	792,252
May	23,013	589,527	13,142	168,011	—	757,538
June	24,754	606,363	14,612	187,256	—	793,619
July	23,360	567,738	14,785	190,673	—	758,411
August	23,150	598,713	14,076	183,080	—	781,794
September	25,977	606,363	17,681	226,876	—	833,239
October	24,459	642,809	17,882	232,963	—	875,772
November	24,400	624,556	17,946	236,960	—	861,516
December	25,780	687,684	19,213	257,471	—	945,155
Total	286,176	7,328,709	169,578	2,210,450	—	9,547,160

Table 10. (A) P.O. Money Orders For Japan Issued (1934—1935)

1934:	Ordinary Money Order		Petit Money Order		Total Amount (M¥)
	No. of Cases	Amount (M¥)	No. of Cases	Amount (M¥)	
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	139,529	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
July	6,006	183,533	25,137	369,450	552,983
August	6,791	217,024	27,412	391,642	608,666
September	6,620	230,263	40,448	575,335	805,598
October	7,819	273,239	30,214	431,818	705,057
November	7,974	266,549	30,129	428,577	695,126
December	8,848	322,789	37,121	541,037	863,828
Total	83,629	2,725,692	291,690	4,181,643	6,997,337

(B) P.O. Money Orders For Japan Paid (1934—1935)

1934:	Ordinary Money Order		Petit Money Order		Total Amount (M¥)
	No. of Cases	Amount (M¥)	No. of Cases	Amount (M¥)	
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
July	292	34,550	3,388	49,435	83,985
August	377	44,345	3,447	46,586	90,931
September	365	50,567	5,533	76,517	126,084
October	378	49,607	4,348	61,225	110,832
November	477	47,680	4,527	63,217	110,897
December	371	42,972	4,847	68,770	111,742
Total	4,278	502,396	44,448	606,352	1,107,748

Table 11. P.O. Money Orders For China Issued & Paid (1935)

1935:	Issued		Paid	
	No. of Cases	Amount (M¥)	No. of Cases	Amount (M¥)
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
September	4,199	126,527	1,376	77,055
October	4,232	140,618	2,130	79,317
November	4,610	152,858	2,057	63,777
December	8,068	298,616	2,057	63,956
Total	55,092	1,992,863	18,985	670,050

Table 12. Money Order Issued and Paid by Native Ordinary Banks and Chinese Banks in Manchoukuo (1932-33)
(Unit: M¥)

	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 "	47,177,480.06	16,204,522.20	63,382,002.26
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	20,698,908.68	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	65,483,513.74	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 merge 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.

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. Article 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 nationalities and addresses.

The preceding provisions shall apply mutatis mutandis to a person or persons with non-juridical 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 established 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 Articles 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;
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 therefore, 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 has been suspending the refunding or payment of deposits has resumed the same business;
7. In case 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 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 Min-

ister 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).

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 carries 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 of 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. Reorganization in the juridical person;
4. 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 1 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: Table 1—Report of the Central Bank of Manchou. Tables 2, 3, 4, 6, 8—Research of the Bank Section, Finance Department. Table 5—Keizai Kinyu Gaikyo (Monthly Financial and Economic Report of Manchoukuo), published by the Central Bank of Manchou. Table 7—Manshu 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.

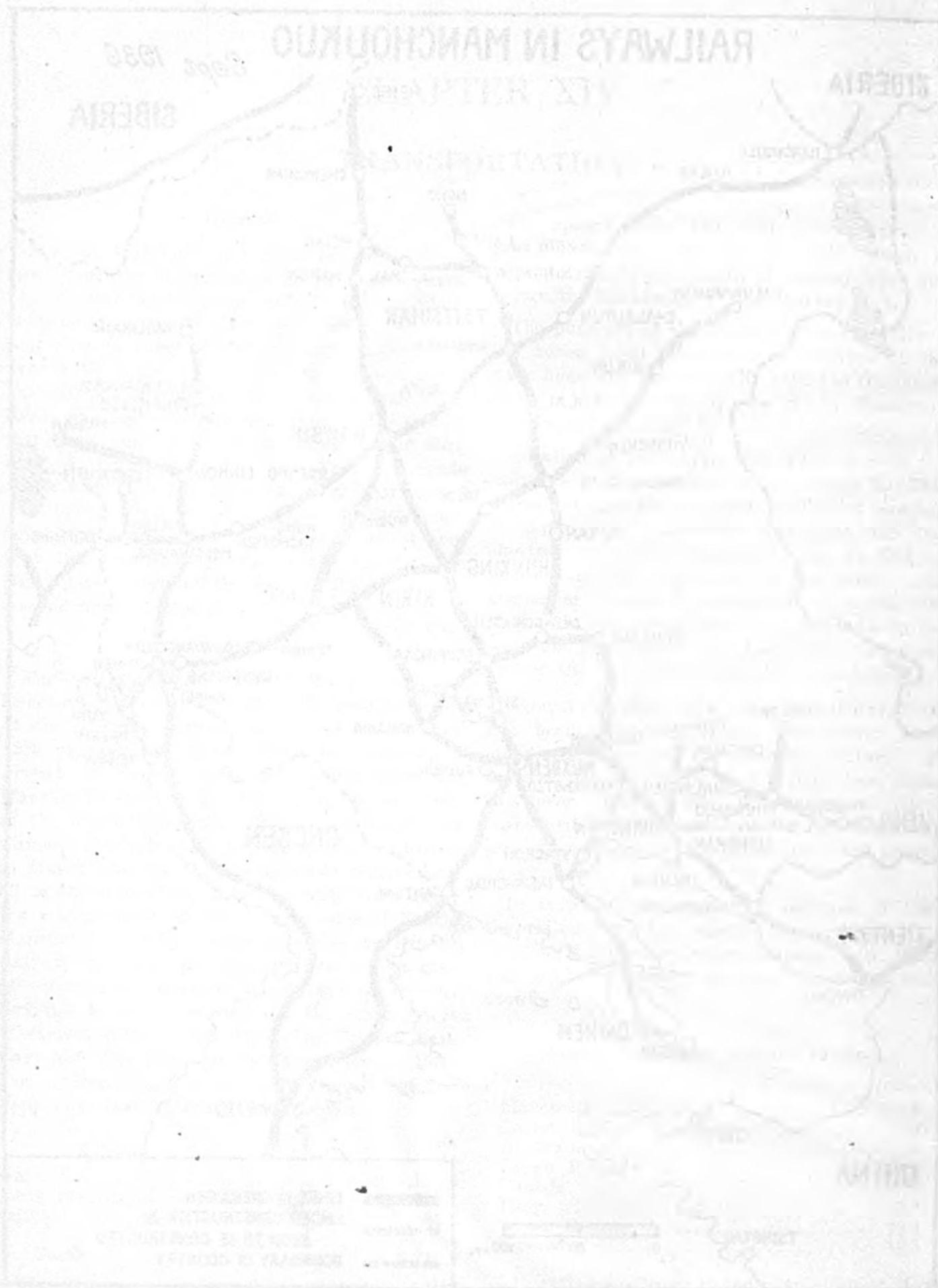


Table 2. Railway Mileage to Population

	(Kms.)
Manchoukuo	2.2
China3
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, Tsitsihar 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
Hopeh	Koupangtzu-Hopeh	91.1	"	1900
Chin-Cheng	Chinchow-Chengteh	348.9	"	1936
Peipiao	Chinlingssu-Peipiao	17.9	"	1924
Yeh-Feng	Yehpaishu-Chihfeng	146.9	"	1935
Hulutao	Lienshan-Hulutao	11.9	"	1911
Huangkutun	Mukden Station-Huangkutun	2.8	"	1934
Ping-Tsi	Ssupingkai-Tsitsihar	571.4	"	1926
King-Pai	Hsinking-Paichengtzu	332.6	"	1935
Pai-Wen	Paichengtze-Solun	190.8	"	1935
Yushu	Yushutun-Anganki	6.4	"	1929
Feng-Ki	Mukden-Kirin	447.6	"	1928
Sian	Shaho-Sian	67.3	"	1927
King-Tu	Hsinking-Tumen	528.0	"	1933
Naitzushan	Weiho-Naitzushan	10.0	"	1929
Chao-Kai	Chaoyangchuan-Kamisanbo	62.4	"	1934
La-Pin	Pinkiang-Lafa	271.7	"	1934
Sankoshu Bund	Sankoshu-Bund	3.5	"	1934
Pin-Pei	Sankoshu-Peian	326.1	"	1933
Machuankow	Hsinsungpu-Machuankow	11.6	"	1928
Pei-Hei	Peian-Heiho	302.9	"	1935
Heiho Bund	Heiho-Heiho Bund	4.2	"	1935
Tsi-Pei	Tsitsihar-Peian	230.4	"	1933
Noho	Ningpei (Moutankiang)-Linkow	110.0	"	1935
Tu-Ning	Tumen-Moutankiang	248.7	"	1935
Ning-Chia	Ningnien-Noho	86.8	"	1930
Hsiao-Hsin	Hsiaokuchia-Hsinchen	9.1	"	1934
Lin-Mi	Linkow-Mishan	170.9	"	1935
Ssu-Si	Ssupingkai-Sian	82.5	"	1935
North Manchuria Lines (Former Chinese Eastern Railway):				
South Line (Pin-King)	Harbin-Hsinking	240.2	"	1935
Eastern Line (Pin-Sui)	Harbin-Suifenho	546.4	"	1935
Pin-Kiang	Harbin-Pinkiang	2.5	"	1934
Pachu Bund	Harbin-Pachu Bund	3.0	"	1934
Taoli Bund	Harbin-Taoli Bund	4.0	"	1934
Western Line (Pin-Chou)	Harbin-Manchouli	934.8	"	1935

New Lines. Railway lines newly opened to traffic after the Manchurian incident aggregated 2,559.3 kilometers on Dec. 31, 1935 and are classified as follows:

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
Paichengtzu-Talai (a part of Hsin-king-Paichengtzu)	119.0	1935
Linkow-Mishan	170.9	1935

Lines	Length (Kms.)	Opened to Traffic
Ssuningkai-Sian	82.5	1935
Pingchuan-Chengteh	97.3	1936
Total	2,599.3	

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

Table 6. Income of State Railway (1935)

Name of Bureau	Passengers Carried	Good hauled (Tons)	Receipts (M¥)	
			Passengers	Good hauled
Mukden	2,727,580	2,389,245	5,912,529	9,656,857
Kirin	2,117,405	2,556,511	2,982,579	6,311,300
Harbin	935,620	1,720,375	1,565,095	6,495,900
Ko-kuei Line	1,926,617	2,038,782	5,759,431	11,307,940
Tsitsihar	1,154,776	1,978,561	2,707,187	9,389,458
Total incl. Others	8,861,998	10,683,474	18,926,821	43,161,455
Do. for 1934	5,814,531	8,669,167	10,845,216	38,180,650

Name of Bureau	Receipts			Total
	Dining Car	Hotels	Others	
Mukden	—	—	—	15,611,270
Kirin	—	—	—	9,330,564
Harbin	—	—	—	8,076,376
Ko-kuei Line	—	—	—	17,097,376
Tsitsihar	—	—	—	12,134,685
Total incl. Others	651,115	19,142	1,367,309	64,125,842
Do. for 1934	—	—	1,792,486	50,818,532

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 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 year is the railway joining Harbin direct with Lafa. By the construction of this line (length 272 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 at the time of its construction.

Among other important lines newly constructed are those to Heiho on the Soviet border, to Solun in northwestern Manchoukuo and to the city of Jehol.

A description of the more important railway

Table 5. Lines Under Construction

Lines	(Kms)
Linkow-Chiamussu	200.0
Solun-Hulan Arshan	340.0
Noho-Mergen (Nenkiang)	93.0
Mishan-Hulin	180.0
I-hsien-Hsinliutun	124.0
Tapingchuan-Lupei	174.0
Hsiaohe-Chiuian	274.0

lines, the dates of their construction, etc. are given below:

Feng-shan Railway. The Feng-shan railway comprises the section between Mukden and Shanhaikwan of the Peiping-Mukden line. The railway is the oldest in Manchoukuo and its construction 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-Tungliiao line in 1927. Later the administration of the Three Eastern Provinces connected the Tahushan-Tungliiao 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 with Chinese capital through the Fenghai Railway Company capitalized at 20,000,000 Fengtien tayang. 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 year a railway office was established and a sum of 12,000,000 Kirin-tayang was allotted as constructional expenses. Surveying of the line was started in March 1927 and actual construction begun in June of the same year. Due to the lack of funds and building materials constructional progress on the line was slow and it was only in November 1928 that the section between Chaoyangchen and Panshih was completed. In May 1929 the rest of the line to Kirin was completed. From a technical point of view the construction of the line was a violation of the privilege granted Japan by the protocols attached to the Treaty of Peking 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 outbreak 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. The amount was changed to ¥6,150,000 and the 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, by 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, the construction 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 (Anganki), by way of Taonan and consists of what were formerly known as the Ssu-Tao (Ssuping kai-Taonan) and the Tao-Ang (Taonan-Anganki) 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 funds for its construction being met by a loan made to the Chinese Government by the Yokohama Specie Bank in December, 1915. The line was completed in December, 1917.

The negotiations for constructing the line from Chengchiatun to Tungliao and that from Chengchiatun to Taonan were 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 Ssu-Tao 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 (Anganki) 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 to be 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 were 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 Huiyanchen 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 Chinese Eastern Railway as violating treaty rights forbidding the crossing of the C.E.R. by other lines. As a result the Chinese authorities cut off the line at Sanchienfang (formerly Anganki) temporarily but in July 1928 upon reaching a compromise with the C.E.R. the Chinese authorities erected a railway bridge over the C.E.R. lines and extended the line in December 1928 to Tsitsihar. The line between Tsitsihar and Koshan (Tsi-Ko) was begun in June 1928 but due to lack of funds only a part of the line, that extending from Tsitsihar to Taian, was completed by March 1930. Since the Manchurian Incident construction on the line has continued and the stretch between Taian and Koshan and to Peian was completed in December 1932. In December 1933 the two principal lines were merged and called the Tsi-Pei Railway.

Pin-Pei Railway. The Pin-pei railway consists of two lines, one running from Hailun to Harbin and the other from Hailun to Peian. Plans for constructing the section from Harbin to Hailun have been under consideration since the Russo-Japanese War and a Construction Office was established in 1911. Due to the revolution in China in that year work on the line was delayed. In that year the Chinese Government gained the approval of obtaining a loan from the Russo-Asiatic Bank for the construction of the line not only to Hailun but to Heiho on the Russo-Manchurian border. The construction of the line failed to materialize, however, due to objections raised by China on mutual supervision of the line and due to the Russian Revolution. In 1925 Wu Chun-sheng, Governor of Heilungkiang

Province, proposed the building of the section between Harbin and Hailun and established an organ known as the Hu-Hai Railway Company, capitalized at 10,000,000 yuan. Construction of the line was actually begun in 1926 and completed in December 1928.

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

Railway Agreement

By an agreement signed between Manchoukuo and Japan on May 22, 1935 rail transportation across the Tumenkiang border of Korea and Manchoukuo has been considerably facilitated. By virtue of the agreement the customs formalities have been simplified and through train traffic has been inaugurated. In view of the growing importance which the ports of Rashin and Seishin, in Korea, are taking in the Japan-Manchoukuo traffic the signing of the agreement is expected to eliminate much waste of time in the future. The text of the Agreement is given below:

Agreement Relating to the Operation of Through Trains Across the Tumenkiang Border and the Simplification of Customs Formalities

Unofficial Translation

The Governments of Manchoukuo and Japan, with a view to operating through trains across the Tumenkiang border between the Manchoukuo State Railways and the Japanese Government Railways and at the same time simplifying the customs formalities regarding goods transported by the said Railways, have agreed upon the following articles:

ARTICLE I.

The Governments of Manchoukuo and Japan mutually agree that through trains shall be operated across the Tumenkiang border between the Manchoukuo State Railways extending to Tumen or Kaishantun and the Japanese Government Railways under the management of the South Manchuria Railway Co., Ltd.

ARTICLE II.

The Japanese Government agree that the Government of Manchoukuo shall dispatch their

customs officers to the Japanese Customs at Yuki, Rashin and Seishin, and that such customs officers shall be caused, within the compounds of the said Japanese Customs, and in collaboration with the Japanese customs officers there, to perform the duties of inspecting, and collecting customs duties on, freight, parcels, forwarded luggage and luggage accompanying travellers which are exported from Manchoukuo to the aforementioned places (including those passing through said places) or which are imported into Manchoukuo from the said places (including those passing through said places) and which are transported by the Railways mentioned in the foregoing Article.

ARTICLE III.

The Governments of Manchoukuo and Japan shall dispatch their respective customs officers, in the case of the Government of Manchoukuo, 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 inspection 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 Kangtê, 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 Kangtê 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 Superintendent 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 and ordinance 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 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 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 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 Kangtê, 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.

State Highways Established

On March 3, 1933 the Bureau of State Highways was established to undertake the building of state highways. In Hsinking, Mukden and Tsitsihar local state highway construction offices were opened and each was entrusted with the construction of State roads within its territory. The Bureau has spent so far ¥15,000,000 for building and improving roads.

By the end of 1935, a total of State highways extending 6,600 k.m. was completed.

With the object of contributing to the maintenance of public peace, and also facilitating local administration, as well as assisting in the economic development of the country, the Bureau of State Highways at the outset drew up a road construction programme calling for the completion of 60,000 k.m. of new highways during the next ten years.

The building programme of the Bureau of State Highways includes the following:

- A. First class roads (connecting the Capital with chief cities or ports) . . . 12,500 k.m.
- B. Second class roads (between chief cities) . . . 12,500 k.m.
- C. Third class roads (between hsiens) . . . 35,000 k.m.

The progress of the road construction programme is contributing greatly to the restoration of

peace and order, and to the development of communications and the improvement of economic conditions. The building of these new highways has enabled motor-cars to penetrate into even the remotest parts of the country which could not be traversed in the past.

Table 7. Roads and Bridges Newly Constructed* by the Highway Construction Bureaux

(Standing June, 1935)

FENGTIEN CONSTRUCTION BUREAU		
Plan of 1932-33 (Km) (Kind of Road)		
Shanchengchen-Tunghua . . .	143.4	A
Nantsamu-Tunghua	173.4	A
Kuantien-Changtienhokou . .	50.0	C
Fenghuangcheng-Takushan . .	83.0	A
Antung-Chengtzutung	207.9	A
Tiehling-Kuping	82.0	A
Mukden-Fushun	43.0	A
Penhsihu-Chienchang	20.3	A
Chiaotou-Taaping	24.6	B
Liaoyang-Liaochung	59.0	C
Liaoyang-Tangkangtzu	49.0	B or C
Peipiao-Chengteh	331.9	A
Chengteh-Kupeikou	94.7	A
Chaoyang-Chihfeng	168.5	A
Chienso-Iyuankou	32.4	B

Plan of 1934

Tunghua-Tsian	105.0	B
Tashihchiao-Takushan	172.6	B
Yingkow-Kaiping	35.0	C
Chengteh-Fengning	42.0	B
Chengteh-Chihfeng	266.6	B
Weichang-Talin	131.9	B
Grand Total	2,416.2	

HSINKING CONSTRUCTION BUREAU

Plan of 1932-33

Hsinking-Kirin	108.8	A
Hsinking-Itung	67.7	A
Kungchuling-Itung	50.8	A
Kungchuling-Huaiteh	45.3	A
Tunhua-Hailin	145.4	B
Hunchun-Suifenho	100.0	A

Plan of 1934

Ring-like Roads of Hsinking	48.7	B
Hunchun-Suifenho	97.0	C
Kaiyuan-Tungkiangkou	37.0	B
Tungliao-Kailu	92.0	C
Grand Total	789.0	
Grand Total	789.0	

Special Bridge: Kunju Bridge

HARBIN CONSTRUCTION BUREAU

Plan of 1932-33

Harbin-Pinhsien	90.0	B
Tunhua-Hailin	67.6	C
Hailin-Suifenho	163.8	C
Hunchun-Suifenho	162.2	B

Plan of 1934

Muling-Mishan	215.6	B
-------------------------	-------	---

Mishan-Poli	130.0	C
Chiamussu-Poli	250.0	B
Fuchin-Paoching	110.0	C
Others	360.0	B
Grand Total	1,549.2	

Special Bridge: Wangchiakou Bridge

TSITSIHAR CONSTRUCTION BUREAU

Plan of 1932-33

Taonan-Solun	223.0	B or C
Solun-Wenchuan	152.7	B
Wenchuan-Hailar	270.9	A
Tailai-Tientzushan	161.3	C
Noho-Heiho	336.2	C

Plan of 1934

Angangki-Palin	241.2	B
Koshan-Paichuan	62.0	C
Nenkiang-Taheiho	300.0	C
Grand Total	1,907.4	

Special Bridges: Nenkiang Bridge & Hailar Bridge

Note: A.—Motor Road available all the year round.

B.—Motor Road not available during and immediately after rainy weather.

C.—Motor Road not available throughout the rainy season.

Motor Transport

It was after the termination of the World War that the motor transport service was inaugurated in Manchuria. In July, 1918 the Government issued regulations governing control and license of the business of transporting cargoes and passengers. But, at that time the roads in Manchuria were so imperfect that in the rainy season not only they were very muddy but the rivers all overflowed their banks. In these circumstances, the motor-car service was in use

only in leading towns except in case where it was utilized when the streams and the farms and fields were all icebound during the winter. It was only after 1928 or so when principal roads had been reconstructed by Gen. Chang Tso-lin who had practically wielded the power of the north-eastern parts of Manchuria that the number of motor transport companies began gradually to increase. Owing to the fact, however, that while these transport firms were very poor in their financial position, the system of control and license left much to be desired, the operators who were ten odd in number, ran each one or two cars on one and the same road in competition with one another, generally had a poor run of business. With the outbreak of the Manchurian incident in 1931, most of these operators disappeared. Since the foundation of Manchoukuo, peace and order in various districts have been gradually restored and roads improved and new ones opened in sympathy with the progress of subjugation of bandits. As a result, the motor-car service has shown swift developments in many parts of the country.

On May 31, 1933 the Government charged the Department of Communications with the supervision and control of the motor transport industry. Due partly to the efforts thus made by the Government for the development of the motor transport and partly to the construction of new highways, the motor bus business has expanded tremendously. On September 1, 1935 there were 90 bus lines operating 725 cars as the following:—

Motor Service

	State	Private	Total
No. of Bus Line	28	62	90
Total Length	3,746 k.m.	4,185 k.m.	7,931 k.m.
No. of Motor Car	318	407	725
Capital Invested	MY2,409,382	MY2,738,400	MY5,147,782

All bus services along railway lines or running parallel to such lines, and others over routes which will later become railways, as well as those which play an important role in the opening up of undeveloped regions and in the maintenance of peace and order, and which are

not paying propositions, are managed by the State through the General Direction of State Railways as a subsidiary business of the latter. The other bus lines, however, are left to private management.

Table 8. NATIONAL BUS LINES OF MANCHOUKUO (Dec., 1935)

Opened Lines			
MUKDEN DIRECTION			
	(Kms.)	(hours)	No. of return trips
Antung-Fenghuangcheng Line:			
Antung-Takushan	97	3.30	2 times a day
Takushan-Chengtzutung	117	4.30	2 times a day
Huangtukan-Fenghuangcheng	82	3.00	1 time a day
Total	296		

	(Kms.)	(hours)	No. of return trips
Jehol Line:			
Peipiao-Choayang	40	1.30	2 times a day
Chaoyang-Lingyuan	120	5.30	1 time a day
Lingyuan-Pingchuan	80	3.30	1 time a day
Pingchuan-Chengteh	80	3.40	1 time a day
Chaoyang-Chihfeng	190	7.20	1 time a day
Chengteh-Chihfeng	265	14.50	1 time two days
Chaoyang-Chaoyangchan	4	0.10	3 times a day
Lingyuan-Lingyuanchan	4	0.30	2 times a day
Chihfeng-Linsi	210	13.30	1 time 4 days
Chengteh-Fengning	100	6.30	1 time 3 days
Weichang-Talin	130	8.30	1 time 4 days
Total	1,223		
Shanchengchen-Tunghua	145	6.00	1 time a day
Mukden-Fushun	56	1.15	10 times a day
Haicheng-Nuechuang	23	0.40	4 time a day
Hsinmin-Changwu	62	2.00	2 times a day
Mukden-Kangping	93		2 times a day
KIRIN DIRECTION			
Tunhua-Hailin Line:			
Tunhua-Ningan	200	2.50	1 time a day
Tungkingcheng-Ningan	—	1.30	2 times a day
Ningan-Hailin	30	1.00	2 times a day
Ningan-Moutankiang	40	—	—
Hailin-Moutankiang	20	—	—
Muling-Mahao	80	1.00	1 time 2 days
Total	368		
Hsinking-Taonan Line:			
Hsinking-Nungan	69	—	1 time a day
Wuwangfang-Fuyu	8	0.25	2 times a day
Wuwangfang-Tunghsingchen	73	3.00	1 time a day
East Manchuria Line:			
Hunchun-Tunghsingchen	100	6.00	1 time a day
Hsinking-Kirin Line:			
Hsinking-Kirin	126	4.00	4 times a day
Hunchun-Tumen	73	—	—
Fuchin-Paoching	114	—	—
Chiamussu-Poli	175	—	—
TSITSIHAR DIRECTION			
Noho-Heiho	330	17.30	1 time 4 days
Hsingan Line:			
Wangyehmiao-Heiho	111	5.30	1 time a day
Solun-Wuchakow	78	3.30	1 time 2 days
Taonan-Tuchuan	105	3.30	1 time a day
Wengchuan-Hailar	285	—	1 time a day
Wuchakou-Wenchuan	70	4.30	1 time 2 days
Solun-Solunchan	3	0.10	2 times a day
Wangyehmiao-WangyehmiaoChan	2	—	—
Total	652		
Hsinking-Taonan Line:			
Taonan-Talai	157	8.00	1 time a day
HARBIN DIRECTION			
Aigun-Heiho			
East Manchuria Line:			
Suifenho-Tungning	33	1.20	2 times a day
Suifenho-Tungning	63	5.20	1 time a day
Hsingan Line:			
Heiho-Hsingan Chinchang	116	8.00	1 time 3 days
Aigun-Aigunchan	13	—	—
Hsingan Chinchang-Utachi	8	0.20	1 time 3 days
Total	137		
HARBIN NAVIGATION BUREAU			
Harbin-Tungkiang	636	—	1 time 2 days

Projected Lines (Dec. 15th, 1935)

	(Kms)
Hsinliutun-Ihsien	134
Harbin-Acheng	44
Tashihchiao-Takushan	171
Tunghua-Tsian	94
Tunghua-Linkiang	139
Tunghua-Huanjen	109
Mukden-Kaiping	210
Mukden-Chengchiatun	187
Chienso-Shihmientsai	40
Lingyuan-Lengkou	175
Lingyuan-Suichung	188
Pingchuan-Hsifengkou	80
Kailu-Chihfeng	290
Tungkiao-Kienping	566
Tunghsingchen-Tungning	144
Tungning-Ningan	210
Tungning-Muling	170
Moutankiang-Suifenho	148
Muling-Hulin	391
Iran-Mishan	355
Chiamussu-Iran	85
Kikoteh-Erhchan	150
Chentung-Tientzushan	236
Taonan-Huaiyuanchen	123
Anganki-Palin	4,656
Total (25 lines)	4,656

Road Accidents in 1934

Railway, motor-car and other road accidents in Manchoukuo in 1934, as shown by the returns of the Department of Civil Affairs, are tabulated below:—

Table 9. Road Accidents
(1934)

	No. of Accidents	Killed	Wounded
January	98	16	100
February	72	8	66
March	105	17	83
April	124	14	103
May	113	14	92
June	111	16	110
Total	623	85	554
July	149	16	124
August	169	31	177
September	128	9	109
October	135	16	86
November	127	23	87
December	146	25	73
Total	854	120	656
Grand Total	1,477	205	1,210

Railway trains come first in the number of accidents with 244, followed by horse or cattle drawn carts with 197, horses drawn carriages with 121, motor-cars with 96, etc.

Air Transport

Manchoukuo has so far little enjoyed the benefit of aviation facilities. Considering its vast area and its topographic and atmospheric conditions, the land can be said to be very suitable for the development of aerial transport. Furthermore,

the recent conditions of the country make it require the utilization of ways such as the maintenance of peace and order, investigation of the forests and various forms of survey, etc., besides a regular air service. Thus, aerial navigation promises a great development in Manchoukuo. In view of this situation, in June, 1933 the Government charged the Roads Administration Bureau of the Department of Communications with the duties affecting aerial navigation. At the same time, the Government thought that the air transport business be developed under private management with Government support and encouragement rather than by under government management. With this end in view, on October, 26, 1932 the Government caused the Manchuria Aeronautical Company to be brought into being with the Japanese and Manchu joint investment. The Company was organized with a capital of ¥3,850,000. The greater part of the capital was taken up by the Manchoukuo Government, the S.M.R. Co., and the Sumitomo Company. With the Head Office in Mukden and a branch office in Tokyo, and sub-branches in Hsinking, Tistsihar, Harbin, Dairen etc., the Manchuria Aeronautical Company is engaged in the following:—

- (1) Air transport of passengers, mail matter and cargoes in the interior of Manchoukuo and between Manchoukuo and the two adjoining countries.
- (2) Repair of the aircraft and manufacture and construction of the body.
- (3) Besides the foregoing items, such forms of business as may be ordered or characterized by the Government.
 - (a) Renting the aircraft.
 - (b) All other forms of business relating to the aircraft.
 - (c) The following ancillary businesses done for the benefit of air transport.
 1. Businesses that are effective in expediting development and furthering air navigation in Manchoukuo.
 2. Business regarding the spread and stabilization of the idea of aviation.
 3. Business concerning aerial photography.

Regular Air Service Between Hsinking and Chingtsin. The Manchuria Aeronautical company extended the Hsinking-Chingtsin line to Lungchingsun. The whole line between Hsinking and Lungchingsun, which was opened on December 3, 1935, can be covered in three hours. The inauguration of this service is very beneficial to travellers to North Manchuria as it has much

shortened the time required for going to Hsinking and Harbin from Seoul by way of the northern part of the peninsula.

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 Company is expected to purchase the other planes, with accommodations each for six passengers, in 1936.

Table 10. Scheduled Flights (Standing Oct., 1936)

Air Route	Distance (Kms)	Time (Hours)	Flight days a week
Manchouli-Tsitsihar	575	3.15	Tue. & Fri.
Tsitsihar-Manchouli	575	3.00	Mon. & Thur.
Tsitsihar-Dairen	1,140	6.55	Everyday
Hsinking-Shingishu	485	3.00	Everyday
Hsinking-Seishin	600	3.35	Tue. & Fri.
Mukden-Jehol	545	3.25	Everyday
Hsinking-Jehol	920	5.45	Thur.
Jehol-Hsinking	920	5.30	Wed.
Tsitsihar-Taheiho	480	2.45	Wed. & Sun.
Harbin-Taheiho	580	3.30	Tue. & Sat.
Harbin-Fuchin	465	2.45	Everyday
Chinchow-Shanhaikwan	170	1.00	Mon. Wed. & Fri.
Hsinking-Mutankiang	350	2.10	Mon. & Wed.
Harbin-Chiamussu	555	3.25	Mon. Wed. & Fri.
Mukden-Tunghwa	240	1.30	Mon. Wed. & Sat.
Harbin-Chiamussu	325	1.45	Everyday
Mutankiang-Fuchin	675	4.40	Tue. & Thur.
Fuchin-Mutankiang	675	4.40	Wed. & Fri.
Mutankiang-Suifenho	200	1.15	Mon. & Wed.

Table 11. Manchoukuo Air Mail Lines (from 1st of April, 1936)

Tsitsihar-Hailar-Manchouli	Mon. & Thurs.
Vise versa	Tues. & Fri.
Hsinking-Harbin-Tsitsihar (return)	2 times a day (1 time between Harbin-Tsitsihar)
Dairen-Shingishu (return)	1 time a day
Hsinking-Mukden (return)	2 times a day
Hsinking-Kirin-Yenki-Hunchun-Seishin (return)	2 times on Tues. & Fri.
Tsitsihar-Nenkiang-Heiho (return)	Wed.
Chin-hsein-Chaoyang-Chengteh (return)	1 time a day
Chin-hsein-Chaoyang-Chihfeng-Linshi-Kailu-Tungliao-Liaoyuan-Hsinking	Wed.
Vise versa	Thurs.
Moutankiang-Poli-Chiamussu (return)	2 times on Wed. & Sat.
Hsinking-Moutankiang (return)	2 times on Wed. & Sat.
Harbin-Peianchen-Heiho (return)	2 times on Tues. & Fri.
Harbin-Moutankiang-Mulingchan-Tungning-Suifenho-Muling-Pantsaihotzu-Mishan-Hulin-Jaoho-Tungkiang-Fuchin	Wed. & Sat.
Vise versa	Thurs. & Sun.
Harbin-Iran-Chiamussu-Fuchin (return)	1 time a day
Mukden-Chin-hsein-Nansuichung (return)	1 time a day
Mukden-Hwanjen-Tunghua (return)	2 times a day
Chengteh-Talin (return)	1 time on Mon.

Air ports of Manchuria Aeronautical Co.

Mukden Branch: Mukden, Chinchow, Chaoyang, Chihfeng, Shanhaikwan, Lingyuan, Chengteh, Dairen, Shingishu, and Tunghua.

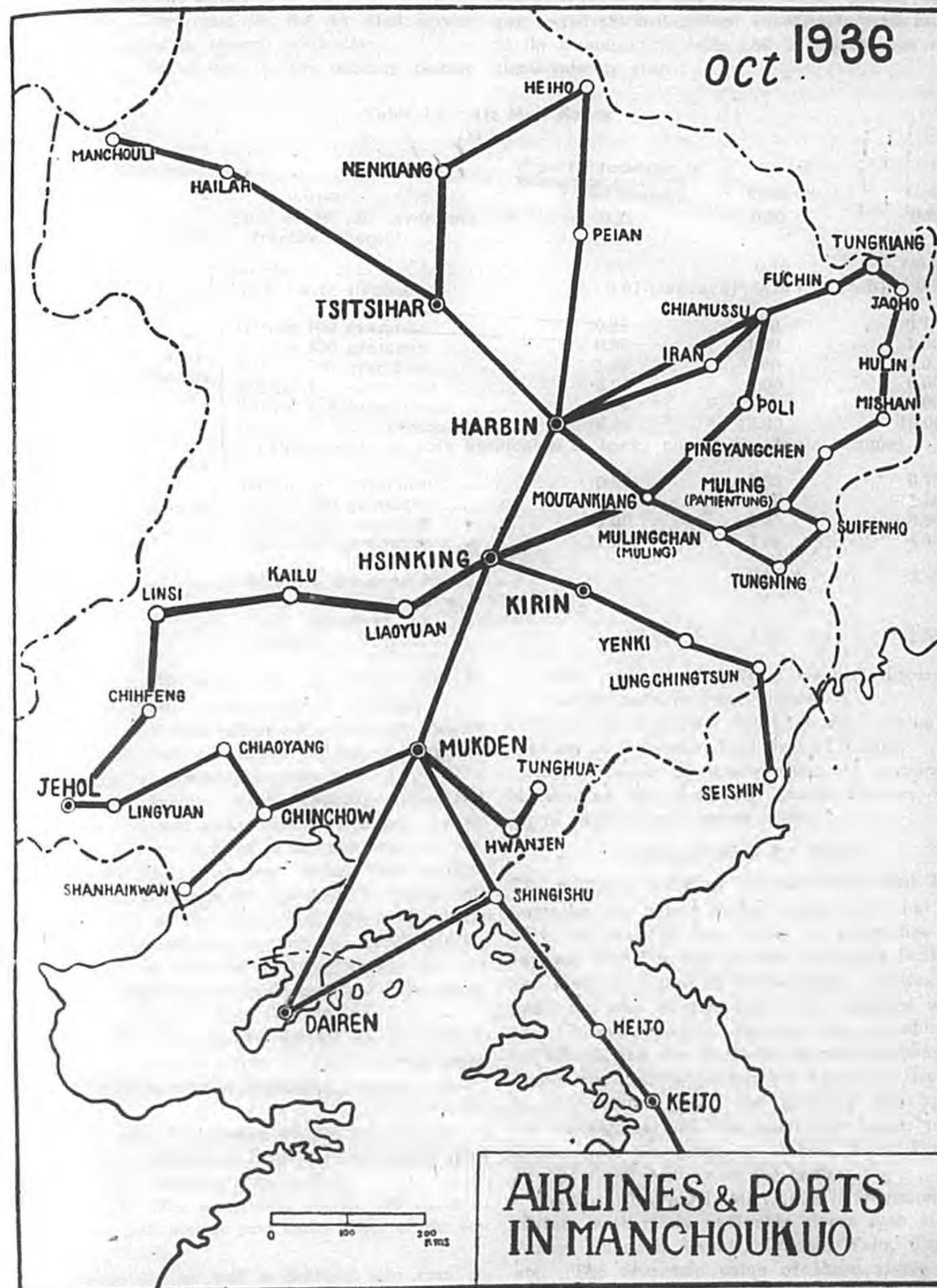
Hsinking Branch: Hsinking, Yenki, Tumen, Lungchingtsun, Tunhua, Kirin, and Ranan.

Harbin Branch: Harbin, Tsitsihar, Manchouli,

Hailar, Peianchen, Taheiho, Moutankiang, Iran, Fuchin, Pamientung, Taoan, 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 12. Air Mail Rates
(M.Y.)

Kind of Mail	Weight	Within the Jurisdiction of Manchoukuo Kwantung Leased Territory		
		Manchoukuo Kwantung Leased Territory	Korea	Japan
Letters	For every 20 grammes 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 grammes	0.25	0.50	0.75
	Within 250 grammes	0.50	1.00	1.50
	Within 500 grammes	1.00	2.00	3.00
	Within 1 Kilogramme	2.00	4.00	6.00
	Within 2 Kilogrammes	4.00	8.00	12.00
	Within 3 Kilogrammes	6.00	12.00	18.00
	(This weight is only applicable to books mailed by single volume).			
Samples, Patterns Series	Within 100 grammes	0.25	0.50	0.75
	Within 250 grammes	0.50	1.00	1.50
	Within 350 grammes	1.00	2.00	3.00
	Within 500 grammes	1.50	3.00	4.50
Parcels	Within 1 Kilogramme	—	2.00	3.00
	For Over 1 Kilogramme, every 500 grammes 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 underpaid, 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.

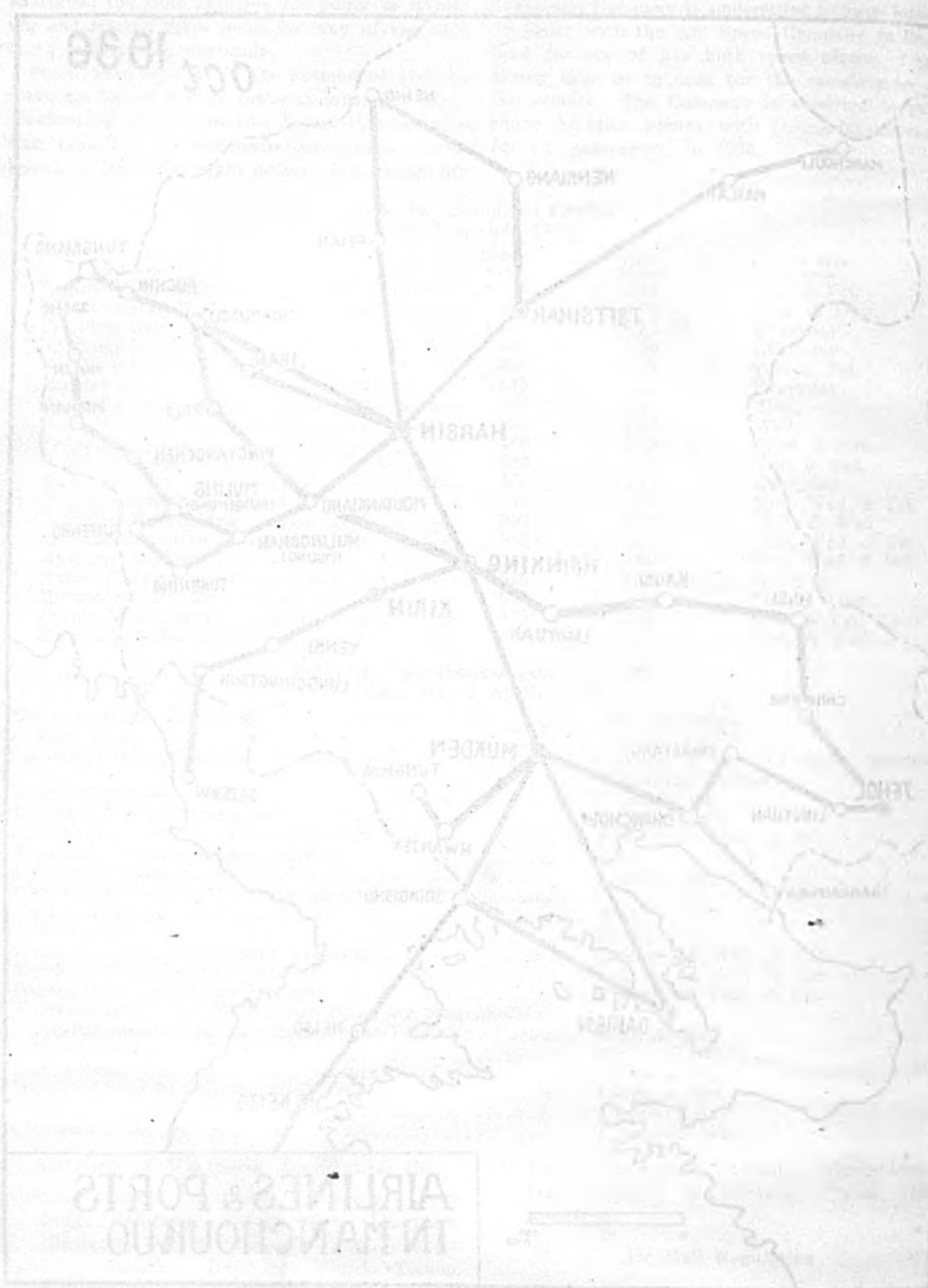
The present Regulation shall come into force on the third day of November, First Year of Tatung.

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

Transportation By Water

The shipping industry in Manchuria had been anything but active owing to the fact that not only the land is very short in coast line for its vast area but also general transport facilities had been very slow in development. It was not until the end of the nineteenth century when the Chinese Eastern Railway was established by Russia and the South Manchuria Railway by Japan that railway transport began to develop in Manchuria. With the growing activity of the railway service, the coast line began to be active with the ports of Dairen, Port Arthur, Yingkow and Antung as the centre.

On the other hand, Manchuria is favoured by Nature with many navigable rivers such as the Amur, Sungari, Ussuri, Liaohe, Yalu, Tumen, etc. The economic value of these rivers was considerable when there was no railway service. The rivers in South Manchuria are generally so



shallow as can only admit of the navigation of junks, but those in North Manchuria are mostly navigable by river steamers.

Water Transport Administrative Organs.— Besides repleting port and harbour facilities with a view to connecting the centres of production with sea ports, the Government, who recognizes the importance of the rivers, is making efforts to further the facilities of river navigation and bring under control various things relative to navigation such as the vessel, crew, etc. All affairs concerning the control of navigation are placed under the charge of the Bureau of Trans-

portations, of the Department of Communications. Also, for purposes of navigation administration, the Navigation Administration Bureau has been established at Harbin, Antung and Yingkow. To be particular, the Navigation Administration Bureau is under the control of the Minister of Communications and takes charge of the waterways, bays and harbours, ships, crew, pilots, nautical marks and other affairs concerning water navigation.

The navigation administration Bureaus and the districts under their jurisdiction are tabulated below:—

Name of Bureau	Seat	Jurisdiction
Harbin Navigation Administration Bureau	Harbin	Ist Sungari, 2nd Sungari, Ussuri, Amur, Arugun and their branches and coasts. Pohai and the Liaoho which empties into it and other rivers, and their branches and coasts. Huanghai and the Yalu emptying into it and other rivers and their tributaries and coasts.
Yingkow Navigation Administration Bureau	Yingkow	
Antung Navigation Administration Bureau	Antung	

On February 9, 1933 the Manchoukuo Government entrusted the management of the state railways to the S.M.R. Company. They took the opportunity to sign a contract with the same company for commissioning the management of the navigation business involved, by which navigation under the Sungari jurisdiction and the port and harbour business attached to the Fen-shan Line were entrusted to the S.M.R. Co. As a result, on March 1, 1934 the Company had the Harbin Direction for Navigation established under the control of the General Direction of State Railways to control navigation business on the Sungari while taking charge of Hulutao.

Rivers

Important rivers on which the Navigation

Table 13. No. of Ships (Dec., 1934)

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	77,065	319	125,529

Table 14. 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
" " (extraordinary)	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

Association referred to later in the Chapter operates its vessels are the Sungari, Amur, Liao, Nonni and Yalu. The routes operating now totalling 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-Lungwangmiao, 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 the number of ships available for the Association, the numbers of ships operating on each route, the number of trips, time required, etc.:

Routes	No. of Ships Operating	Time required for return Voyage	No. of Departures
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
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

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

The number of Passengers carried in 1933 were as follows:

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

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

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

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

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

Total of Harbin, 75,383; of Sanhsing, 29,850; of Chiamussu, 28,098; of Fuchin, 33,209; of others, 160,031; total in all, 362,571.

The amount of cargo carried in 1933 in metric tons 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.

From Fuchin: Soya beans, 34,307; 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 15. River Navigation 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 development of the country which might of course mean business to the railway in some distant future, but at tremendous initial sacrifice to the railway.

The Sungari. Though no more than a tributary, an extensive region in Northern Manchoukuo from the Changpai 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 extend 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 pioneer 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 Laohsiaokow 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 Lungkiang 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 stream of the Liaoho, which stretches over a long distance of 3,800 Chinese ri, or 650 Japanese ri. Yingkow lies at its mouth. The river is navigable from the mouth up to Chengchiatun, a distance of 1,438 Chinese ri, watering the plain of Southern Manchoukuo. The area embraced by this river measures 350,000 square ri.

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

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

Yalu River. The Yalu River streams down from the southern foot of the Changpai Range and runs more than 200 ri into the Yellow Sea. 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 goods and passenger service with its vessels under instructions from

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 water-way for the development of Northern Manchoukuo. Its navigable distance extends over 8,826 kilometres, and the whole distance navigable by craft other than steam-boats measures 10,001 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 Khabarovsk, Blagoveshchensk, 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 1827. 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 Nenkiang. The Nenkiang 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.

Table 16. Ingress and Egress of Vessels at Dairen Port

Name of Month	(1933)			
	Ingress		Egress	
	Number	Tonnage	Number	Tonnage
January	420	1,236,402	416	1,212,096
February	415	1,156,880	423	1,188,247
March	491	1,282,458	487	1,241,297
April	405	1,143,764	409	1,172,614
May	407	1,225,186	407	1,201,628
June	374	1,104,302	376	1,129,515
July	369	1,144,513	368	1,138,993
August	369	1,090,418	371	1,099,366
September	361	1,123,245	355	1,107,777
October	416	1,217,336	417	1,218,211
November	474	1,363,379	467	1,337,849
December	516	1,477,787	521	1,512,649
Total	5,017	14,565,670	5,017	14,560,242

Table 17. Ingress and Egress of Vessels By Nationality at Dairen

	(Number for 1933)									
	Japan	China	England	America	Germany	Norway	Holland	Italy	Others	Total
January	252	109	30	3	9	6	4	1	6	420
February	267	105	22	5	7	3	3	0	3	415
March	292	143	31	6	8	2	4	1	4	491
April	290	64	28	5	5	6	3	1	3	405

TRANSPORTATION

	Japan	China	England	America	Germany	Norwas	Holland	Italy	Others	Total
May	284	68	29	8	6	1	6	0	5	407
June	275	53	26	2	7	1	2	1	7	374
July	261	55	22	6	9	3	4	4	5	369
August	254	66	28	5	8	4	3	0	1	369
September	260	52	24	3	8	3	4	3	4	361
October	312	55	25	5	8	2	2	2	5	416
November	348	59	33	2	13	6	7	1	5	474
December	324	121	45	4	9	4	5	1	3	516
Total	3,419	950	342	54	97	41	47	15	51	5,017

Table 18. Ingress and Egress of Vessels By Nationality at Dairen (Tonnage for 1933)

	Japan	China	U.S.A.	Germany	
January	764,255	137,657	152,819	20,537	
February	137,657	152,819	20,537	64,674	
March	811,980	156,243	157,941	34,313	
April	798,348	73,001	123,555	33,558	
May	852,275	85,883	125,798	47,833	
June	790,033	69,160	124,979	11,371	
July	788,242	73,505	94,580	37,547	
August	749,049	72,057	129,992	35,996	
September	792,168	67,434	101,972	19,090	
October	879,651	70,866	115,616	31,768	
November	938,274	69,870	150,558	14,155	
December	949,312	160,190	198,744	25,384	
Total	9,890,542	1,179,867	1,585,071	338,694	

	Norway	Holland	Italy	Others	Total
January	64,674	30,437	5,080	30,165	1,236,402
February	30,437	30,778	—	15,466	1,156,880
March	56,969	6,982	5,388	23,909	1,282,458
April	38,817	25,821	5,890	18,829	1,143,764
May	40,797	5,843	—	29,758	1,225,186
June	52,230	5,655	5,081	30,391	1,104,302
July	62,214	11,145	22,670	28,562	1,144,513
August	55,901	17,250	—	7,032	1,090,418
September	61,692	18,755	11,931	23,852	1,123,245
October	61,742	10,296	3,924	28,345	1,217,336
November	88,300	26,440	4,901	29,247	1,363,379
December	63,930	23,278	5,890	17,268	1,477,787
Total	697,174	194,438	70,755	282,824	14,565,670

Table 19. Ingress and Egress of Vessels at Yingkow (1933)

	Ingress		Egress	
	Number	Tonnage	Number	Tonnage
March	33	37,818	13	11,229
April	134	118,528	140	130,621
May	131	111,155	133	116,125
June	141	139,284	137	133,449
July	131	129,964	133	135,116
August	108	103,390	108	101,009
September	113	111,572	111	110,237
October	117	110,371	122	117,502
November	127	122,680	122	115,517
December	18	11,712	32	24,942
Total	1,053	996,474	1,051	995,747

Table 20. Ingress and Egress of Vessels By Nationality at Yingkow (1933)

	Manchoukuo	Japan	China	England	Norway	Denmark	U.S.S.R.	Greek	Total
March	—	7	21	5	—	—	—	—	33
April	1	37	81	13	2	—	—	—	134
May	4	42	75	7	1	1	—	—	131
June	6	60	65	9	1	—	—	—	141
July	14	50	60	6	1	—	—	—	131

TRANSPORTATION

	Manchoukuo	Japan	China	England	Norway	Denmark	U.S.S.R.	Greece	Total
August	17	34	49	6	1	—	—	—	108
September	18	36	49	9	1	—	—	—	113
October	15	41	54	6	1	—	—	—	117
November	25	42	49	11	—	—	—	—	127
December	7	4	6	1	—	—	—	—	18
Total	107	353	509	73	8	1	1	—	1052

Table 21. Ingress and Egress of Vessels at Antung (1933)

	Ingress		Egress	
	Number	Tonnage	Number	Tonnage
March	—	—	—	—
April	33	29,713	38	29,368
May	34	22,258	30	19,708
June	38	24,357	40	26,612
July	46	35,553	47	34,198
August	39	27,102	40	28,491
September	52	34,440	52	34,420
October	47	30,163	46	29,552
November	42	24,871	44	26,089
December	—	—	—	—
Total	331	228,457	337	228,438

Table 22. Ingress and Egress of Vessels By Nationality at Antung (Number for 1933)

	Manchoukuo	Japan	England	Others	Total
March	—	—	—	—	—
April	22	4	6	1	33
May	24	6	4	—	34
June	25	8	5	—	38
July	32	10	4	—	46
August	26	7	6	—	39
September	34	10	8	—	52
October	31	10	6	—	47
November	31	5	6	—	42
December	—	—	—	—	—
Total	225	60	45	1	331

Table 23. Ingress and Egress of Vessels at Harbin

	Ingress		Egress	
	Number	Tonnage	Number	Tonnage
March	—	—	—	—
April	169	75,268	19	8,211
May	322	128,482	274	137,703
June	404	163,604	360	164,211
July	400	161,102	399	161,133
August	379	161,244	315	154,683
September	378	160,749	376	156,997
October	423	172,051	371	145,289
November	166	63,919	18	7,783
December	—	—	—	—
Total	2,641	1,086,419	2,132	935,960

Table 24. Number of People Leaving and Landing at Principal Ports (1933)

	Leaving				Landing			
	Manchu	Japanese	Others	Total	Manchu	Japanese	Others	Total
January	49,090	3,770	298	53,158	14,701	5,157	340	20,198
February	34,567	3,026	299	37,892	48,059	6,209	393	54,661
March	34,920	6,550	273	41,743	67,653	10,590	465	78,708
April	14,896	6,543	395	21,834	31,897	13,689	467	46,053
May	12,306	8,079	455	20,840	25,542	12,161	579	38,282

TRANSPORTATION

	Leaving				Landing			
	Manchu	Japanese	Others	Total	Manchu	Japanese	Others	Total
June	12,710	6,018	357	19,085	17,781	9,287	814	27,882
July	11,223	7,829	520	19,572	22,233	14,536	1,101	37,870
August	12,413	9,666	959	23,038	21,053	13,962	822	35,837
September	10,685	7,807	1,006	19,498	22,207	9,065	580	31,852
October	13,951	7,518	498	21,967	23,857	8,653	464	32,974
November	17,977	5,219	357	23,553	25,205	8,701	349	34,255
December	72,727	5,649	415	33,791	25,911	7,408	360	33,679
Total	252,465	77,674	5,832	335,971	346,099	119,418	6,734	472,251
1932	239,303	56,332	4,885	300,610	240,286	83,161	4,821	328,268

(b) Yingkow

	Leaving			Landing		
	Manchu	Foreigners	Total	Manchu	Foreigners	Total
March	960	16	976	3,285	5	3,290
April	12,062	16	12,078	28,031	69	28,100
May	10,888	11	10,899	25,309	117	25,426
June	7,491	41	7,532	13,801	135	13,936
July	9,740	105	9,845	26,881	72	26,953
August	9,727	146	9,873	22,698	55	22,753
September	5,600	47	5,647	12,338	45	12,383
October	9,272	63	9,335	16,870	35	16,905
November	11,429	43	11,472	12,328	24	12,352
December	3,634	9	3,643	2,592	5	2,597
Total	80,803	497	81,300	164,133	562	164,695
1932	140,522	193	140,714	89,488	414	89,902

(c) Antung

	Leaving			Landing		
	Manchu	Foreigners	Total	Manchu	Foreigners	Total
April	4,365	132	4,497	12,157	108	12,265
May	7,302	210	7,512	6,616	118	6,734
June	4,211	129	4,340	4,607	85	4,692
July	3,656	157	3,813	5,293	118	5,411
August	3,894	173	4,067	6,658	221	6,879
September	3,296	179	3,475	8,057	197	8,254
October	4,417	138	4,555	8,439	127	8,566
November	4,142	89	4,231	4,585	59	4,644
Total	35,283	1,207	36,490	56,412	1,028	57,440
1932	38,149	104	39,253	40,501	574	41,075

(d) Harbin

	Leaving			Landing		
	Manchu	Foreigners	Total	Manchu	Foreigners	Total
April	8,477	18	8,495	781	—	781
May	18,316	230	18,546	11,317	96	11,413
June	15,657	99	15,756	9,341	143	9,484
July	12,901	232	13,133	9,003	255	9,258
August	9,496	156	9,652	11,553	345	11,898
September	10,180	343	10,523	13,848	445	14,293
October	9,807	189	9,996	16,049	589	16,638
November	11	—	11	1,578	40	1,618
Total	84,845	1,267	86,112	73,470	1,913	75,383
1932	30,405	54	30,459	64,336	247	64,583

Table 25. Goods Handled at Principal Ports (1933)

(In metric tons)

(a) Goods loaded at Dairen

	Soya-beans	Kaoliang	Peanuts	Other Grains and Seeds	Bean Oil	Bean-cake
January	220,661	6,564	6,452	38,513	12,987	140,836
February	186,522	12,103	5,450	30,627	10,461	107,938
March	154,229	6,548	5,292	29,983	7,761	78,123

TRANSPORTATION

	Soya-beans	Kaoliang	Peanuts	Others Grains and Seeds	Bean Oil	Bean-cake
April	134,508	2,732	7,267	23,777	4,554	35,425
May	113,279	2,895	6,328	21,694	2,719	80,039
June	157,144	2,519	7,080	20,985	1,486	62,097
July	126,404	2,613	7,673	23,647	2,586	20,713
August	144,655	4,461	7,333	24,241	4,382	22,848
September	115,543	4,928	7,520	20,821	3,782	22,757
October	142,132	4,355	2,113	31,818	2,036	21,576
November	243,361	6,313	3,049	34,109	5,075	37,466
December	277,094	8,428	10,481	66,122	9,409	62,890
Total	1,985,522	64,459	76,038	366,337	67,238	692,708

	Coal	Pig-iron	Others	Total	Bunker Coal
January	221,673	59,252	35,351	742,289	66,599
February	264,708	68,772	43,893	730,474	58,368
March	293,645	52,044	40,593	668,218	64,377
April	263,675	20,966	28,050	520,954	58,066
May	227,263	28,266	35,785	518,268	56,466
June	201,032	26,481	28,586	507,410	52,682
July	191,333	17,349	29,805	422,123	51,246
August	175,855	26,734	28,818	409,327	48,499
September	170,135	30,610	30,250	406,346	59,460
October	230,374	11,810	36,543	482,757	61,054
November	274,133	33,080	34,093	670,679	65,022
December	293,677	34,910	31,881	794,892	78,341
Total	2,807,503	410,274	403,648	6,873,737	720,180

(b) Goods landed at Dairen (In metric tons)

	Timber	Oil and Fat	Cement	Wheat Flour	Sugar	Cotton Yarn and cloth
January	3,511	14,273	152	50,696	3,397	4,717
February	3,320	4,389	220	28,705	4,474	8,193
March	3,960	5,573	508	44,782	4,930	6,987
April	12,053	4,608	2,406	32,346	5,197	3,941
May	13,686	23,515	4,107	20,265	3,252	4,241
June	17,692	3,948	8,650	16,288	3,616	4,405
July	22,359	5,769	13,496	14,653	7,030	7,075
August	16,176	5,048	31,093	14,611	9,620	9,593
September	22,534	10,291	20,705	15,433	18,515	8,815
October	24,091	8,599	22,224	15,832	14,645	5,323
November	26,093	12,189	87	9,662	11,026	5,018
December	18,756	23,390	7,048	27,517	2,097	4,364
Total	184,231	121,592	110,696	250,790	87,799	72,672

	Gunny Bags	Paper	Iron and steel and Manufactures	Vehicles	Others	Total
January	7,970	6,331	10,560	874	57,469	159,950
February	3,838	5,962	15,832	2,497	57,704	135,116
March	2,176	5,680	22,212	4,999	73,765	175,572
April	2,261	5,356	28,474	5,474	63,260	165,376
May	3,713	4,117	25,208	5,537	67,443	175,084
June	3,059	5,336	35,128	6,792	67,676	172,590
July	2,745	6,085	35,722	5,041	63,783	183,758
August	2,398	7,459	27,582	8,532	58,640	190,752
September	3,562	8,123	27,890	8,636	63,489	207,993
October	5,500	7,656	27,124	7,520	56,103	194,617
November	7,818	10,493	28,892	3,725	68,741	183,744
December	8,990	11,763	31,224	4,630	85,526	225,305
Total	54,030	84,361	315,848	62,239	783,599	2,169,857

(c) Goods loaded at Port Arthur (In metric tons)

	Salt	Silica	Coal	Others	Total	Bunker Coal
January	4,491	—	29,723	—	34,214	2,339
February	10,850	454	22,427	—	33,731	1,074
March	6,570	—	13,497	—	20,067	1,341
April	720	3,420	10,625	—	14,765	1,008
May	—	—	12,118	—	12,118	393

TRANSPORTATION

	Salt	Silica	Coal	Otehrs	Total	Bunker Coal
June	4,007	—	5,000	—	9,007	1,623
July	1,200	706	1,351	—	3,257	464
August	—	1,613	6,169	—	7,782	2,995
September	1,729	3,168	—	—	4,897	665
October	1,750	1,745	12,509	—	16,004	3,095
November	1,829	—	1,300	—	20,064	3,978
December	—	3,432	16,632	—	20,064	3,978
Total	33,216	14,538	131,361	—	179,115	19,988

Note:—Bunker coal is not included in the total.

(d) Goods landed at Port Arthur

(In metric tons)

	Salt	Others	Total
January	—	—	—
February	—	—	—
March	4,144	701	4,845
April	1,676	—	1,676
May	2,245	—	2,245
June	4,869	—	4,869
July	9,038	—	9,038
August	6,705	—	6,705
September	1,334	—	1,334
October	1,531	570	2,101
November	1,513	—	1,513
December	592	—	592
Total	33,647	1,271	34,918

(e) Goods loaded at Yinkow

(In metric tons)

	Soya-beans	Cereals	Bean-cake	Wheat flour	Metals	Magnesite
January	—	—	—	—	—	—
February	—	—	—	—	12	—
March	1,320	—	5,188	—	900	285
April	23,068	12,209	26,780	1,463	11,440	2,257
May	13,214	9,965	23,103	3,266	10,385	4,831
June	9,856	12,626	23,481	1,264	10,038	5,630
July	4,077	14,239	14,144	565	8,975	1,960
August	6,901	8,858	10,460	863	7,449	3,348
September	4,737	10,649	13,299	1,317	10,487	1,592
October	9,186	10,402	14,383	1,152	6,667	5,318
November	11,727	14,549	22,203	1,899	6,864	2,414
December	5,461	97,169	146,208	12,098	75,773	28,355
Total	89,547	190,711	289,249	23,887	148,990	55,990

	Soapstone and Talc	Timber	Coal	Others	Total	Bunker Coal
January	—	—	—	30	30	—
February	—	—	—	59	71	—
March	1,054	—	—	775	9,522	635
April	4,136	178	41,845	652	124,028	9,947
May	4,233	226	48,205	798	108,226	10,086
June	5,848	63	41,079	1,665	111,550	10,487
July	6,151	336	63,893	1,273	115,613	13,870
August	4,700	154	60,861	4,278	107,872	9,962
September	4,369	81	66,358	1,668	114,602	10,374
October	6,649	607	53,437	4,365	112,166	11,988
November	12,629	23	40,691	6,493	119,492	7,947
December	2,792	—	5,506	326	24,464	697
Total	52,561	1,668	421,875	22,382	947,636	85,993

(f) Goods landed at Yingkow

(In metric tons)

	Grains	Wheat Flour	Sugar	Salt	Cotton Yarn and Cloth	Keramics
January	280	—	—	—	—	—
February	664	—	—	—	—	—

TRANSPORTATION

	Grains	Wheat Flour	Sugar	Salt	Cotton Yarn and Cloth	Keramics
March	152	3,930	17	—	8	—
April	561	4,522	176	—	40	251
May	1,293	5,541	—	119	159	306
June	989	3,004	—	30	272	234
July	880	4,990	43	30	260	211
August	1,822	3,089	635	1,449	248	258
September	3,976	4,968	403	2,085	462	276
October	5,661	6,151	269	1,684	319	475
November	3,139	6,227	—	54	374	504
December	783	1,150	378	22	9	41
Total	20,200	43,572	1,921	5,496	2,151	2,556

	Tobacco	Spirits	Paper	Timber	Others	Total
January	—	—	—	—	102	382
February	—	—	—	—	129	816
March	1,407	115	92	—	511	6,230
April	1,518	562	311	2,584	11,317	21,834
May	1,634	1,112	501	69	3,179	12,334
June	1,242	852	290	6,070	3,645	16,628
July	1,824	1,048	448	5,881	6,669	22,284
August	216	624	679	6,630	26,427	42,077
September	517	—	766	5,871	14,627	33,951
October	24	19	601	9,150	10,196	34,549
November	921	61	1,118	8,335	7,142	27,875
December	313	—	159	—	535	3,390
Total	8,606	4,393	4,965	44,590	84,479	222,929

(g) Goods loaded at Antung

(In metric tons)

	Soya-beans	Grains	Bean-cake	Coal	Others	Total	Bunker coal
January	—	—	—	—	—	—	—
February	—	—	—	—	—	—	—
March	—	—	—	—	—	—	—
April	120	935	118	649	290	2,112	202
May	495	1,712	716	122	579	3,624	690
June	1,149	2,916	127	58	410	4,660	789
July	388	468	—	11	157	1,024	968
August	85	300	130	145	169	779	1,121
September	—	294	—	118	126	538	152
October	13	438	—	844	217	1,512	143
November	558	205	—	506	585	1,854	868
December	—	—	—	—	—	—	—
Total	2,758	7,268	1,091	2,453	2,532	16,103	4,933

(h) Goods landed at Antung

(In metric tons)

	Grains	Wheat Flour	Sugar	Spirits	Metals	Paper	Timber	Others	Total
January	—	—	—	—	—	—	—	—	—
February	—	—	—	—	—	—	66	—	66
March	—	—	—	—	—	—	14	14	14
April	38	4,116	307	144	143	272	8,509	1,740	15,269
May	987	3,949	192	177	126	104	4,006	1,798	11,339
June	1,602	1,894	84	245	156	220	8,003	2,063	14,267
July	139	2,297	17	290	71	354	20,749	1,794	25,711
August	10	2,064	263	93	171	76	17,224	2,428	22,329
September	—	3,228	134	13	206	71	17,985	2,279	23,916
October	49	3,475	101	34	257	209	14,017	3,909	22,051
November	213	2,397	215	62	197	133	18,567	3,835	25,619
December	—	—	—	—	—	—	2,493	2	2,495
Total	3,038	23,420	1,313	1,058	1,327	1,439	111,633	19,848	163,076

(i) Goods loaded at Harbin

(In metric tons)

	April	May	June	July	August	September	October	November	Total
Miscellaneous Goods ..	380	1,213	3,593	1,570	2,117	4,742	4,883	384	18,882
Miscellaneous Grains ..	207	572	1,050	669	393	1,147	10	93	4,141

	April	May	June	July	August	September	October	November	Total
Gunny Bags	96	1,615	736	605	205	1,312	318	108	4,995
Ground Salt	—	533	989	1,616	1,961	1,403	8,354	88	14,944
Baking Powder	52	82	137	257	302	446	56	2	1,334
Coal	9	142	533	27	2	17	3	263	996
Lime	5	19	55	18	2	5	3	—	107
Cement	—	—	22	45	116	15	33	—	231
Building Material	185	2,121	1,143	2,439	1,186	2,988	2,918	191	13,171
Timber	10	95	41	218	10	7	21	55	457
Fuel	1	3	3	17	4	1	13	—	42
Foodstuffs	—	5	10	42	223	37	115	—	432
Vegetables	1	—	1	—	—	—	—	3	5
Iron Ware	—	—	114	167	223	376	363	—	1,243
Sugar	—	—	176	14	121	223	299	—	833
Sand and Earth	1	—	15	17	—	1	44	17	95
Others	5	19	15	27	6	36	—	89	197
War Materials	71	887	1,102	2,030	422	1,326	2,597	765	9,200
Total	1,074	7,348	9,809	9,786	7,403	14,393	20,659	2,058	72,530

(j) Goods landed at Harbin

(In metric tons)

	April	May	June	July	August	September	October	November	Total
Soja-beans	499	33,536	70,393	26,348	868	2,165	3,859	27,399	165,067
Wheat	163	12,460	8,705	3,830	663	10,616	11,642	6,441	14,520
Miscellaneous									
Grains	—	5,768	7,957	2,512	765	21	264	857	18,144
Bean-cake	47	—	1	20	—	—	—	—	68
Baking Powder ..	44	302	521	51	—	—	—	18	952
Gunny Bags	—	—	—	—	40	36	3	24	103
Miscellaneous									
Goods	6	63	43	362	76	253	478	—	1,281
Foodstuffs	39	19	48	159	35	76	253	73	604
Chicken	—	—	3	—	106	8	117	—	234
Vegetables	—	—	—	—	217	9	2	—	228
Oils	—	—	—	1	23	15	—	—	39
Coal	3	1	770	5,027	18,284	23,357	10,837	767	59,046
Timber	4	8	435	667	282	314	3	708	2,421
Sand and Earth .	—	738	1,105	1,043	2,275	5,655	634	5,344	16,794
Others	119	—	2	16	84	33	362	43	659
Total	924	52,895	89,983	40,036	23,718	42,558	28,372	41,674	320,160

Laws and regulations concerning navigation.— On June 21, 1933 the Government enacted and promulgated the River Navigation Law with a view to properly controlling shipping operators on the rivers, lakes and marshes. Further, the Navigation Association regulations were promulgated on March 5, 1934 with the object of Controlling the navigation associations organized to improve and develop the navigation on the 1st Sungari, the 2nd Sungari, the Yalu and Liaoho and their tributaries.

As for ships, on June 4, 1932, the Government issued the Ship Survey Provisional Regulation, on March 13, 1933 instructions regarding the permission of the building of ships, on September 26 of the same year provisional regulations regarding the control of trading ships, on April 13, 1934 issued regulation governing the permission of the import of ships.

As to the superintendence of the crew, on February 3, 1934 the Seamen Superintendence

Provisional Regulations which were enacted during the former regime, were revised and on April 16, 1934 provisional regulations relating to the control of the pilots on the Yalu were enacted.

Ports.

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 steamships 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 26. Distance between Dairen and Other Ports

	Distance (nautical miles)
Otaru	1,315
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 5,000,000 tons, and imports through this port stands at 800,000 tons.

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

Port Arthur. This is the only ice-free port in Manchuria, affording good shelter to 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 toward the end of April or the beginning of May. While the river is frozen, sleds are available for communication across it.

Table 27. 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	343
Gensan	864
Kobe	880
Kyobunto	446
(Port Hamilton)	
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 administ-

ration 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 Moutankiang 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 16,000. 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 to 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:

Routes	
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 28. 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 mouth 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 has been developing since the opening of the Kirin-Kainei railway line. The future of trade is bright since Northern Manchoukuo is rich in natural resources. Manchus are migrating there in large numbers, but Koreans 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.

Lungchingsun. Luhtaokow is another name of Lungchingsun. This place was in a desolate state about 50 years ago, covered by forests, though fertile in soil. As it is fit for agriculture, Koreans are coming there in increasing numbers. Lungchingsun developed into a town in 1907. When the Chintao Treaty was concluded between Japan and China, Lungchingsun 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 has collected 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 abounds in the wealth of timber and minerals, the major portion of which will be exported to Japan through Seishin within several years.

Navigation Agreement. In view of the frequent disputes occurring in river navigation between Manchoukuo and 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 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 Sungari 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 operation 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 Knagtê of the Manchoukuo Empire, which is the Fourth Day of September, One Thousand Nine Hundred and Thirty-four.

(Signed and Sealed)

For the Manchoukuo Harbin Navigation Bureau
Kuei Hêng-chi, Manchoukuo Consul at Blagoveschensk

Yoichi Shimasaki, Chief, Third Section, Navigation Bureau, Dept. of Communications
Takejiro Horiuchi, Chief, General Affairs Section, Harbin Navigation Bureau
Kiyoshi Yoshizu, Manchoukuo Vice-consul at Blagoveschensk

For the U.S.S.R. State Amur Shipping Bureau
A. Y. Metelitz, Chief, the State Amur Shipping Bureau

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

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

CHAPTER XV COMMUNICATIONS

TELEGRAPH & TELEPHONE

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

Telegraph:

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, Taonan, Liaoyuan, Chihhsien, Moutan-

king, 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	Chihfieng
Mukden	Chengteh
Dairen	Tunhua
Tsitsihar	Yenki
Antung	Tumen
Yingkow	Chiamussu
Hailung	Fuchin
Chihhsien	Tabeiho
Shanhaikwan	Tungliao
Peipiao	Hailar
Chaoyang	Manchouli

General Survey of the Company's Works in 1935

In 1935 the Company continued doing their best to effect important extensions and improvements in the telegraph, telephone, and radio equipments. The sum of 8,460,000 was expended on communications and ¥1,670,000 on miscellaneous works, making a total expenditure of ¥10,130,000.

To give principal works done in the year under review, as a result of the transfer of the N.M.R. from Soviet Russia to Manchoukuo, the Company took over the public telegraph and telephone services hitherto carried on by the Railways. While setting up telegraph and telephone offices at important stations on the Railway lines, the connective telegraph service between Manchoukuo and Soviet Russia was endorsed. As for other external connexions, the through telegraph and telephone services between Mukden and Tientsin, which had been put out of operation since the Manchurian incident, were restored and the Chinese-Manchoukuo telegraph and

References: Tables 3, 4, 5—General Direction of Manchoukuo State Railway. Table 6—Economic Research Bureau S. M. R. Tables 7, 8, 9—Manshu-koku Gensei (1936, published by the Manshu-koku Tsushin-sha). Tables 10, 11, 12—Manchuria Air Transport Company. Tables 13, 14, 15—Harbin Transporter's Association. Tables 16-28—Manchoukuo Niennpao (Official Annual Report of Manchoukuo).

telephone connections were opened. Besides, the wireless telegraph service was opened between Manchoukuo and France. On the other hand, efforts were made to control and unify the local telegraph services. In the year under review the Company purchased seven of these local enterprises involving 26 offices, thereby controlling and unifying the greater part of the big local enterprises. The sum of ¥1,600,000 was spent on the construction of various buildings connected with the Head Offices and branches. The section between Antung and Fenghuangchen which forms a part of a long-distance cable for the Japan-Korea-Manchoukuo connective service was brought to completion.

The number of operating offices for the telegraph, telephone and radio services as at the end of 1935 was 651. Of this number, 276 were under the direct management of the Company and 375 entrusted with others. Contrasted with the end of the previous year, the former shows an increase of 15 and the latter 60, making a total increase of 75.

Telegraph Service.—The number of telegraph offices as at the end of 1935 stood at 555, showing an increase of 51 over the previous year. Of this number, 482 dealt with Japanese telegrams. Principal lines established during the year under review comprised one between Tsitsihar and Manchouli and others representing an extension of 3,300 kilometres. The total length of lines as at the end of 1935 was 21,911 kilometres and the extension of wires 45,886 kilometres.

As to wireless telegraph equipments, wireless connections were opened between Hsinking and Paris and Osaka and between Mukden and Osaka, while the wireless equipments at Dairen, Harbin, Tsitsihar and other places were improved and repleted. Besides, wireless equipments were set up at important points in North Manchuria and Jehol. The number of wireless stations at the end of 1935 stood at 159 involving 159 receiving and transmitting sets.

Telephone Service.—The number of telephone exchanges at the end of 1935 was 118, showing an increase of 29 over the preceding year. The number of telephone subscribers as at the end of 1935 was 54,156, which shows an expansion of 12,614 in comparison with the end of the foregoing year. The length of the urban telephone lines was 2,943 kilometres and the extension 24,468 kilometres. As for the suburban telephone service, the Company exerted every effort to replete it. The length of the lines as at the end of 1935 was 10,088 kilometres and the

extension 67,102 kilometres. Contrasted with the end of the previous year, the former shows an increase of 1,800 and the latter 8,000.

Radio Service.—Great improvements were effected in the four broadcasting stations of Hsinking, Dairen, Mukden and Harbin. At the end of 1935 there were nineteen transmitting and receiving sets including a 100 kilowatt transmitting set at Hsinking.

The number of listeners-in as at the end of 1935 was 19,764. Compared with the end of the preceding year, it shows an increase of under 60 per cent. or the monthly average of 615. Of this increase, 6,300, approximately represent Japanese and 1,250 Manchus.

Table 1. Broadcasting Stations in Manchoukuo (1935)

	K.W.	K.C.	Meters.
DairenJQAK	0.5	650	462
MukdenMTBY	1.0	890	337
HsinkingMTCY	100.0	560	539
TsitsiharMTFY	3.0	674	445

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

Table 2. Assets & Liabilities of the Manchuria Telegraph & Telephone Co.

ASSETS:	
Capital Stock Uncalled	¥20,625,000
Communications Equipments	41,093,696
Miscellaneous Equipments	4,288,887
Miscellaneous Accounts Receivable ..	546,794
Guaranty Fund	590
Stores and Supplies	2,349,285
Post Office Transfer Account	64,103
Bank Deposits	7,089,305
Cash on Hand	59,494
Miscellaneous Accounts paid in advance	517,359
Securities Received in Pledge	10,950
Exchange Accounts	124,835
Total	76,770,298
LIABILITIES:	
Capital Stock Authorized	50,000,000
Legal Reserve	192,000
Special Reserve	180,000
Retirement Allowance Reserve	230,000
Dividends Balancing Reserve	370,000
Special Funds	509,350
Depreciation Funds Reserve	3,309,189
Bonds	15,000,000
Miscellaneous Accounts payable	1,997,873
Guaranty Funds	235,350
Mutual Aid Account	86,431
Sundry Receipts Unadjusted	705,223
Balance brought from Previous Term	392,625
Net profit for the Year ended in March	3,390,430
Total	76,770,298

DISPOSAL OF PROFIT:

Legal Reserve	170,000
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	850,000
Balance carried forward	601,514
Total	3,783,054

Telegraphic Service

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

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

paring 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 in 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 3. General Statistics on Telegraph, Telephone, Radio

	Length of Telegraph lines (Kilometres)			No. of Radio Subscribers			
	Lines	Wires		Japanese	Manchurian	Foreigners	Total
1933	12,370	34,068	Sept., 1933	5,236	283	377	5,896
1934	20,471	42,594	Aug., 1934	8,969	738	657	10,364
1935	21,911	45,886	Dec., 1934	—	—	—	12,384
			Dec., 1935	—	—	—	19,764

Telephone & Telegraph Offices (Oct., 1935)

	Directly controlled				Entrusted to Other organs						
	Telephone & Telegraph Office	Telegraph Office*	Telephone Office*	Radio Broadcasting Office	Telephone station	Telephone & Telegraph Office*	Telegraph Office	Telephone Office*	Telephone station	Wireless Telephone Office	
Dairen	12	15	6	1	1	9	41	—	17	48	150
Mukden	24	33	3	1	—	3	82	—	10	—	162
Hsinking	26	32	3	1	1	2	77	2	12	—	162
Harbin	13	32	4	1	3	9	23	1	7	—	103
Tsitsihar	12	12	1	—	1	4	18	1	2	—	54
Chengteh	5	12	—	—	—	—	2	—	—	—	19
Total	92	137	17	24	6	27	243	4	48	48	650

Note: *—Offices dealing with the telephone exchange business.

	No. of Telegrams dealt with at Offices (1935)		
	Despatched	Arrived	Total
In Manchoukuo	2,931,997	2,917,662	5,849,659
Japan-Manchoukuo	2,317,674	2,072,636	4,390,310
Foreign	255,168	275,644	530,812
Total	5,504,839	5,265,942	10,770,781

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 disunited condition then obtaining in Manchuria the service was far from satisfactory. The Manchoukuo authorities have been successful in eliminating most of the causes for the inefficiency that existed under the Chang rule. Among some of the projects that have been completed by the new government are the establish-

ment of a number of new post offices and the lowering of postal 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. The sales 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.

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)

No. of Telegraph Machines

	Telegraph	Wireless Telegraph
1933	544	—
1934	634	140
1935	638	159

Length of Telephone lines (Kilometers)

1934	24,070
1935	32,468

No. of Telephone Messages

1934	2,166,375
1935	2,695,999

No. of Telephone Subscribers

1933	32,898
1934	41,498
1935	54,118

No. of Radio Subscribers

	Japanese	Manchurian	Foreigners	Total
Sept., 1933	5,236	283	377	5,896
Aug., 1934	8,969	738	657	10,364
Dec., 1934	—	—	—	12,384
Dec., 1935	—	—	—	19,764

Table 4. Fees for Special Mail Matters

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

Postal savings

The postal savings of Manchoukuo at the end of 1935 as shown by the returns of the Department of Communications, totalled ¥2,336,000. It shows an increase of ¥418,000 over the end of the previous year. The savings at the year-end as classified according to the seats of the Bureau of Superintendence are listed below:—

(In thousands of yen)

Hsinking	785,485
Mukden	866,014
Harbin	684,588

The amount of savings per capita stood at ¥32.51 in Hsinking, at ¥27.39 in Mukden, at ¥40.52 in Harbin and at ¥32.14 on the average.

On December 26, 1935 the Japan-Manchoukuo treaty was signed to unify the postal service between the two countries.

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-Japa-

nese joint undertaking;

Have therefore agreed upon the following Articles:

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

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

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

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

Article 4. The Governments of Manchoukuo and Japan shall respectively contribute as capital such equipments for electric communications as at present belong to them in the Kwantung Leased Territory,

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

The equipments for electric communication mentioned in the preceding Paragraph shall not include any which are accessory to railway and aviation enterprises nor any which are exclusively for the use of Government office 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 Governments may, until they reach a certain rate, be distributed in preference to those held by the latter.

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

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

Article 9. The Company shall enjoy the same privileges as have hitherto been granted to Government undertakings in respect of the expropriation of

lands, the laying of electric wires, the utilization of means of transport, the collection of fees and charges and all other matters necessary for the conduct of its undertaking.

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

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

The Governments of Manchoukuo and Japan may, in respect of the 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 purpose any equipment for elec-

tric communication accessory to railway and aviation enterprises or such as are used exclusively for police and military purposes.

Article 16. The Government 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 agreement 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, forth-

with 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 instrument of ratification shall be exchanged at Hsinking as soon as possible.

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

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

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

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

Done at Hsinking this 26th day of the 3rd month of the 2nd year of Tatung, corresponding to the 26th day of the 3rd month of the 8th year of Showa.

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

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

CHAPTER XVI

COMMERCE

Modern trade organizations are to be found in the principal cities and towns along the railway lines of Manchoukuo and in Kwantung Province. In most of the other parts of the country trade organizations are still of the time-honoured form. Even barter by caravans is carried on in the uncivilized parts of the country.

It may be ascribed to a low stage of the development of capitalist economics that the commerce of Manchoukuo is still in such a primitive state. But the fundamental cause of it lies in the fact that the economic affairs of the country were left in the hands of the former military authorities and the government traders closely connected with them who had their own way by monopolizing important businesses, disregarding its serious effects upon the traders and the people in general. In view of this situation, ever since the foundation of the Empire, the authorities have endeavoured to revivify trade and lead it on the road to healthy development. The policy to be pursued by the Government to that end as enunciated in the statement issued on March 1, 1933 regarding the economic construction of the country may be summarised as follows:—

- (1) As regards commerce in general, to promote and encourage it as much as possible so as to facilitate transactions, and to help develop the features of the trading people, while rectifying, if need be, the time-honoured customs, thereby rationalizing transactions; to provide a fitting supply and regulate prices in regard to the necessities of existence and such other goods as have an important bearing on the life of the nation.
- (2) To protect industrial ownership by promulgating laws for patent rights, trade mark, etc., enact legislation in regard to depositing and insurance, unify the system for weights and measures and to provide other civilized institutions with reference to business transactions, including the reform of the exchange system.
- (3) To lay down customs policy in such a way as to contribute towards the promotion of foreign trade.

In accordance with the policy which is outlined above the Government is trying to promote and encourage commerce, while the traders are co-operating with the Government. The Government is studying the exchange system with the object of effecting the rationalization of business transactions. As the first step towards the end they reorganized the Harbin Provisions Exchange into a joint-stock company under Manchu-Japanese joint management. With a view to opening outlets for the special products of the country the Government participated in the Chicago Exhibition in 1933 and also in the Manchu Exhibition at Dairen. As for the Chamber of Industry and Commerce, they are studying about the rationalization of its control. On the other hand, the Government perceived the urgent necessity of the unification of weights and measures, the lack of which had been a serious flaw in the way of the development of commerce, and enacted and promulgated the Weights and Measures law in February, 1934 and simultaneously established the Weights and Measures Bureau by extending the Commercial and Industrial Administration Section to deal with the enforcement of the new legislation. As for the protection of the trade mark, in September, 1933 the Trade Mark Law and detailed regulations for the enforcement of the law were enacted. Affairs relating to the registration of the trade mark and other matters are charged with the Trade Mark Bureau newly established.

New Industrial Rights Law.—On April 9, 1935 the Manchoukuo Government promulgated various laws and regulations governing the ownership of industrial rights to be put into force on the first of the following June. The laws comprise fourteen Imperial Ordinances and seven decrees of the Department of Industry.

The Imperial Ordinances include the following:—

- (1) Patent Law.
- (2) Design Law.
- (3) Law Governing the Registration of Patents.
- (4) Regulation Governing the Registration of

- Designs.
- (5) Regulations Governing Inventions which Require Secrecy from the Military Point of View.
- (6) Regulations Governing Designs which Require Secrecy from the Military Point of View.
- (7) Law Governing the Expropriation of Patent Rights.
- (8) Law Governing the Expropriation of Designs.
- (9) Regulations Governing Fees Concerning Patents and Designs.
- (10) Regulations Governing the Bureau of Patents and Inventions.
- (11) Regulations Governing the Organization of an Examination Committee regarding Expropriation of Patents.
- (12) Regulations Concerning a Revision of the Salaries of Officials above the Grade of Delegated Appointment.
- (13) Regulations Concerning a Revision of the Salaries of Officials of the Grade of Delegated Appointment.
- (14) Law Governing Fees for the Registration of Designs.

The Decrees of the Department of Industry comprise the following:—

Departmental Decrees

- (1) Regulations Governing Enforcement of the Patent Law.
- (2) Regulations Concerning Enforcement of the Patent Law.
- (3) Regulations Governing the Law Governing Fees for the Registration of Patents.
- (4) Regulations Concerning the Registration of Designs.
- (6) Regulations Governing the Issuance of Official Notice of Patents.
- (7) Regulations Governing the Division of the Bureau of Patents and Inventions.

Upon the enforcement of the new laws and regulations the present Trade Mark Bureau was reorganized into the Bureau of Patents and Inventions.

Chamber of Commerce.—In Manchuria there have been such commercial organs as Chambers of Commerce, which are intended to protect and further the interests of commerce and industry and keep amicable connections between the dealers in the same line of business.

Since the establishment of Manchoukuo there

has not yet been enacted any law pertaining to the chamber of commerce. So the laws and regulations of the former regime are still made use of. Having regard to the fact that the existing chambers of commerce have no unification or relations between them, the Government has perceived the necessity of enacting legislation in regard to the organization of the chamber and its control and is deliberating on the drafting of the law.

An association is organized by the Chambers of Commerce in each province. At present these associations are in four places, namely, Mukden, Kirin, Tsitsihar and Harbin.

The number of Chambers of Commerce and their membership by locality as at the end of March, 1934 are tabulated below:—

Table 1. Chambers of Commerce

Locality	No. of Chambers of Commerce	Membership
Fengtien Province	97	23,400
Kirin Province	59	2,108
Heilungkiang Province	44	3,383
Jehol Province	16	52
North Manchuria Special District	27	569
Hsingan Provinces	5	308(?)
Hsinking City	1	1,291
Harbin City	2	(?)

Industrial and Commercial Association.—The industrial and commercial association is a sort of trade association, which has for its object maintaining the public interests of the traders. The Government is just drafting legislation concerning the Association. Pending the enactment of the law similar laws which were in force during the former regime are made use of in regard to the Association.

Trade Marks

As stated above, in September, 1933 the Trade Mark Law and Detailed Regulations for the Enforcement of the Law were promulgated by the Manchoukuo Government. From their enforcement on November 20 of the same year up to the end of June, 1935, the Government had received a total of 17,000 applications for trade mark registration, which, classified according to the nationalities of the applicants, consist chiefly of the following:

Table 2. Applications for Trade Mark Registration

Manchurian	329
Japanese	13,299
German	1,194
American	999
British	1,235
Swiss	102

French	306
Chinese	73
Italian	17
Canadian	11

The number of applications from nationals of countries which have not yet recognized the new State, is steadily increasing, but the Government does not make any discrimination between these applications and those of its own people and Japanese. In fact, it recognizes the right of Britons and Germans to act as official agents through whom trade mark applications may be submitted to the Government.

Weights and Measures

Various standards of weights and measures have been in use in Manchoukuo, to the great inconvenience of dealers and customers alike. Generally speaking they may be classified into the Chinese, Japanese and Russian systems, the international metric, and the British "foot-pound" systems. Each has its own particular field of use, the Chinese system being employed among the Manchurians and Chinese, the Japanese among the Japanese, the Russian among the Russian population, and the metric and the foot-pound standards among those having transactions with the South Manchuria Railway Co. In order to reform this confused state of affairs, the Government, on January 25, 1934 promulgated the Weights and Measures Law, stipulating that for general transactions and for purposes of certification, the international metric system or the new "chih-chin" system should be used. In September, 1935, a measurement law was enacted to unify all weights and measures which were excluded from the Weights and Measures Law of 1934.

Under the present system all implements for weights and measures must be duly inspected and authenticated by the authorized public weighters and measurers located in town and country before such implements can be used for business transactions.

Japanese Organs

The Japanese commercial organs may be broadly divided into two groups. One of them is intended to promote and further the interests of the Japanese merchants and the other the interests of those engaged in the same line of business. The former consists of Chambers of Commerce and Industry, Business Societies and Business Associations. The latter consists of co-operative Societies. Besides, there

are commercial museums, which are playing an important role in the development of Japanese trade and commerce.

Chamber of Commerce and Industry.—There are eight Chambers of Commerce and Industry one each in Dairen, Mukden, Antung, Yingkow, Hsinking, Harbin, Tieling and Kirin. Those in the first named two places are most active. Besides, there are similar organs in the railway zones, namely, the Anshan Business Society, the Liaoyang Business Society, the Fushun Business Society, the Kaiyuan Business Society, Ssuningchieh Civic Society, the Kungchuling Commercial Society, the Port Arthur Commercial and Industrial Society and the Penhsihu Business Society.

The details of the eight Chambers of Commerce and Industry are tabulated below:—

Table 3. Details of Chambers of Commerce and Industry

Name of Seat	Ordinary		Expenditure (Yen)
	Special	Members	
Dairen	50	6	81,537
Yingkow	29	2	15,600
Mukden	30	15	55,264
Antung	30	6	26,272
Tieling	5	4	7,117
Hsinking	6	5	31,778
Harbin	20	—	42,577
Kirin	20	1	—
Total	190	39	240,145

Trade Associations.—Co-operative undertakings are generally developing both in the size of capital and in the scope of business. Excepting, however, the consumption guild composed by the members of the S.M.R. Co., and the Manchou Import Guild, these associations in general do not yet show great activity. The trade associations organized by Japanese, Manchus and foreigners as at the end of 1934 were 353 in number with a total membership of 107,833. Contrasted with the previous year, the membership shows an increase of 18,102.

Manchu Import Guild.—The first import guild in Manchuria was established in Mukden in 1927 with the object of reviving the activity of the Japanese merchants resident in Manchuria, who had been hard hit by the post-war depression and accelerating the import of Japanese goods into Manchuria. At present there are in all seventeen import guilds scattered over principal cities and towns. In August, 1927 there was established the Manchu Import Federation in order to control the guilds with a loan of ¥3,-

500,000 from the South Manchuria Railway Company to be redeemed within sixteen years. The sum of ¥100,000 had been already redeemed by the end of 1935. Besides, the Federation has obtained a low-interest loan of ¥1,500,000 from the Department of Finance. It was established for the purpose of accommodating purchase funds, reforming trade customs, assisting in the purchase and consignment of goods, the extension of markets, the reduction of freights and other changes. At present the Federation is

engaged exclusively in the accommodation of purchase funds, the rest of the business having been made over to the Manchu Import Company, which was brought into being on July, 1935 with the object of rationalizing and controlling the purchases of the members. In December, 1934 a research section named the "Trade Research Section" was instituted with the Federation to investigate the taste of the Manchus and other matters, thereby promoting the import of Japanese goods into Manchoukuo.

Table 4. Condition of Import Guilds
(End of July, 1935)

Name of Seat	Subscriptions Paid ¥	Proportion of Paid Subscriptions to Advances %	Membership	No of Subscriptions	Number of Trade Groups	Subscriptions Paid by Trade Group ¥	Percentages
Dairen	669,131	76	331	13,557	84	621,341	92
Ryojun (Port Arthur)	69,984	88	60	1,428	15	60,989	87
Tashihchiaio	46,555	75	31	951	10	46,555	100
Yingkow	93,663	75	52	1,901	13	93,060	99
Anshan	123,654	62	74	2,509	23	123,654	100
Liaoyang	67,069	38	35	1,351	10	63,619	94
Mukden	246,565	85	136	4,999	35	229,827	93
Fushun	157,076	92	77	3,183	22	155,004	98
Penhsihu	34,900	85	24	709	7	32,777	93
Antung	221,945	79	97	4,485	27	218,621	98
Tieling	84,948	63	44	1,720	13	83,309	98
Kaiyuan	36,161	70	27	735	9	36,161	100
Ssuningkai	105,205	72	45	2,125	13	105,206	100
Kungchuling	49,524	72	23	1,001	7	49,524	100
Hsinking	215,636	90	122	4,377	29	200,659	93
Kirin	23,999	99	15	489	4	21,020	87
Harbin	186,362	69	66	3,758	18	181,382	97
Total	2,432,378	75	1,259	49,278	389	2,322,108	95

Manchu Import Company.—The Manchu Import Company referred to above was opened to business on August 15, 1935 with agencies in Tokyo, Osaka and Nagoya. It has a capital of ¥500,000.

Dairen Association of Prefectural Representatives.—Various prefectures of Japan have their representatives stationed at Dairen to assist in transactions in their agricultural, pastoral, aquatic, manufacturing and other products and their propaganda, investigation of the financial standing of the resident Japanese traders concerned, etc. Fukuoka Prefecture was first represented in this way in Manchuria when in June, 1927 a representative was stationed at Dairen by the Prefectural Industrial Encouragement Hall. Many prefectures have since followed suit, the number of these representatives being fourteen at present. These representatives organized the Dairen Association of Representatives, which held the first sample exhibition in the Dairen Chamber of

Commerce and Industry in 1934. The prefectures represented are as follows:—Tokyo, Osaka, Aichi, Fukuoka, Saga, Yamaguchi, Hokkaido, Wakayama, Taichu (Taiwan), Kagoshima, Kumamoto, Hiroshima, Niigata and Ehime.

Mukden Association of Prefectural Representatives.—The Mukden Association of Prefectural Representatives was organized in February, 1934. The prefectures represented are Tokyo, Osaka, Hyogo, Ishikawa, Miyagi, Shizuoka, Kyoto, Hiroshima, Wakayama, Okayama, Aichi, Gifu, Fuku, Fukuoka, Kagoshima.

Mukden Trade Association.—The Mukden Trade Association was organized in December, 1912 by the Japanese traders resident at Mukden. The members of the association as at the end of September, 1934 numbered 23 in all. Wheat flour, sugar, furs and hides, rubber shoes, textiles, toilet goods and others handled by the Association during 1933 amounted to ¥32,900,000. It is steadily being carried on between

Manchu consumers and exporters in Japan.

S.M.R. Consumption Guild.—Principal associations formed by consumers comprise the S.M.R. Consumption Guild, the Kwantung Government Purchasing Guilds, the Communications Purchasing Guild, etc.

The origin of the S.M.R. Consumption Guild is to be sought in an institution established by the S.M.R. Co., in August, 1907 to supply the necessities of life to the members of the Company resident along the railway lines. It was on November 1, 1919 that it was reorganized into a consumption guild under the present title partly to meet the requirements of the times and partly to meet the ardent desires of the whole staff of the Company. As was declared by the S.M.R. Co., at the time of its establishment, the Consumption Guild was given a special favour in the form of (1) accommodation of funds, (2) buildings and furniture being loaned gratis, and (3) assistance in the payment of customs duties and freights. Due to the growing utilization by the staff of the Company and management, the guild progressed very satisfactorily. After the post-war depression set in, the guild began to adversely affect the local retailers so much that they clamoured for the abolition of the consumption guild. At last the Chamber of Commerce proposed that the special favours be withdrawn from the guild. In response to this proposition on the part of the Chamber of Commerce the S.M.R. Company gradually withdrew protection and assistance to the guild.

In spite of this the guild more and more developed and became steadier in foundation, while the members came to urge that the guild be transformed into a self-governing organ. In accordance with this desire of the members, on April 1, 1925 the Consumption Guild was transformed into an organ for the staff of the S.M.R. Co., or an autonomous organ for them. The rights and obligations of the former guild were all taken over by the reorganized one. At present the guild is concerned not only in sale but also in production by keeping manufactories for foreign and Japanese clothes and a bakery at Dairen and also a watch mending factory. Thus it meets the various requirements of the members of the S.M.R. Company, who number about 40,000, or 100,000 with their families, thereby representing quite a large number of the members of the upper classes of society. The total sales of the guild for 1934 closely approached ¥17,000,000, to the great astonishment of the whole commercial circles of Manchoukuo. Contrasted with the previous year, it showed an increase of

25 per cent.

Japan-Manchoukuo Business Association.—The Japan-Manchoukuo Business Association was organized on November 18, 1919 in accordance with the resolution adopted at a reunion of prominent Japanese and Manchu business men held under the auspices of the Association Supporting the Dairen Exhibition in August, 1933. The Association, of which Baron Seinosuke Goh is president, has its headquarters in the Japan Chamber of Commerce and Industry, Tokyo and branches at Dairen and Seoul. It has for its object expediting the economic co-operation of the two countries and assisting in the economic construction of the new Empire, with an eye to the co-prosperity of the two countries.

Japan-Manchoukuo Trade Federation was brought into being in January, 1935 as a by-product of an anti-consumption guild campaign. It is organized by associations of firms in Dairen, Tsitsihar and Chinchou and other similar organizations in all the other cities of Manchoukuo, numbering 14 in all. It has its headquarters in the Chamber of Commerce and Industry, Hsinking.

Foreign Chambers of Commerce and Industry

The commercial activities of foreigners excepting Japanese and Chinese are concentrated in Harbin and Dairen, so their chambers of commerce and industry are chiefly situated in those two places as follows:—England: Dairen, Yingkow and Harbin; U.S.A.: Harbin; Germany: Harbin; France: Harbin; Soviet Russia: Harbin.

EXCHANGES

Japanese Exchanges

The Japanese exchanges in Manchuria may be broadly divided into two classes, namely, the public exchanges established by and under the supervision of the Kwantung Government (as a result of the reorganization of the exchange, the right of supervision has been vested in the Envoy Extraordinary and Ambassador Plenipotentiary since the end of 1934) and the private exchanges of the organization of joint-stock company to be established with the approval of the Kwantung Government. As at the end of September, 1935, the former exchanges were in Dairen, Mukden, and Hsinking, dealing in the staple products of Manchuria, viz. soya-beans, bean-cake, bean oil, kaoliang and rice and gold and silver currencies. The latter exchanges comprise the Dairen Stock and Produce Exchange, the Antung Exchange, the Manchu Exchange (Mukden) and the Harbin Exchange,

which was established in October, 1933 under Japanese and Manchu joint management.

Public Exchanges

In 1913 the Kwantung Government established the Dairen Exchange. Later exchanges were established in many places such as Kaiyuan, Changchun, Kungchuling, Tiehling, Ssupingchieh, Mukden, Yingkow, Liaoyang and Antung. In the post-war depression, however, most of these exchanges found themselves in serious circumstances. At last in October, 1934 the exchanges in Tiehling, Liaoyang and Yingkow were closed. In March, 1934 those in Kaiyuan, Ssupingchieh and Kungchuling were also closed. The only produce exchange that enjoys a thriving business is the Dairen Exchange. Like the produce exchange, the currency exchange at Dairen enjoys a good run of business, while similar exchanges at Mukden, Antung and Hsinking are gradually declining in activity.

Public Exchanges are controlled by the Government of Kwantung and each is staffed with a Superintendent, Secretary and clerks. An advisory board is attached to each, organized with a Superintendent and a number of Councillors, the latter appointed by the Governor from among experts in trade and industrial affairs.

The advisory board considers and decides questions concerning the issue of licenses for dealers on the Exchange, methods of bargaining, fulfilment of bargain terms, and adaptation of the conduct of business to suit prevailing conditions.

These Exchanges under Government management do not guarantee fulfilment of forward contract terms.

On this account, a trust and guarantee company is attached to each Exchange to undertake guarantee of faithful execution of the bargain terms and the settlement of accounts.

Table 5. Public Exchanges and Trust Companies

Name of Exchange	Established	Exchange Trust Co.	Authorized Capital (G.¥)	Paid-up Capital (G.¥)
Dairen Exchange	Mar., 1913	Dairen Exchange Trust Co.	12,000,000	4,126,000
		Dairen Currency Exchange Trust Co.	5,000,000	1,250,000
Mukden Exchange	Jan., 1920	Mukden Exchange Trust Co.	500,000	500,000
Hsinking Exchange	Mar., 1916	Hsinking Exchange Trust Co.	1,000,000	250,000

Table 6. Forward Transactions in Special Products on Government Exchange (1934)

Exchange	Name of Goods	Sales		Official Quotations		Unit of Price
		Amount	Value (yen)	High (yen)	Low (yen)	
Dairen (In gold yen)	Soya-beans	126,520 (cars)	336,749,678	4.76	2.97	100 (kin)
	Kaoliang	31,731 (cars)	41,978,329	4.17	1.50	Do.
	Bean-cake	22,703 (000's omitted)	26,651,335	1.435	1.025	1 (piece)
	Bean oil	12,865 (In 100 boxes)	17,706,814	13.20	7.00	100 (kin)
Hsinking (In gold yen)	Ordinary Soya-beans	×14 (cars)	14,970	7.75	7.67	335 (kin)
	Soya beans (Mixed-storage)	3,401 (cars)	6,147,155	3.99	2.79	100 (kin)
	Kaoliang	229 (cars) ×13	522,996 7,457	3.45	3.065	100 (kin)

Note: The mark × denotes spot transactions.

Private Exchanges

Table 7. Details of Private Exchange

Name of Exchange	No. of Shareholders	Brokers		Capital	Paid-up Capital
		Number	Security		
Dairen Stock and Commodity Exchange	1,449	42	220,000	5,000,000	2,000,000
Manchu Exchange	137	18	143,100	1,000,000	250,000
Harbin Exchange	788	72	199,000	2,000,000	1,200,000
Antung Exchange	260	17	69,000	2,000,000	500,000
	Reserve	Total Revenue	Total Outlay	Net Profits	Dividend
Dairen Stock and Commodity Exchange	6,500	2,06,736	152,376	54,360	70,000
Manchu Exchange	—	79,976	73,357	6,519	—
Harbin Exchange	14,000	400,634	225,867	174,767	84,000
Antung Exchange	42,750	69,695	50,546	19,149	—

Note:—The unit of transactions is gold yen in the Dairen, Antung and Manchou Exchanges and MY in the Harbin Exchange.

Dairen Stock and Commodity Exchange.—The Dairen Stock and Commodity Exchange was established in December, 1919 with a capital of ¥10,000,000 in accordance with the Exchange Act of Kwantung Province. As a result of readjustments effected several times, the capital as in October, 1934, was as limited as, ¥5,000,000, of which ¥2,000,000 was paid up. It is popularly known as the "Five Goods Market", because it deals in five items, namely, securities, gunny bags, cotton yarn and cloth, wheat flour and sugar. At present there are little or no transactions in flour and sugar. The Exchange deals chiefly in securities. It is fast improving in position as the largest securities market in Manchoukuo.

Table 8. Turnover of Securities Business and Delivery on Dairen Stock and Commodity Exchange

	Turnover		Deliveries	
	(No.)	(Yen)	(No.)	(Yen)
Long-term Transactions	163,250	4,358,735	28,280	757,545
Short-term Transactions	900,200	70,065,244	900,200	70,065,244
Spot Transactions	257,590	4,693,884	257,590	4,693,884

Manchu Exchange.—The Manchu Exchange at Mukden is capitalized at ¥1,000,000, of which ¥250,000 is paid up and of joint-stock organization. It deals in share certificates, public loan bonds and commodities. At present transactions in commodities are suspended. They contemplate listing Manchu rice. Chiefly because Mukden

is the industrial centre of Manchoukuo the Exchange is steadily increasing in trading in securities, even threatening to outrun the Dairen Exchange.

The results of the Manchu Exchange for the half year ended November 30, 1935 were highly satisfactory, owing to such causes as the Italo-Abyssinian conflict, the North China problem, growing economic prosperity both at home and abroad, etc. The sales on the Exchange for the half-year period broke all former high records at 847,767 shares. Contrasted with the preceding half year, the dealings show an increase of 222,300, approximately, or about 35%. The daily average of sales (business days being 149, which show an expansion of 13 over the previous half-year period) was 5,690 shares; which are 1,092 more than for the preceding period. The amount of sales by transactions is tabulated below:—

Table 9. Sales on Manchu Exchange (Half-year Ended November 30, 1935)

	Sales	Inc. over Previous Period
Long-term Transactions	176,340	65,240
Short-term Transactions	642,960	129,210
Spot Transactions	28,467	27,882

The dealings given above were valued at ¥50,978,000. Deliveries amounted to 98,267 shares, valued at ¥2,521,960. Compared with the preceding half-year period, the amount of sales shows an increase of 73,262 and the value ¥803,110. It is especially notable that the dealings in public loan bonds for the period under review were ¥118,400 (representing the face value of

the bonds), the actual price being ¥114,880. Thus the Manchu Exchange now ranks first among the private managed exchanges in Manchoukuo in name and fact.

Antung Exchange.—The Antung Exchange is a joint-stock company with a capital of ¥2,000,000,000. It deals chiefly in securities and silver.

Manchoukuo Exchanges

Barring Japanese exchanges in the principal towns along the railway lines referred to above, the exchanges in Manchoukuo have not yet made much development. For the purpose of laying down a basic policy of the exchange, in 1933 the Government made a detailed investigation of the exchanges of the whole country. As a result, it was decided to reopen those exchanges which had been suspended and cause pseudo exchanges to be closed and have applications for the establishment of new ones filed with the Department

of Industry.

The Harbin Exchange is the only exchange that was brought into being in accordance with the Exchange Act promulgated in 1928 during the old regime. Formerly, it was known as the Pinkiang Provisions Exchange. It was in October, 1933 that the Exchange was reorganized as a joint-stock company under Japanese-Manchoukuoan management with a capital of MY2,000,000. At present the capital is paid up to the extent of MY1,200,000. At first the Exchange dealt in soya-beans, bean-cake, bean oil, wheat flour, gunny bags, cotton yarn and cloth, miscellaneous grains and engaged in warehousing as an ancillary business. Currency and soya-beans were added to the list with the opening of the market for 1925 on January 4. Much is expected of the future of the Exchange which has a speciality of its own as an economic artery of North Manchuria.

Table 10. Sales and Deliveries on Harbin Exchange

	(1934)	
	Sales (cars)	Deliveries (cars)
Special Products (Time Transactions)	Soya beans	510
	Wheat	2,549
	Bean-cake	527
Currency	(yen)	(ycn)
	Time Transactions	1,829
	Spot Transactions	11,457

MARKETS

In Manchuria there have hitherto been two groups of markets, one representing old style markets for Manchus comprising second hand furniture, low class miscellaneous goods, provisions, shows, even gambling and the other a mixture of wholesale and retail markets under the management of market companies in the S. M.R. Zone supplying fresh and raw provisions to Japan. Besides there were special markets such as a fish market under the management of the Kwantung Fishery Association and the Dairen Central Wholesale Market under the direct management of the Dairen Municipality.

In February, 1934 the Central Wholesale Market Act of Manchoukuo was promulgated. In accordance with the provision of this law the Central Wholesale Market was established at Harbin in January, 1935. The establishment of similar markets is projected in other places.

Sample Markets.—The sample markets, which were held separately by various prefectures of Japan, were naturally devoid of unity. The Manchu Import Guild Federation, which regretted

this state of things, made efforts to open a well unified and controlled market representative of all prefectures. Thanks to their efforts, the first sample market of this nature and scope was opened for three days at Dairen commencing on July 7, 1930. It was participated in by nearly thirty prefectures involving more than 530 exhibitors. It proved such a success that transactions amounted to ¥310,000. In July of the following year the second sample market was opened at the same place for three days. This time the amount of transactions was about ¥120,000 larger at ¥430,000. The third sample market was opened at Mukden in August of the following year, or 1932. The value of transactions was ¥610,000. It showed an expansion of ¥180,000 over the previous year. The fourth market was opened at Dairen and in Mukden 1933. Trading amounted to ¥1,330,000 in the former and to ¥3,620,000 in the latter. The fifth market was opened in the same places in 1934. This time the total of transactions in these two sample markets showed a decrease of ¥800,000 in comparison with the preceding year. This was

attributed to a decay of the farming districts of North Manchuria and floods which took place just at that time. In 1935 sample markets were opened in three places, namely, Dairen, Mukden and Harbin. The results were unexpectedly bad, the total of trading in the three markets being ¥2,230,000 less than in the preceding year. The direct cause of this failure is said to have lain in the non-participation of leading interests.

Manchoukuoan Markets

Hitherto markets in Manchuria have been left entirely to develop by themselves, and most of them have been devoid of unity and system. In view of the fact that this state of affairs is disadvantageous in the way of the development of national life and industry, the Government is planning to bring about well controlled and unified markets of modern form and hastening the enactment of the necessary legislation.

COMPANIES

Manchoukouan Companies

The companies which were established from December 1931 to June 1934 in accordance with the provisions of the legislation of the former regime were 36 in number involving ¥124,685,500.00 capital. Of that number, 33 were joint-stock companies and 3 joint-stock partnerships.

Japanese Companies

In South Manchuria Japanese companies of various sorts have been established for the last ten odd years. No small number of them have come to grief due to the depression. Apart from this, since the founding of Manchoukuo many new concerns have been established. Principal industries carried on by these new companies are transportation, banking, warehousing, foreign trade, the manufacturing industries, land and building, foodstuffs, trust, etc. The number of Japanese companies in the districts under Japanese jurisdiction as at the end of 1933 was 1,899 (counting the number of the Head Offices alone). Their capital was approximately ¥842,120,000.

Japanese-Manchu Joint Enterprises

Japanese-Manchu joint enterprise was started as early as in the days of the Russo-Japanese War. No great activity was shown by this joint enterprise during the former regime. Since the establishment of Manchoukuo it has steadily developed. Principal concerns under Japanese-Manchu joint management number at present more than 100 representing iron manufacture, mining, lumber, banking, exchange, trust, build-

ing, warehousing, insurance, salt, fishery, electricity, textiles, sugar, transportation, and various other manufactures.

INSURANCE

Japanese Enterprise

The development of the insurance business in Manchuria is comparatively of a recent origin, dating back as it does to the termination of the Russo-Japanese War. Prior to the war insurance was under foreign management and very inactive. Insurance under Japanese management was started in Manchuria soon after the Russo-Japanese War when in February, 1906 an agency of the Meiji Life Insurance Company was opened at Dairen. Accident insurance under Japanese management in Manchuria was initiated in the following year when an agency was set up at Dairen by the Nippon Fire Insurance Company and the Kyodo Fire Insurance Company. Owing to the ever increasing number of Japanese residents and their economic development, the insurance business in Manchuria has at last attained the present growth. Barring the Dairen Fire and Marine Insurance Company whose head office is located at Dairen, in the districts under Japanese jurisdiction there are more than 100 branches and agencies of Japanese insurance companies registered in Japan.

Life Assurance.—Excepting the amount of contracts entered into with a very small number of companies under Chinese management, the greater portion of life policies issued in Manchoukuo are represented by Japanese concerns. The war boom proved a great impetus to the life assurance business in Manchuria. All industries have been affected by the post-war depression, but life assurance has steadily developed without feeling the effects of the depression. That is ascribed in part to the gradual spread of a knowledge of insurance among the Manchus.

Accident Insurance.—As stated above, soon after the termination of the Russo-Japanese War, Japanese fire insurance companies established agencies at Port Arthur. Owing to the fact that later Dairen developed so remarkably that it became the economic centre of Manchuria, Japanese insurance companies which had established their agencies elsewhere all removed them to Dairen. Especially remarkable was an activity shown by foreign transport and marine insurance companies, whose attention had been drawn to active shipments of Manchurian products from the port of Dairen. In fire insurance too, foreign companies exercised predominant influence as the Japanese companies were still

feeble in foundation. Since the conclusion of the World War, however, the relative positions of the Japanese and foreign firms have been reversed.

The Dairen Fire Insurance Company referred to above was established in August, 1922 with

a capital of ¥2,000,000 (of which ¥500,000 is paid-up) with the assistance of capitalists in Japan, the Tokyo Marine Insurance Co., and the Tai-sho Marine Insurance Co., and the South Manchuria Railway Co. It enjoys a thriving business.

Table 11. Results of Insurance Companies

Kind of Insurance	No. of Companies	Premium Receipts (yen)	Insured Amount Paid (yen)	Outstanding Policies	
				No.	Amount (¥1,000)
Life	29	10,476,409	4,165,155	249,636	249,636
Accident	144	2,648,768	1,154,750	446,843	1,009,476
Others	27	97,648	45,421	34,553	59,487
Total	200	13,222,825	5,365,326	732,032	1,318,599

Kwantung Province Fire Insurance Society.—In sympathy with a swift expansion of the financial world of Japan, the competition between Japanese and foreign insurance companies in Manchoukuo had become so severe as to steadily scale down premium and in turn lower their respective positions. At last all companies began to urge the crying need of preventing a lowering of premium. As a result, on December 17, 1934 the Kwantung Province Fire Insurance Society was established at Dairen and on February 1, 1935, an agreed upon rate of premium which was on an average 35 per cent. higher than had hitherto ruled, was put in force.

Industrial Life Assurance.—The leased territory of Kwantung Province and the S.M.R. Zone are outside the purview of the Industrial Life Assurance Law of Japan. In view of the fact that resident Japanese are as much in need of a similar institution as the Japanese at home, the Japanese residents have been enabled to have access to the benefit of industrial life assurance by the use of the system of the postal transfer savings account since 1922. The number of policies in force as at the end of 1934 was 189,035, aggregating ¥34,845,500, approximately. Contrasted with the end of the preceding year, the number shows an increase of roughly 25,000 and the value ¥8,000,000.

Manchoukuoan Enterprise

The majority of the Manchus have not even the slightest idea of what insurance really means. It is true that accident insurance has made tolerable development among the natives of late years, but life assurance still lags far behind. Hitherto 80 to 90 per cent. of fire policies issued for Manchus have been monopolized by Japanese, English and American companies. For the last few years Chinese underwriters of

Shanghai and Tientsin have extended their activity to Manchuria setting up agencies in principal towns.

Warehousing

The warehousing business in Manchuria originated in the Dairen Warehousing Company which began to show activity in 1909. During the war boom as many as over 40 warehousing companies were brought into being. Since the post-war economic depression set in 1920, the business has dwindled. The warehousing business under the management of the S.M.R. alone has steadily developed without being affected by the depression. The godowns run by the S.M.R. Company are in no way behind those in the advanced countries of the West in scope, accommodating capacity and general equipments.

The S.M.R. warehousing business is so predominant that it represents about 90 per cent. of goods in the godowns in all Manchuria. Besides the S.M.R. godowns, there are twelve principal warehousing companies in Manchoukuo, four of them being in Dairen, two in Mukden, two in Hsinking, three in Harbin and one in Fushun.

Principal goods handled by these godowns are soya-beans, bean-cake, kaoliang, maize, rice, red beans, iron, wheat flour, cement, petroleum. In view of the sharp increase in imports and poor accommodating capacity the Manchu Import Federation started a co-operative import warehouse for its members at the end of July, 1935. The warehouse, which was completed towards the end of the year, is placed under the supervision of the Manchu Import Company, which was established in August, 1935.

S.M.R. Warehousing.—It was in September, 1911 that the S.M.R. Company opened the warehousing business. Prior to this, or in 1908 the

Company instituted a small-scale warehousing facility in the Dairen pier compounds; in 1909, it introduced the open-air storage system at the leading stations along its lines and in 1911 inaugurated the present up-to-date warehousing system at the Dairen waterfront and along its railways. At present there are 70 godowns with an aggregate floor space of over 385,000 square metres on the piers and within the pier compounds of the Dairen harbour and no less than 119 godowns with an aggregate floor space of 154,000 square metres at 3 leading stations. The cargoes handled at these godowns amount to over 11,600,000 tons a year, 60% of which are beans and bean products. It is of special importance to note that, in order to facilitate the shipment and marketing of soya-beans, the Company had inaugurated

what is known as the mixed-storage system, first at the Dairen pier in 1912 and then gradually at Mukden, Kaiyuan, and other centres on the main line. Under this unique system the Company grades and classifies beans at receiving points according to qualities and weights and issues receipts which are negotiable at banks and which call for like quantities and qualities of beans at the specified terminal points. The system was so successful that it was later extended to bean-cake, bean-oil and wheat. It is also significant to add that the Company, with the inauguration of its warehousing facilities introduced that practice of the insurance on all goods in storage at the Company's godowns, entirely free of charge to the shippers.

Table 12. Condition of S.M.R. Warehousing Business (1934)

Line of Goods	Carry-over	Receipts	Total	Removed	Balance
Soya beans (mixed-storage)	330,550	1,913,580	2,237,130	1,886,370	350,760
Bean-cake (mixed-storage)	41,625	637,739	679,364	629,747	49,617
Bean oil (mixed-storage)	1,254	35,824	37,078	36,109	969
Separate Storage	229,613	2,988,930	3,219,543	2,992,778	225,764
Total for 1934	596,043	5,576,074	6,172,117	5,545,005	627,111
Total for 1933	645,271	4,877,221	5,522,492	4,926,448	596,042
Total for 1932	728,407	5,311,303	6,039,710	5,390,439	645,271

MANCHOUKUO ENTERPRISE

The warehousing business under Manchu management is still in a primitive stage of development. It consists simply in receiving goods for custody for a small amount of fees. No warehousing certificate is issued. Nor any means of affording credit is provided. Besides, there is another sort of warehousing agent known as "Liangchan", which exercises superb influence over the trade in special Manchurian products. Besides receiving goods for custody it runs hotel and financial businesses. Its godowns occupy a

very important position outside the S.M.R. zone, but they are out of comparison with the Manchu and other godowns under Japanese management in point of storage and equipments.

Commodity Prices

Price indices for staple commodities for 1935 in Hsinking calculated on the basis of wholesale price indices in the city (prices for July, 1932 being taken as 100), as shown by the Research Department of the Central Bank of Manchou are as follows:—

Table 13. Price Indices

Average of	Soya Bean	Bean Cake	Bean Oil	Kao-Iiang	Maize	Millet	Wheat	Wheat Flour	Rice
1934	67.1	73.3	77.2	92.6	89.0	73.1	113.5	97.1	99.4
1935:Jan.	98.3	96.7	122.3	207.6	143.2	141.6	126.9	91.5	120.4
Feb.	117.2	108.9	156.5	245.6	177.6	165.3	141.2	89.2	120.6
Mar.	110.2	93.5	134.8	247.9	168.1	180.6	137.8	88.1	123.6
Apr.	116.1	118.7	127.4	243.9	177.5	157.8	127.7	92.6	125.9
May	113.3	119.5	129.9	255.5	188.8	144.7	126.9	97.2	129.9
June	90.8	103.3	124.1	217.2	158.6	167.0	105.0	94.6	135.0
July	88.4	96.7	114.3	223.5	174.8	149.9	100.8	89.5	137.2
Aug.	91.7	96.7	115.3	247.4	180.0	157.4	107.6	92.9	141.4
Sept.	99.5	112.2	119.0	248.1	175.6	172.0	110.1	93.8	139.0
Oct.	114.6	121.1	148.5	220.2	155.8	167.2	122.7	99.7	122.4
Nov.	102.4	111.4	154.4	170.4	127.5	147.9	117.6	98.3	116.8
Dec.	95.6	111.6	148.4	157.3	111.2	138.8	114.3	95.7	115.0
Average	103.2	107.5	132.9	223.7	161.6	156.7	119.9	93.6	127.3
1936:Jan.	97.8	122.8	144.0	152.3	110.5	161.0	112.6	91.2	115.0
Feb.	97.4	116.6	143.4	147.1	105.6	155.3	110.1	90.7	117.6

Average of	Sugar	Cotton Yarn	Shirtings	Shaft Pig Iron	Galv'd Iron Sheet	Timber	Cement	Coal	Petroleum	Gunny Bag
1934	93.2	108.8	108.2	96.3	74.3	106.2	127.5	70.0	62.8	73.8
1935:Jan.	94.9	114.6	110.8	93.6	77.2	103.8	130.1	72.8	62.0	79.8
Feb.	98.0	112.2	105.6	89.4	75.5	100.0	114.8	69.1	57.5	79.8
Mar.	93.1	110.3	104.7	87.0	75.6	101.0	123.7	69.1	60.7	82.7
Apr.	93.8	108.5	101.3	84.4	76.5	102.9	133.7	70.0	61.7	87.5
May	98.2	110.2	102.1	88.7	81.1	101.9	133.7	72.4	66.2	71.7
June	98.4	117.9	102.6	90.0	80.7	101.0	126.5	72.4	67.3	73.7
July	98.2	111.8	99.1	90.2	81.3	97.1	127.7	71.0	67.8	73.7
Aug.	99.2	112.3	98.7	90.1	87.7	101.9	131.3	73.3	69.6	73.7
Sept.	98.6	110.6	97.9	92.1	90.5	104.8	137.3	73.7	70.2	73.7
Oct.	101.1	114.8	101.7	96.2	90.5	113.5	126.1	73.7	70.2	73.7
Nov.	102.2	113.3	100.7	92.5	90.5	101.9	130.7	73.7	70.2	73.7
Dec.	105.4	113.6	101.6	93.2	90.5	87.5	130.7	73.7	70.2	74.8
Average	98.4	112.5	102.2	90.6	83.1	101.4	129.2	72.1	66.1	76.5
1936:Jan.	107.9	112.6	100.8	91.2	90.5	85.6	131.4	72.4	70.2	76.0
Feb.	108.4	111.7	102.1	89.7	90.5	84.5	137.8	71.4	70.2	76.0

References: Tables 1-11 & 12—Manshu Teikoku Niennpao (Official Annual Report of Manchoukuo), 1936. Table 13—Keizai Kinyu Gaikyo (Monthly Financial & Economic Report of Manchoukuo) published by the Central Bank of Manchou.

CHAPTER XVII

AGRICULTURE

Agriculture

The principal resources of Manchoukuo are the vast area of its productive soil. It is estimated that only 44 per cent. of the arable land is at present under cultivation. Thus the agriculture of Manchoukuo has a great future before it. In this connection it may be noted that the density of the population of Manchoukuo averages only 72 persons per square mile against 390 per square mile in Japan and 310 per square mile in Korea. The lands of Manchoukuo are constantly opened in conjunction with the develop-

ment of railways and only those parts of the land which have heretofore been used for stock-raising by the Mongols are being brought under the plough.

It is estimated that the total value of the farm products of Manchoukuo, which is reckoned at 650 million yen, will treble in normal times when the entire arable land has been brought under cultivation and when various improvements have been made in the methods of cultivation now employed. The arable area and farming population are listed below:—

Table 1. Arable Area and Farming Population
(1934)

Arable Area	30,877,220 hectares (35.5% of area of the country).
Cultivated Area	13,802,370 hectares (44.7% of arable land).
Farming Population	23,667,000 (84.7% of entire population).

As for the proportion of arable land to the whole area of each province, Lungkiang comes first with 64.9%, followed by Kirin with 49.8%, Sankiang with 48.1%, Pinkiang 45.5%, Fengtien 35.8, Chinchow 26.5, Chientao 13.7, Antung 10.5, Heiho 9.7 and Jehol 7.9. As to the percentage of land not yet cultivated to the area of arable land, Heiho Province tops the list with 95.3, followed by Sankiang 86.5, Lungkiang 75.5, Pinkiang 47.8, Kirin 34.9, Chientao 29.1, Antung 20.3, Fengtien 18.6, Jehol 15.9 and Chinchow 5.0.

Table 2. Details of Arable Land
(In hectares)

Name of Province	Total Area	Land, Already Cultivated		Total	Unarable Land
		Land Already Cultivated	Land Not Yet Cultivated		
Kirin	8,991,030	2,914,950	1,562,000	4,476,950	4,514,080
Lungkiang	12,082,110	1,921,780	5,923,720	7,845,500	4,236,610
Heiho	10,981,290	50,680	1,019,890	1,070,570	9,910,720
Sankiang	10,754,450	698,260	4,479,710	5,177,970	5,576,480
Pinkiang	14,342,540	3,403,230	3,121,390	6,524,620	7,817,920
Chientao	2,939,490	281,870	121,380	403,250	2,536,240
Antung	4,822,580	402,070	102,100	504,170	4,318,410
Fengtien	8,554,640	2,492,300	570,020	3,063,320	5,491,320
Chinchow	3,946,180	993,600	52,230	1,045,830	2,900,350
Jehol	9,658,550	643,630	121,410	765,040	8,893,510
Total	87,072,860*	13,802,370	17,074,850	30,877,220	56,195,640

	Percentage to Total Area				Percentage to Arable Land	
	Arable Land	Unarable Land	Land Already Cultivated	Land Not Yet Cultivated	Land Already Cultivated	Land Not Yet Cultivated
Kirin	49.8	50.2	32.4	17.4	65.1	34.9
Lungkiang	64.9	35.1	15.9	49.0	24.5	75.5
Heiho	9.7	90.3	0.4	9.3	4.7	96.3

Percentage to Total Area

	Percentage to Total Area		Percentage to Arable Land	
	Arable Land	Unarable Land	Land Already Cultivated	Land Not Yet Cultivated
Sankiang	48.1	51.9	6.5	41.6
Pinkiang	45.5	54.5	23.7	21.8
Chientao	13.7	86.3	9.6	4.1
Antung	10.5	89.5	8.3	2.2
Fengtien	35.8	64.2	29.2	6.6
Chinchow	26.5	73.5	25.2	1.3
Jehol	7.9	92.1	6.7	1.2
Total	35.5	64.5	15.6	19.6

The output of grains of the whole Manchuria was 18,800,000 metric tons in 1931, 15,800,000 metric tons in 1932, 16,800,000 tons in 1933 and 13,500,000 tons in 1934. Soya-bean crops average 4-5,000,000 tons a year.

Structure of Agricultural Economy

In Manchoukuo, the people residing in the rural districts represent nearly 90 per cent. of the entire population. 85 per cent. of this rural population are actually engaged in agriculture. These farming people may be divided into two classes, one representing those owning land and the other those not owning 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 need scarcely 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 sometimes by priests wielding influence in the villages where they are employed.

Naturally, there are constant fluctuations 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 standard of living 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 about 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 certainty that the number of tenant-farmers represents about 30 per cent of the entire farming population 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 Fengtien 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 percent of the entire Manchoukuo farming population.

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 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 to the farmers of other classes is put at between 42.5 and 50 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, 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 population 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 3. Farmers By Acreage of Land

Total No. of families	11,154
Over 20 Japanese cho bu (2½ acres)	1.4%
Over 10 cho bu	11.8%
Over 4 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 county in Central Manchuria. Below is a table classifying the peasantry in the prefecture according to the acreage of land in their possession:

Table 4. Farmers in Liaoyang By Acreage of Land in their Possession

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 leading 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 5. Farmers in Liaoyang By Acreage of Land under Cultivation

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 governed under what is generally termed the small-holding system.

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 6. Conditions in North Manchuria

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 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 absurd rates 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 large 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-stuff, 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 Ching 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 the rural regions. For the tenant-farmer or free farm-laborer to rise to the status of a landowner is an exceedingly difficult proposition.

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 population 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 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 extraction 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.

Farming Immigrants from Japan

The number of Japanese residents in Manchoukuo in the first half of 1935 is put at approximately 1,200,000. About 40 per cent. of them are Japanese and the rest Koreans. Most of the Koreans are farming immigrants, but the farm-

ing immigrants from Japan are only less than 2,000.

Farming Immigrants from Korea

Korean residents in Manchoukuo in 1934 were estimated at 660,000, approximately. 65 per cent. or 430,000 were in Chientao and the rest scattered over various places. Details of Korean residents are tabulated below:—

Table 7. Koreans in Manchoukuo (1934)

	No. of Families	Population		Total
		Males	Females	
Manchoukuo	118,754	354,445	308,416	662,861
Kwantung Province	499	1,348	1,360	2,708
Total	119,253	355,793	309,776	665,569

As large a percentage as 90 of the Koreans are engaged in agricultural pursuits. In Chientao 70 per cent. of them work on the upland farms, while in other places almost all Korean farmers work in the paddy fields. The paddy fields operated by the Korean peasants throughout the whole of Manchoukuo are 100,000 cho-bu in area, which is double the area of the fields represented by the Manchoukuo farmers. In 1933 these fields yielded on an average 2 "koku" 4 "to" of rice and 1,700,000 "koku" of rice unhulled. As for farm crops, they comprise soya-beans, millet, wheat, maize, kaoliang. The

area of farms cultivated by the Koreans is put at 238,000 cho approximately, the greater part of which lies in Chientao as stated above. In 1933 these farms yielded 820,000 koku of millet and also wheat, soya-beans, and maize. Their by-products for 1933 aggregated ¥381,000 in value. They consist chiefly of such goods as straw bags, straw cords, matings, etc.

Farming Immigrants from China

The following are the movements of farming immigrants from China for the last few years:—

Table 8. Farming Immigrants from China

	1930	1931	1932	1933	1934
Ingress	748,213	467,402	414,034	631,962	690,925
Egress	488,504	461,339	498,783	497,246	439,628
Outstanding Number	259,709	6,063	184,749	134,716	251,297

Farming immigrants from China more or less decreased soon after the foundation of Manchoukuo, but the number has been on the increase since the following year.

More than 80 per cent. of the population of Manchoukuo are engaged in agriculture. Since the majority of them belong to the Han tribe, they are related in blood to over four hundred millions of inhabitants scattered over the eighteen provinces of China Proper.

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 farm-

ing.

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:

Table 9. Farm Labour

Areas	Outside labour		Inside labour (persons)
	by the year (persons)	temporary (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 by turns 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 Hsiungyaocheng region once every two years and in the Kungchuling 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 garden which requires 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 may 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 system, 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 area and output of such crops since 1924 are given in the following table:

Table 10. Area Under Various Crops (in Hectares)

Year	Soya Beans	Other Beans	Kaoliang	Millet	Maize
1924	2,178,784	*184,037	2,211,636	1,563,564	779,560
1925	2,691,389	*302,504	2,531,662	1,902,346	1,107,237
1926	3,349,074	438,488	2,401,304	1,926,798	1,177,049
1927	3,559,202	448,482	2,674,412	2,114,737	1,082,772
1928	3,759,766	474,421	2,916,276	2,184,221	1,067,759
1929	4,017,241	401,024	2,988,274	2,148,350	936,803
1930	4,152,789	406,722	3,055,606	2,226,883	957,146
1931	4,235,060	366,504	3,003,568	2,350,536	1,085,911
1932	4,144,113	374,869	2,709,505	2,271,751	1,112,128
1933	3,878,614	300,579	2,661,355	2,156,694	979,994
1934	3,273,220	321,990	2,706,540	2,169,970	1,122,550
1935	3,249,068	329,786	2,764,608	2,394,758	1,236,640
Year	Wheat	Rice	Upland Rice	Other Cereals	Total
1924	746,182	7,249	79,888	522,047	8,322,947
1925	880,739	93,560	110,576	694,412	10,314,425
1926	895,511	111,103	119,904	776,891	11,196,122
1927	1,138,696	126,345	117,406	813,272	12,070,324
1928	1,317,200	82,638	101,380	1,168,530	13,072,236
1929	1,298,508	89,038	112,269	1,050,938	13,069,440
1930	1,382,495	99,010	108,664	1,096,380	13,485,695
1931	1,587,729	82,591	118,815	1,242,328	14,314,746
1932	1,488,020	67,047	106,702	1,212,092	13,486,227
1933	1,395,148	62,980	105,266	1,124,254	12,664,884
1934	826,190	101,780	102,070	1,273,030	11,897,340
1935	979,519	120,154	114,232	1,161,202	12,348,997

Table 11. Amount of Crops (Metric tons)

Year	Soya Beans	Other Beans	Kaoliang	Millet	Maize
1924	3,455,260	*255,524	4,476,987	3,042,086	1,694,166
1925	4,188,266	*333,759	4,709,553	3,136,659	1,888,149
1926	4,789,870	523,262	4,549,623	2,981,506	1,774,160
1927	4,834,700	579,548	4,605,271	3,226,156	1,802,779
1928	4,852,203	621,912	4,643,176	3,290,201	1,853,491
1929	4,864,724	550,146	4,712,442	3,374,335	1,733,391
1930	5,318,245	518,823	4,817,848	3,304,326	1,718,783
1931	5,244,749	462,191	4,533,003	2,983,250	1,832,833
1932	4,288,256	456,318	3,757,265	2,634,831	1,686,980
1933	4,601,000	304,230	4,021,890	3,184,470	1,758,880
1934	3,599,530	279,200	3,588,560	2,093,150	1,609,440
1935	3,822,287	272,003	3,842,365	2,970,430	1,801,093
Year	Wheat	Rice	Upland Rice	Other Cereals	Total
1924	805,869	94,480	88,254	759,547	14,672,193
1925	962,058	193,200	150,054	890,965	16,452,663
1926	968,843	180,883	133,757	828,599	16,730,503
1927	1,446,411	149,138	147,337	1,018,210	17,809,552
1928	1,470,703	150,932	144,836	1,270,826	18,298,280
1929	1,303,198	138,212	156,518	1,600,643	18,433,609
1930	1,537,917	155,862	158,087	1,730,208	19,080,099
1931	1,581,777	160,656	163,149	1,862,115	18,828,867
1932	1,134,486	111,591	137,707	1,561,255	15,763,645
1933	651,260	166,010	143,150	1,803,610	16,846,690
1934	863,450	198,510	117,760	1,299,460	13,431,870
1935	934,656	284,730	137,258	1,245,091	15,309,913

*—Three Eastern Provinces & Kwantung Leased Territory only.

Soya Beans. Soya beans are the most important staple product of the country and had 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 beans 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 Kungchuling 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.

Soya beans are exported to Japan, China, Europe, the South Seas and almost all other countries of the world. Their exports for the last few years are given below:—

Table 12 Soya Beans Exports (In 1,000 metric tons)

1930	2,027
1931	2,834
1932	2,562
1933	2,523
1934	1,976
1935	1,892

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, Mukden-Shanhaikwan railway line and the district around Tungshan.

Kaoliang is exported chiefly to China for the use of food, distilling and fodder. It is also exported to Japan where it is used as a substitute for rice, and materials of spirits and starch.

Millet.—Millet is cultivated throughout Manchoukuo, more profusely in North than South Manchuria. In South Manchuria, the millet produced in the district around Haicheng, Liaoyang and Mukden is reputed for its good 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. Millet is chiefly exported to Korea to be taken by the people who export rice to Japan. The export is about 5% of the output.

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 Suihua, while in South Manchuria the producing centres are found around Hsifeng, Hailung and the district lying to the west of the Liao. There are many large modern flour mills at several important cities around Harbin and along the 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-fields devoted to rice cultivation are mostly found in the districts around Mukden, Fushun, Antung, Kaiyuan, Sungshu, Haicheng, Yingkow and Hailin, Chientao, and the district along the banks of the Liao, the Sungari, the Tatzuh, the Hunho and other rivers. As the rice is used on rare occasions such as dinners and festivals and among the upper class Chinese, the demand for rice has never 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.

Upland rice is inferior to paddy rice in quality, though the crops are gradually increasing. It is chiefly taken by the natives.

Maize.—Maize is one of the principal products of Manchoukuo. When ground it becomes a high class food for the farmers. Together with millet it is only second to kaoliang as food. Maize is produced chiefly in the southern part of South Manchuria. Only a small quantity is produced in North Manchuria where it is used in distilling spirits. Maize is exported chiefly to China and also to Japan. The export is about 4% of the output.

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 climatic 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 with such subsidiary works. 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 (9,910 kwan).

Hemp (Tama)—The tissues of hemp which are commonly called Tama in Manchuria are used principally for manufacture of nets, ropes, cloth and last but not least, paper. Its seeds, or *Siamatzu*, 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 Nenkiang 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 district 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 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 Tehlissu 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 topographic 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 Chihhsien. 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.

According to an investigation conducted by the Manchou Cotton Association, the area under cotton for 1935 in the principal cotton plantations was 57,000 cho and the crop (cotton ginned) 63,500, approximately. Contrasted with the previous year, the area shows a decrease of 39% and the crop 54% as may be seen from the following figures:—

Table 13. Area under Cotton and Crop

	Area (cho)	Crop (Kin)
1935	56,971	63,516,264
1934	92,870	138,843,608

This serious decrease in the area and crop was due chiefly to extremely bad weather conditions obtaining in South Manchuria and partly to the fact that some cotton growers were attracted to the cultivation of kaoliang and miscellaneous grains owing to the rise in their prices since 1934.

The area and crop specified according to provinces are given below:—

Table 14. Area and Crop By Provinces

(1935)		
Name of Province	Area (cho)	Crop (Kin)
Fengtien	35,391	40,572,134
Chinchou	19,963	20,686,777
Jehol	1,593	2,239,819
Antung	24	17,534
Total	56,971	63,516,264

To specify the cotton crop according to principal producing hsiens, Liaoyang topped the list with 20,110,000 kin (over 30% of the entire crop of Manchoukuo), followed by Kaiping with 9,000,000 kin, Heishang 6,400,000, Haicheng 5,600,000, etc. Details are tabulated below:—

Table 15. Area and Crop By Hsiens (Principal Producing Places)

(1935)		
Fentien Province	Area (cho)	Crop (Kin)
Liaoyang	19,156	20,114,283
Liaochung	1,861	2,653,597
Haicheng	4,749	5,656,517
Kaiping	5,832	8,999,508
Fuhsien	356	339,687
Yingkow	163	243,582
Hsinmin	534	567,838
Kangping	2,115	1,691,712
Chinchou Province		
Heishan	6,192	6,383,564
Peichen	3,232	3,523,879
Chinhsien	1,400	1,631,337
Ihsien	2,787	3,378,245
Chinsi	784	771,595
Chaoyang	1,078	1,133,769
Fuhsin	738	750,350
Taian	1,137	1,374,234
Panshan	2,113	1,337,656
Jehol Province		
Liaoyuan	842	1,347,840
Liaonan	617	816,700

Considering the fact, that cotton is a commodity of vital importance for the daily life of the Japanese and Manchurian nations and also for the national defence of the two Empires, the Government of Manchoukuo has taken and is taking all 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. This 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 undertake 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.

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 kin is spun, the remainder being consumed by the farmers themselves for stuffing purposes.

Peanut—Epochal progress has been made of late in the growing of peanuts 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, the peanut has come to rank among the principal items 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, of 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.

Condition of Cotton Cultivation in Kwantung Province.—The authorities of the Government of the leased territory of Kwantung Province had made efforts to encourage cotton cultivation in the various districts under its jurisdiction with the object of bringing the area under cotton up to 2,500 cho in 1935, but the desired results have not been obtained due to a delay in sowing. The details of cotton cultivation in Kwantung Province in 1935 are tabulated below:—

Table 16. Cotton Cultivation in Kwantung Province (1935)

Administrative Divisions	Area Under Cotton (cho)	Crop Forecasts (Kin)	Forecasts of Purchases By Companies (Kin)
Port Arthur.	246.91	260,995	184,000
Dairen	246.92	164,324	164,324
Chinchow ...	922.87	668,103	567,100
Pulantien ..	637.06	582,369	406,893
Pitzuwo	57.99	18,000	10,000
Total	2,111.75	1,693,791	1,286,923

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.

Stock Farming.—In Manchuria some live-stock have been kept by every farming household for the use of farming and conveyance. In Mongolia live-stock rearing has been extensively carried on for the use of food and of material for clothing. The pigs of Manchuria and sheep and horses of Mongolia are well known in the world. There is still a considerable room for improve-

ment in the live-stock industry, which has every nerve to improve live-stock. The follow-hitherto been carried on in a way far from scientific. The new Government is exerting every nerve to improve live-stock. The following table shows a general distribution of domestic animals:—

Table 17. Statistics of Domestic Animals (1935)

Name of Province	Cattle	Horses	Mules	Donkeys	Camels	Sheep & Goats	Pigs	Poultry
Kirin	66,796	360,082	158,972	58,868	1	28,317	721,852	1,249,551
Lungkiang	94,175	266,658	35,940	38,739	2	142,385	481,958	1,622,791
Heiho	2,562	8,940	39	28	—	347	8,510	42,279
Sankiang	66,428	119,021	18,336	1,172	—	3,969	170,700	480,869
Pinkiang	77,242	513,792	56,540	30,529	—	33,800	1,920,788	1,794,744
Chientao	37,569	12,008	1,181	1,967	—	1,642	62,436	148,417
Antung	143,853	45,007	42,789	101,587	—	39,439	394,231	648,121
Fengtien	149,787	183,403	100,414	167,604	4	53,080	1,235,053	2,034,916
Chinchow	77,908	55,876	38,498	112,381	7	247,278	588,761	1,012,773
Jehol	106,879	24,536	15,715	50,990	405	318,898	409,565	826,091
Total	822,699	1,589,323	561,424	563,865	419	869,155	5,984,854	9,860,552
West Hsingan ...	204,994	46,379	910	23,092	1,489	293,754	44,759	—
South Hsingan ..	96,557	32,818	4,200	34,000	360	83,068	61,460	—
East Hsingan ...	6,719	7,321	1,188	—	—	427	6,849	—
North Hsingan ..	145,800	133,055	7	14	8,093	811,237	581	—
Total	454,070	219,573	6,305	57,106	9,942	1,188,486	113,649	—
Grand Total.	1,276,769	1,808,896	567,729	620,971	10,361	2,057,641	6,098,503	9,860,552

Domestic animals in Japan consist generally of cattle, horses, sheep, goats and pigs. In Manchuria, besides these animals there are mules, donkeys and camels: Mongolians keep sheep for the use of food and of materials for clothing. Manchurians keep pigs chiefly for food and cattle, horses, mules and donkeys for services.

General Outline:—As for Japanese organs intended for improvement of live-stock farming in Manchuria, mention must first be made of the livestock section of the S.M.R. Agricultural Experiment Station at Kungchuling 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 the measures to be taken to improve horses in Manchuria. Attending to the sanitary affairs of livestock is the S.M.R. Animal Disease Laboratory at Mukden.

As for the part of Manchoukuo, the task is assigned to the fishery and stock-breeding section of the Agriculture and Forestry Bureau of the Industry Ministry. 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 regards 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 Chin-hsien and the State Animal Disease Laboratory at Koshan, Lungkiang province, must be alluded to. Arrangements are also being made for the establishment of a Fengtien Provincial stock-farm in Liaoyuan-hsien, a Lungkiang Provincial stockfarm 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 raised 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 sheep 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 experiments carried out by the section:

Table 18. 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 breeds. 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, Penhsihu, Fenghuangcheng, Taonan, Hailung and Tunhua.

(3) Cattle-breeding farms:—With a view to improving 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 raised 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 Shanhsi and Hopei 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 Manchoukuo Defence Department. Conceiving the vital importance of horses from points of view of national defence 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 Defence 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, Yingkow and Chinchien, 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 30 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 Animal Disease Laboratory which is devoted to the prevention of animal plagues. The Laboratory is making an immeasurable contri-

bution to the sound development of stock breeding in the country.

Private Live-Stock Associations. A number of experts in 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' association 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 Kaiping, Haicheng and Yingkow, 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 M¥3,000,000 is being distributed throughout the country as funds and subsidies for building the necessary granaries.

The new regulations will enable each "hsien" or county 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 have 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 quality 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 2,875,000 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.

Manchoukuo Government's Basic Policy for Agricultural Development

On April 21, 1936 the Manchoukuo Government announced a fundamental policy for the exploi-

tation of the country's inexhaustible agricultural resources. The policy is the outcome of lengthy and careful consultations among the Department of Industry, the Interior and Mongolia Administration which have been in close association with the commercial and industrial possibilities of the State.

The policy is designed to improve the existing out-of-date and primitive methods of agriculture along modern lines and to multiply the output of soya-beans, kaoliang, cotton and other staple farm products. It also provides for extensive reforms and renovations in credit and other public facilities for the farming population, including inter alia, the erection in various localities of farm warehouses. Many elaborate and concrete programmes are also laid down in regard to the policy for the general improvement of farming methods, which, it is stated, will be enforced one by one.

The utmost importance is attached to the announced policy, in view of the fact that Manchuria fundamentally is a land of agriculture, nearly 90 per cent. of its population being represented by farmers. It is believed that the enforcement of the policy will reshape the country so far as its agriculture is concerned. The following are the chief programmes put forward by the Government, which relate to the country's staple farm products:

- (1) Soya-beans: The growing of soya-beans should be properly controlled according to their actual demand both at home and abroad. For the time being, efforts should be directed towards the improvements of the methods for soya-bean cultivation and quality of the crop, while trying to lower its production cost and commercialize the bean as a commodity.
- (2) Kaoliang, millet and maize: The output of kaoliang, millet and maize should be increased by considering the growing demand for them as foodstuffs arising from a steady increase in the national population, their use as fodder in Japan and also the domestic consumption of these products as industrial materials.
- (3) Wheat: Particular efforts should be exerted to improve and encourage wheat cultivation in North Manchuria. The total future wheat acreage should be increased to 2,300,000 Japanese cho and the total output of the crop to 20,000,000 Japanese koku.
- (4) Cotton: The total cotton acreage should be increased to 300,000 cho and the annual output of cotton to 150,000 lbs.

- (4) Wild silk: Better silk worms should be distributed among the farmers while trying to improve the existing methods of raising them. The annual output of silk cocoons should be raised to 30,000,000.

- (6) Sugar beets: The total acreage under sugar beets in North Manchuria alone should be increased to 12,500 cho and the total yearly output of sugar beets to 500,000,000 lbs. so that 700,000 piculs of sugar may be produced to place the country on a self-sufficing basis as far as sugar production is concerned.

- (7) Plants for production of fabrics: Cultivation of kenaf particularly in South Manchuria should be encouraged with a view to increasing the total acreage of land for its growing and its annual output to 18,000 hectares and 18,500 metric tons respectively. The total acreage of farms for hemp growing also should be raised to 200,000 cho. The output of other kinds of hemp for fabric manufacture is to be increased to suffice the domestic demand.

- (8) Perilla, peanut, sesame, etc: Cultivation of these crops as materials for oil extraction should be encouraged and at the same time, efforts should be made to improve the methods of their growing.

- (9) Hop: In view of a brisk demand for hop in Japan, the total acreage of land under hop is to be raised to 30,000 hectares.

- (10) Fruits: Fruit growing particularly in South Manchuria, Chinchou and Jehol should be encouraged as a lucrative subsidiary occupation for the farmers.

- (11) Vegetables: Special efforts should be exerted to improve the quality of vegetables. At the same time competent storage facilities should be established to facilitate their distribution.

The erection of farm warehouses in the farming districts is also provided for in the policy. These warehouses are designed not only to store farm products but also to function as credit organs for the farmers in need of funds. It is explained that any farmer will be able easily to borrow money at low rates of interest on the security of his products stored in the warehouses. This method, it is believed, will go a long way towards relieving the farming population from the depression.

The creation of agricultural meteorological observatories in important districts and "model"

villages and despatch of agricultural experts to various parts of the country to give counsel to the farmers are also stipulated in the policy.

New State-owned Experimental Farms Planned

In connection with the fundamental policy for agricultural development enumerated above, on April 25, 1936 the Department of Industry of Manchoukuo announced its decision to establish many more State-owned experimental farm stations throughout the whole country. The officials of the Department of Industry declared in this connexion that the necessity had been brought home to them of creating State-owned experimental farm stations in various districts to help improve farming methods and the quality of farm produce. According to the announcement, the country will be divided into 18 farm districts for the sake of convenience, in each of which one State-owned farm station is to be created. At present (at the beginning of May) there are only four such stations, namely, at Koshan, Ningnan, Harbin and Chihnsien.

Another novel plan to introduce the use of windmills into Manchoukuo for irrigation purposes has also been revealed by the Department of Industry. In view of the fact that there are many agrarian districts where competent irrigation facilities are lacking, the Department's experts, after a careful study, have determined that the use of windmills as in Belgium is most advisable and profitable.

It is believed that the use of the windmill will

be a great blessing to the farmers particularly those who are engaged in live-stock raising in the districts lacking constant sources of water supply, because subterranean water will be made available through the use of the windmill.

1st Official Forecast of Manchou Crops For 1936

According to a joint investigation by the Departments of Industry and Mongolia Administration, the General Direction of State Railways and the South Manchuria Railway Company, the crop situation of the staple farm products of Manchoukuo excluding Jehol and Hsingan provinces as on July 1st, 1936 promised an average crop. The total of the first crop forecast was put at 16,870,000 metric tons, which, as compared with the 1935 yield shows an increase of some 1,300,000 metric tons or 8%.

Of the above total, soya beans comprise roughly 4,230,000 metric tons, kaoliang 4,230,000 metric tons, millet 3,220,000 metric tons and maize 2,060,000 metric tons, which as compared with the preceding year's yield, show, respectively increases of 470,000 metric tons or 12%, 270,000 metric tons or 7% 310,000 metric tons or 11% and 190,000 metric tons or 10%. The wheat crop, which is estimated at 970,000 metric tons, shows a decrease of 30,000 metric tons or 3% over the previous harvest.

This year's increases are attributable mainly to the reclamation of waste land and the general favourable crop situation as compared with that of the previous year.

Details are tabulated as under:

Table 19. (A) Crop Forecast For Entire Country

Products	Crop situation 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 1935 yield (metric tons)
Soya Beans	108	100	3,417,932	4,233,104	470,061
Other Beans	113	98	356,714	346,654	38,441
Kaoliang	107	97	2,870,296	4,234,487	272,243
Millet	107	99	2,510,167	3,223,176	310,489
Maize	109	101	1,269,166	2,055,593	191,695
Wheat	91	105	1,069,883	974,658	(-)30,588
Rice	110	101	168,451	399,525	109,483
Upland rice	111	98	115,737	151,507	5,088
Other cereals	107	101	919,048	1,073,770	(-)8,074
Hemp seed	100	90	57,578	40,906	(-)4,343
Perilla seed	95	93	170,300	133,481	(-)47,935
Total	106	100	12,925,272	16,866,861	1,806,560

(B) Crop Forecast by Provinces (Metric Tons)

Products	Kirin	Lungkiang	Heiho	Sankiang	Pinkian
Soya Beans	1,036,486	478,820	2,627	248,031	1,039,106
Other Beans	85,311	33,257	159	7,967	51,747
Kaoliang	791,218	264,182	—	92,888	553,922
Millet	779,109	480,278	1,946	170,383	904,700
Maize	298,908	228,959	1,284	115,871	429,502
Wheat	51,264	188,519	5,745	173,086	499,685
Rice	67,386	7,783	242	12,588	63,692
Upland Rice	47,190	254	—	211	12,377
Other Cereals	226,960	182,771	6,577	38,285	282,883
Hemp seed	2,881	11,740	—	1,183	22,538
Perilla seed	10,828	78,773	—	374	36,550
Total	3,397,541	1,955,336	18,580	860,944	3,896,562

Products	Chientao	Antung	Fengtien	Chinchow	Total
Soya Beans	97,945	155,364	1,099,172	165,553	4,233,104
Other Beans	8,909	33,916	94,106	31,192	346,654
Kaoliang	7,348	135,901	1,715,786	673,242	4,234,487
Millet	63,606	55,895	583,472	183,787	3,223,176
Maize	33,633	392,557	446,624	108,255	2,055,593
Wheat	2,950	2,973	44,032	6,404	974,658
Rice	50,177	73,100	128,825	5,732	399,525
Upland Rice	78	8,756	77,260	5,444	151,507
Other Cereals	33,479	53,451	182,704	66,660	1,073,770
Hemp seed	24	208	1,976	356	40,906
Perilla seed	259	478	5,633	586	133,481
Total	298,408	902,599	4,289,680	1,247,211	16,866,861

References: Tables 1, 2, 10, 11, 17—Agriculture Bureau, Industry Department, of Manchoukuo. Table 3, 4, 5, 6, 8, 9, 18—Economic Research Bureau, S. M. R. Table 7—Statistics Bureau, State Council, Manchoukuo. Table 12—Annual Return of Foreign Trade of Manchoukuo. Tables 13, 14, 15, 16—Japan-Manchoukuo Raw Cotton Society.

CHAPTER XVIII

FORESTRY

Distribution of Forest Zones

The forest zones of Manchoukuo principally lie in the northern and eastern sections, namely, in Kirin, Sankiang, Pinkiang, Chientao and Fengtien Provinces, and in some parts of Heiho, Lungkiang 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 Lalin 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 the former 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)	Deciduous (Cubic meters)		
Yalu Valley (including its tributary Hun River)	662,733	96,647,840	—	—	86,904,558	1918
Tumen Valley	825,685	120,541,022	45,139,810	75,401,221	116,871,422	1917
Sungari	1,424,969	251,068,241	111,640,471	139,427,770	242,980,008	1915 & 1927
Moutankiang	629,720	117,024,351	58,917,395	58,106,956	117,024,351	1915
Lalin	628,589	83,719,644	28,837,154	54,882,490	83,536,164	1917
Sanhsing District	5,247,281	727,971,304	251,483,880	476,487,424	727,053,900	"
Along the Harbin-Suifenho Line	2,415,984	257,065,641	76,139,131	180,926,510	149,726,441	"
Great Hsingan Range	13,884,343	1,566,800,000	—	—	1,556,800,000	estimate
Little Hsingan	9,317,388	971,000,000	—	—	973,000,000	1917 & 1923
Total	35,635,792	4,191,838,043	—	—	4,143,896,844	estimate

N.B.—The 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.

(B) By Provinces (1934)

	Forest Area			Volume of Standing Trees		
	With trees (Hectares)	Without trees (Hectares)	Total (Hectares)	Coniferous (Cub. M.)	Deciduous (Cub. M.)	Total (Cub. M.)
Kirin	999,800.0	3,609,340.2	4,606,140.2	121,640,220	70,731,780	192,372,000
Lungkiang	1,180,600.0	6,800,334.2	7,980,934.2	38,823,415	142,741,085	181,564,500
Heiho	4,681,000.0	4,183,843.4	8,864,843.4	297,293,595	510,589,405	807,883,000
Sankiang	2,602,800.0	4,674,515.6	7,277,315.6	187,146,498	255,388,502	442,535,000
Pinkiang	2,119,600.0	5,915,035.0	8,034,635.0	109,619,508	185,883,992	275,503,500
Chientao	1,233,600.0	917,689.6	2,151,289.6	85,022,187	84,431,813	169,454,000
Antung	620,800.0	2,505,376.6	3,126,176.6	55,219,598	68,296,902	123,516,500
Fengtien	248,900.0	3,889,036.2	4,137,936.2	6,654,015	24,531,984	31,186,000
Chinchow	—	2,448,452.3	2,448,452.3	—	—	—
Jehol	62,000.0	6,589,221.1	6,651,221.1	6,671,000	3,984,000	5,655,000
Hsingan	8,196,600.0	24,260,931.0	32,457,531.0	573,556,680	901,831,320	1,475,388,000
Total	21,942,700.0	65,793,775.2	87,736,435.2	1,476,646,716	2,228,410,784	3,705,057,500

Table 2. Statistics of Japanese Forests (1,000 koku)

(Volume of Trees for 1934 as investigated by the Department of Agriculture and Forestry)	
Total	8,917,401
Japan Proper	4,497,523
Hokkaido	2,212,538
Formosa	7,476,984
Korea	886,640
Karafuto	573,001

Timber Species

Viewed from the standpoint of dendrologists, certain forests of Manchoukuo belong to the same class at 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*) grow straight and tall, challenging the supremacy of the Korean pines, in many places. Of the conifers, firs, spruce and silver firs are found in abundance. Among deciduous trees, there are several kinds of oak, elm, birch, maple, walnut, lime, willow, acacia and poplar. Forests of birch are peculiar to North Manchuria and are found intermingled with other forest growth. Birch forests are found along the

North Manchuria Railway lines and over the Hsingan Ranges.

Forests of the Yalu River Valley.—The forest area of the Yalu River Valley which covers Kwantien, Chian, Tanghwa, Linkiang and Changpai districts totals 890,000 hectares and the volume of standing trees contained amounts to 100,920,000 cubic meters. This forest zone was for a long time neglected by the Chinese Government, and the Russians were the first to attempt its exploitation as she advanced eastward, by forming a timber corporation in 1902. Later, however, in accordance with the Sino-Japanese Treaty concluded after the close of the Russo-Japanese war (1904—'05), the present Yalu Timber 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 Holung, Yenki, Wangching, Antu and Hunchun districts in Chientao 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 (counties), are as follow:—

Table 3. Volume of Trees (Tumen River Valley)

	Area (Cho)	Volume of Trees (Cubic meters)		Estimated at end of 1927 (Cubic meters)
		Total	Coniferous	
Yenki	97,579	17,060,721	7,166,201	116,871,422
Wangching	278,758	44,179,941	16,189,717	
Hunchun	199,935	28,414,713	8,325,455	
Holung	189,433	18,976,127	6,775,095	
Antu	59,980	11,909,520	6,683,342	
Total	825,685	120,541,022	45,139,810	
			75,401,221	

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

Antu (in Chientao 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 (county), the forest area and the volume of trees as investigated some years ago were as follow:—

Table 4. Volume of Trees (Sungari River Valley)

District	Area (Cho)	(Cubic meters)			Estimated at end of 1926 (Cubic meters)
		Total	Coniferous	Deciduous	
Mengkiang	295,982	47,220,936	18,168,520	29,032,416	242,980,008
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, firs, birch, "Itayakaeda" (*Acer pictum*), alder, etc. The forest area and volume of trees contained, classified by hsien (county) investigated some years ago were as follow:—

Table 5. Volume of Trees (Moutankiang River Valley)

District	Area (Cho)	(Cubic meters)			Estimated 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 and Emu hsien in Kirin province and Wuchang hsien in Pinkiang Province, and its basin covers the two hsiens of Shulan and Wuchang, and the northern section on Emu. 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 6. Volume of Trees (Lalin River Valley)

District	Area	(Cubic meters)			Estimated end of 1927 (Cubic meter)
		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 southern part of Sankiang 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 (county), as investigated some years ago, are as follow:—

Table 7. Volume of Trees (Sanhsing Districts)

District	Area (Hectares)	(Cubic meters)			Estimated at end of 1927 (Cubic meters)
		Total	Coniferous	Deciduous	
Fangcheng	170,194	21,517,700	4,667,831	16,849,869	73,788,233
Iran & Poli	734,759	93,517,754	19,729,521	73,788,233	

District	Area (Hectares)	Total	Estimated at end of 1927 (Cubic meters)		
			Coniferous	Deciduous	
Tungkiang & Paoching	1,137,128	171,581,156	76,773,320	94,807,836	727,053,900
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	532,809	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-Suifengo line.—The forest zone extends along the eastern division of the North Manchuria Railway line, namely, the section running eastern from Harbin to the Soviet-Manchoukuo frontier, the zone lying within Pinkiang province including Pin, Yeushou, Tungpin, Tungning, Muling and Ningan hsiens, and Wangching hsien in Chientao Province. 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 Pin-hsien 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 hsiens, estimate volume of trees contained, etc. are shown in a tabular form as follow:—

Table 8. Volume of Trees (Harbin-Suifengo Line)

Districts	Area (Hectares)	(Cubic meters)			estimate at end of 1927 (Cubic meters)
		Total	Coniferous	Deciduous	
Pin	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 Manchuria 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 network 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 of 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 demand and Supply of timber for the eight years ended 1934:—

Table 9. Demand and Supply of Timber

	Output				Total output	Export	Import	Consumption
	Yalu timber	Kirin timber	Chientao timber	North Manchuria timber				
1927	533,742	161,342	93,475	291,625	1,080,183	392,258	130,799	818,914
1928	392,717	277,166	132,940	620,190	1,423,013	371,463	236,939	1,288,439
1929	263,794	289,824	103,082	412,753	1,069,453	255,760	231,018	1,044,716
1930	245,303	282,170	74,366	256,511	858,350	231,630	190,459	819,958
1931	405,440	273,535	89,180	140,390	908,546	274,608	185,732	819,669
1932	338,656	206,270	69,480	173,358	787,764	187,650	122,876	722,990
1933	290,274	247,322	116,760	178,798	833,154	114,023	627,763	1,346,894
1934	342,987	374,232	83,400	344,837	1,145,456	154,077	738,460	1,729,839

Table 10. 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, Panshih.
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.

Forests in Kwantung Province

On the establishment of the Government of Kwantung, the problem of reforestation was immediately taken up, and as an initial step, nur-

series farms were established at Port Arthur, Dairen and Chinchou with an aggregate area of 400 chobu or 1,000 acres, for the purpose of supplying saplings for the work undertaken by the

Government. In order to encourage the general public in this useful undertaking, the Government rented forest land, free of charge, to those desirous of growing timber, supplying seeds and young trees gratis. Moreover, regulations have also been issued for the protection of forests.

These measures have had the desired effect, and, with the increased interest taken by the public in the matter of reforestation, many nursery farms owned by villagers have been established. The total area of forests and hills in Kwantung Province is as follows:—

Table 11. Area of Forests and Hills in

Name of Locality	Kwantung Province (in cho)		
	Government Owned	Private Owned	Total
Port Arthur	27,056	1,425	28,481
Dairen	20,210	355	20,565
Chinchou	4,258	15,756	20,014
Pulantien	16,218	6,549	22,767
Pitzuwo	6,435	3,265	9,700
Total	74,176	27,351	101,527

Note: The Government forests and hills include the military zone.

Table 12. Area of Afforestation

Name of Jurisdiction	Government	Public	Private	Total
Port Arthur	5,465	5,188	13,435	24,088
Dairen	4,253	2,240	9,457	15,950
Chinchou	2,003	4,118	11,796	17,917
Pulantien	—	7,090	10,503	17,593
Pitzuwo	—	937	4,103	5,040
Total	11,721	19,574	49,293	80,588

References: Tables 2, 3, 4, 5, 6, 7, 8—Economic Research Bureau, S. M. R. Tables 1, 9, 10—Bureau of Forestry, the Industrial Department of Manchoukuo. Tables 11 & 12—Kwantung Kyoku Yorin (Outline of Kwantung Bureau), 1935.

CHAPTER XIX

FISHERY

Although the total area of Manchoukuo is more than one million square kilometres, the coast line is only about 700 kilometres 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 favourable 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 residents in the Leased Territory have been engaged in fishery, but also some fishing boats have come from Japan Proper to the Liaotung coasts to give 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 aggregated 51,855,423 piculs, valued at ¥2,643,163 in 1934, 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 area is very large and large markets are close at hand, the situation is favourable for deepsea fishing. Available statistics are given below:—

Table 1. No. of Fishing Households and Population

Year	Permanently Occupied					
	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 Craft

Year	Junks	Sampans	Transport boats			Total
			Japanese type	Foreign type	With engines	
1928	970	4,727	201	—	199	6,174
1929	957	4,999	195	—	82	6,282
1930	1,093	4,791	161	1	115	6,229
1931	1,092	4,679	179	—	133	6,155
1932	965	4,839	142	—	150	6,160
1933	911	4,898	131	—	162	6,171
1934	875	4,930	115	—	167	6,146

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

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
Scombre-morus	385,721	357,444	406,632	402,838	1,423,899	597,551
Halibut	1,594,551	440,131	1,794,038	575,830	365,151	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 Products

Year	Preserved and dried articles		Finished articles		Total	
	Quantity (Kwan)	Value (Yen)	Quantity (Kwan)	Value (Yen)	Quantity (Kwan)	Value (Yen)
1928	1,326,430	1,054,598	96,901	187,326	1,423,331	1,241,924
1929	1,657,245	1,141,895	99,351	192,343	1,774,596	1,334,238
1930	1,623,218	1,151,380	84,790	188,194	1,708,008	1,339,574
1931	1,562,667	911,492	86,783	189,839	1,649,450	1,101,331
1932	1,500,213	959,782	85,074	201,654	1,585,287	1,161,436
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 kilometres extending from north of Fu-hsien, Kaiping to Yingkow, while that in the northern district lies for 533 kilometres extending from Panshan, Chin-hsien, Chihsi, Hsingcheng to Suichung, and the species of fishes found in the eastern coast are hair-tail, sea-cucumber, oyster, guchi, scombre-morus, 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 1935, as classified according to districts is shown below:—

Table 5. Fishery Lots, Etc.

Districts	No. of fishing lots	No. of fishing households	Fishing population	No. of fishing craft
Fu-hsien	9	370	1,386	258
Kaiping	7	1,284	4,537	804
Yingkow	7	1,348	4,988	840
Panshan	4	266	566	308
Chin-hsien	3	323	850	134
Chihsi	4	105	200	53
Hsingcheng	1	520	849	212

Fishery along the Coast of Pohai or Gulf of Pechili	Suichung	2	195	768	127
	Total	37	4,497	14,218	2,837

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, scombre-morus, shark fin and hair-tail. The fishing district is about 104 kilometres, extending from Antung, Fengcheng 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 fishermen are very scarce, generally they carry on fishing combined with farming. The total fishing households numbered 1,624, and the population 5,458 in July, 1935. The available figures are subjoined:—

Table 6. Fishery in Gulf of Pechihli

Districts	No. of fishing lots	No. of fishing households	No. of Fishing population	No. of craft
Antung	3	139	766	191
Fengcheng ..	3	217	875	222
Chuangho ...	14	1,268	3,817	1,162
Total	20	1,624	5,458	1,575

RIVER FISHING

South Manchurian Rivers

Yalu.—Though abundant in fish, the 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 Dalai-nor, Buir-nor and Chingpo Lake. Many varieties of fish are found here in abundance, and the industry is active even in winter. Principal species of catches are carps, crucian, sheat-fish, etc.

According to the latest available statistics, the estimated amount of catches of river fishery for 1935 aggregated as follows:—

Table 7. River Catches

	(Catties)	(M¥)
Sungari River	30,500,000	2,150,000
Nonni	55,000,000	2,750,000
Others	17,000,000	500,000
Buir-nor & Dalai-nor ..	1,736,000	100,000
Total	104,236,000	5,500,000

At the end of 1934 the total weight of fish caught for the year amounted to 51,855,423 piculs valued at M¥2,643,630, which is not sufficient to supply the need of Manchoukuo, and the import of fish from Japan, Chosen, China, Russia,

Table 9. Exports & Imports of Marine Products

Year	Import		Export		Excess of Import		% Import	
	Quantity (Picul)	Value (Hk. Tls.)	Quantity (Picul)	Value (Hk. Tls.)	Quantity (Picul)	Value (Hk. Tls.)	Import	Export
1928	497,105	4,501,101	105,763	720,208	391,342	3,780,893	86.2	13.8
1929	489,637	4,403,861	160,626	859,229	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
1935	381,259	8,556,841*	71,556	543,429*	309,703	8,013,412*	94.0	6.0

Note—* denotes M.Y.

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. The amount of production, export and import of aquatic products in the last few years are shown below:—

Table 8. Value and Volume of Fish Catches of Manchoukuo (1934)

	Piculs	(M¥)
(1) Liaoho (River Liao)		
Fishes	1,290,860	54,229
Lobsters	567,725	51,839
River Crabs	* 536,000	5,360
(2) Pohai Sea		
Fishes	9,788,395	435,727
Lobsters	3,972,920	137,882
Crabs	* 812,600	10,272
Shells	646,140	17,283
Bicho de Mar	250	400
Pair Crabs	† 883,930	32,727
(3) Huanghai Sea (Yellow Sea)		
Fishes	10,648,901	356,607
Lobsters	1,000,935	79,834
Crabs	* 482,603	9,641
Shells	538,000	14,620
Bicho de Mar	1,350	1,350
Pair Crabs	† 974,994	42,353
(4) Between the two Seas		
Fishes	38,849,571	1,702,634
Lobsters	5,867,828	292,392
Crabs	* 1,831,203	25,273
Shells	1,184,140	31,903
Bicho de Mar	1,600	1,750
Pair Crabs	† 1,858,924	75,080
Dried Fishes	1,304,383	130,438
Dried Prawns	3,201,330	384,160
Grand Total	51,855,423	2,643,163

* Pieces. † Pairs.
Note:—8 big lobsters, 2 crabs or 10 River Crabs are estimated as 1 picul in this table.

Salt Manufacture

The salt manufacturing industry of Manchoukuo dates back to 1862 when the first salt field was laid out at Erhtaokou, 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. To-day 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 10. 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 Chuehyungshu, Salt Transportation Office and the Yenwushu, Salt Administration Office.

Under the present system, a tax of 6.3 yuan per 100 chin is levied on the consumer, 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.

Organization of a Salt Co.—The Manchuria Salt Industry Company, a joint Japan-Manchoukuo enterprise, whose organization had long been under negotiation between the Government of Manchoukuo and influential Japanese industrial interests, was formally organized on April 27, 1936 and opened to business on May 1, with the Head Office at Hsinking.

The Company, which is to undertake the exploitation of the salt resources of Manchoukuo, has an initial capitalization of M¥5,000,000, of which ¥1,250,000 is taken up by the Manchoukuo Government and the remainder by Japanese interests. Under the supervision of the Department of Industry of Manchoukuo, the Company is engaged exclusively in the production, sale and exportation of Manchurian salt.

According to the Company's programme extending over eight years, 1,400 hectares of salt fields will be developed in the first four year-period and 2,200 additional hectares in the latter four years.

With the completion of the eight year programme, 143,000 tons of salt will be produced by the Company in the new fields in one year, and the other existing salt-fields will produce

123,000 tons annually, inclusive of 29,000 tons, which represent the increase after the existing fields have been improved in eight years. All the salt output amounting to 266,000 tons by 1944 will be shipped to Japan.

The Japanese interests investing in the Company comprise: Oriental Development Co., South Manchuria Railway Co., Dai-Nippon Salt Industry Co., Tokuyama Soda Co., Asahi Glass Mfg. Co., Japan Soda and Bleaching Powder Manufacturers' Association.

A statement issued by the Government in connexion with the establishment of the new company said that it was regrettable that abundant resources with which Manchoukuo are blessed

had hitherto been exploited merely to meet domestic consumption, and that the Government had decided to develop the salt industry in co-operation with influential Japanese interests. It was the intention of the Manchoukuo Government to increase the annual output of salt to more than 250,000 metric tons in the near future for the mutual benefit of the two nations. The statement said further that as Japan's demand for salt had steadily been on the increase, the Government believed that the new corporation would not only stimulate the development of industries in Manchoukuo but bring closer economic relations between the two countries.

Table 11. 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

Salt Output.—Owing to inclement weather, salt production in both the leased territory of Kwantung Province and Manchoukuo in 1934 was not satisfactory, amounting to 420,000,000 and 280,000,000 kin respectively. Especially serious was a decrease shown by the latter, as may be noted from the table given below:—

Table 12. Salt Production in Kwantung Province

	Japanese Kin	Manchu Kin	Total Kin
1930	271,521,480	144,256,080	415,777,560
1931	247,690,860	92,951,640	340,642,500
1932	298,794,840	76,350,600	375,145,440
1933	382,831,416	102,451,680	485,283,096
1934	—	—	418,000,000

Table 13. Salt Production in Manchoukuo
(In piculs, or 100 kin)

Table 14. Export of Kwantung Salt by Destination

(in 1,000 catties)

Year	Japan Proper	Chosen	Karafuto	Hongkong	Kwantung	Others	Total
1928	76,109	135,198	2,689	48,447	33,146	4,674	300,263
1929	124,996	124,522	—	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	219,910	110,001	18,008	—	38,512	1,981	386,412
1934	265,295	119,459	32,496	—	32,496	82	449,654

Salt production in Kwantung Province for the first ten months of 1935 was 319,400,000 kin, approximately, which shows an expansion of 423,470,444 kin in comparison with 396,000,000 kin for the like period of the previous year. Taking into account receipts sent direct from the producers, the total salt production for the year under review may be put at 850,000,000 kin. It is over double the amount of 418,000,000 kin for 1934, or the highest record known for the past. The salt fields were 8,600 cho-bu, approximately in area, of which 1,500 chobu represents newly opened fields.

Salt Consumption.—The greater portion of salt produced in Manchoukuo has hitherto been consumed on the domestic market, only a fraction going to China. In view of low production cost, the Manchurian salt ought to have been very moderate in price. Owing to the exorbitant rates imposed by the former regime, however, salt price has been remarkably high and set in store by even more than sugar. Ever since the establishment of Manchoukuo, the authorities have endeavoured to take every opportunity available to lower the price of salt. For instance, in Fengtien Province the selling price of salt, which stood at ¥8.61 in 1933, was reduced to ¥8.10 in 1934. In most of the former provinces of Kirin and Heilungkiang salt price rules round about ¥10.00. Salt consumption by provinces is tabulated below:—

Table 15. Consumption of Marine Salt By Province

(In Catties)

	Fengtien			Kirin		
	Consumption	Population	Per Capita	Consumption	Population	Per Capita
1932	161,252,087	15,143,420	10.6	—	7,371,893	—
1933	171,247,131	15,531,784	11.02	86,502,615	7,913,198	10.93
1934	186,730,750	15,531,784	12.02	102,030,713	8,120,401	12.57
	Heilungkiang			Jehol		
	Consumption	Population	Per Capita	Consumption	Population	Per Capita
1932	—	3,819,286	—	—	—	—
1933	38,965,320	3,815,342	11.84	30,317,250	2,647,217	11.45
1934	48,439,492	4,089,780	10.21	12,596,669	1,546,665	8.14
	Total					
	Consumption	Population	Per Capita			
1932	276,586,803	26,334,599	10.274			
1933	309,311,735	28,806,989	10.74			
1934	367,518,205	30,389,182	12.03			

Note:—The consumption of salt in the two provinces of Kirin and Heilungkiang for 1932 totaled 109,334,716 kin.

References: Tables 1, 2, 3, 4, 14—Kwanto Kyoku Tokei (Statistical Annual of the Kwantung Bureau). Tables 5, 6, 7, 8—The Department of Industry, Manchoukuo. Table 9—Annual Returns of the Foreign Trade of Manchoukuo. Table 12—Keizai Manshu, Feb. 1936 (Monthly Magazine, published by Manshu Nichi-nichi Shimbun-sha). Table 13 & 14—Manshu Nenkan (Manchuria Yearbook), 1936, published by Manshu Nichi-nichi Shimbun-sha.

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 on 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. Mineral Resources

	Metric tons
Coal	4,804,000,000
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.

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 as 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 Colliery Company and the Manchuria Gold Mining Company to secure a rational management and development of the oil and other 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.

On August 1, 1935 the Manchoukuo Government issued a new mining law and related laws and orders, which were put into force on September 1, 1935. The following 40 minerals are provided for by the law as legal minerals:—

Gold ore, silver ore, *platinum ore, copper ore, *lead ore, *zinc ore, *tin ore, *iron ore, *antimony ore, *aluminium ore, *nickel ore, cobalt ore, *iron sulphide ore, chrome ore, *manganese ore, bismuth ore, *tungsten ore, *molybdenum ore, *quick silver ore, Arsenic ore, *phosphorous ore, sulphur, *black lead, *coal, *petroleum, asphalt, oil shale, limestone, muscovite, *magnecite, fluor-spar, feldspar, *fire-proof clay, barytes, *nitre, gypsum, silica, *steatite, *asbestos, mica.

The minerals marked with the asterisk are not to be left to uncontrolled operations by private enterprise for the protection of natural resources or for national defence.

Mine Output

The following figures on mine 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	701,286	985,671	832,229	936,529	1,041,613	1,176,643
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	1,671
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
Feldspar	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 coal deposits of the country in 1932 were 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
Sian	111,000,000
Others	348,000,000
Kirin Province	1,030,000,000
Kangyao	25,000,000
Muling	75,000,000
Others	930,000,000
Heilungkiang Province	197,000,000
Haolikang	144,000,000
Others	53,000,000
Hsangan Province	358,000,000
Chalainor	300,000,000
Others	58,000,000
Jehol Province	1,551,000,000
Hsinchui Coal-Field	1,100,000,000
Naipiao	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 Hokang (Holikang). 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 Autung-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 miner fields. It then entered on an era of large-scale production on a scientific basis, the pits being equipped with modern machinery.

Increased demand resulted in the introduction of the open-cut method of mining at the Fushun Mine. As the result of this improvement, the average capacity of production increased to about 7,000 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 Lungfeng, the open-cut of the remaining seam extending from Kuchengtzu to the Yangpaipu rivulet, and the extension of the open-cut of Chienchin-chai 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 Steel 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 (Metric Tons) (Year Ending March 31, 1935)

1907	233,325
1908	490,720
1909	693,091
1910	899,192
1915	2,162,575
1920	3,162,745
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	7,060,584
1934	7,572,149
1935	8,500,000

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 follows:

Table 5. Coal Output (Estimate) (Year Ending March 31, 1935)

Mines	(Metric tons)
Fushun	8,500,000
Manchuria Colliery	1,900,000
Huoshihling	130,000
Laotoukuo	60,000
Naitzushan	50,000
Muling	110,000
Penhsihu	500,000
Yentai	250,000
Niuhsintai	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

Year	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
1934	3,566,875	*34,478,480

Note: *—M.R.

Mechanical Industry	107,122	101,136
Chemical Industry	117,964	163,931
Spinning Industry	63,160	58,268
Keramic Industry	296,021	399,770
Foodstuff	90,865	83,979
Ores	129,969	173,765
Electricity	219,415	267,577
Gas	37,900	45,319
Total	1,712,219	2,071,992
Railway	987,047	1,244,595
Shipping	876,873	862,956
Household	1,184,852	1,362,592
Others	152,952	167,598
Grand Total	4,914,943	5,709,724

Table 8. Coal Exports Classified By Destinations

Year	Metric Tons	(Haikwan Taels)
1931		
Japan	2,517,722	22,238,341
China	1,990,560	18,323,338
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	560,337	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

Table 9. Requirements of Coal By Uses (In metric tons)

Uses	Requirements	
	1933	1934
Industrial		
Metal Industry	649,803	778,243

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 27,000 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 320,000,000 was additionally spent in 1934 and 1935. The products of the Company will be chiefly placed on the Manchurian 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 up 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 Manchurian markets.

Table 10. Export of Pig-Iron Classified By Destination

Year	Destination			Total	Value (Haikwan) Tacs
	Japan	China and Chinese Ports	Others		
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 11. Pig Iron Production At Anshan

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

Table 12. 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 13. 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	68,030
1929	76,300
1930	85,060
1931	85,620
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 3,700 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 Luho rivers have been found to be fairly rich in gold ore. The largest and most noted mines are the Moho, extending for 170 kilometres with its centre at the confluence of the Amur and the Argun rivers; the Tapingkou, the Kumaerh and the Hsingan placer gold mine in Huma-hsien.

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

Law Governing the Manchuria Gold Mining Company, Ltd.—May 14, 1934 (1st Year of Kangtê).

The Law Governing the Manchuria Gold Mining Company was promulgated on May 3, First Year of Kangtê (1934). The opening article of the new law states that the Government shall cause the said Company to be formed for engaging in the development and management of gold mining enterprises. The object of the Company is to undertake enterprises concerned with the mining and refining of gold in the districts designated by the Government. An Imperial decree separately issued on May 3 designates these districts as the provinces of Kirin and Heilungkiang and the East and North Sub-Province 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 are 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 14. Limestone Production

Year	Chushutzu	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 250,000 metric tons annually. Classified according to districts, the production in the last two years is shown below (in metric tons):—

Table 15. Silica Production

	Production (Metric Tons)	
	1931	1932
Dairen & neighbourhood	3,170	—
Port Arthur & neighbourhood	13,584	19,254
Chinchou & neighbourhood	1,242	5,078
Pulantien & neighbourhood	4,149	2,657
Total	22,327	26,989

Soapstone.—This ore is produced in the neighborhood 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 16. 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	27,669	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 Tashihchiao, 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 site 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 a 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 the 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 17. 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 word "oils" as used in the present Law includes gasoline, kerosene, gas-oil, heavy oil, benzol, and fuel oil substitutes.

The scope of the fuel oil substitutes mentioned in the foregoing paragraph shall be determined by an Imperial ordinance.

Article II

The sale of oils shall be a Government monopoly.

Article III

The manufacture, refining, importation and exportation of oils shall not be allowed except by those who have obtained permission for such from the Government.

Article IV

Those oils which have been manufactured, refined or imported by permission of the Government shall be purchased by the Government.

Article V

The sale and distribution of oils shall be conducted by oil dealers designated by the Government. Depending upon special circumstances, however, the sale of oils to consumers by the Government itself shall not be obstructed.

Matters which are necessary in connection with the sale and distribution of oils and also in connection with the oil dealers designated by the Government shall be determined by the Minister of Finance.

Article VI

The Government, when it deems necessary, may order any oil dealer appointed by it to keep a certain designated fixed supply of oils in stock.

Article VII

The manufacture, importation and exportation of mineral oils other than oils shall not be allowed except by those who have obtained permission for such from the Government.

Article VIII

The Government, when it deems necessary, may order any person engaged in the handling of oils or oils mentioned in the foregoing Article to make a report to the Government, or to effect improvements in his equipment or it may issue orders concerning other matters.

Article IX

The competent officials, when they deem it 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 oil 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 an 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 representatives, 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 Kangtê, of Present Oil Supplies Held by Existing Dealers

Promulgated March 20, 2nd Year of Kangtê (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 Kangtê, 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 Kangtê, 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

MANUFACTURING INDUSTRY

General

As is the case with many countries of the world, the manufacturing industries in Manchoukuo have developed from handicraft. Even the latter form of industry began to grow only after the migration into Manchuria of the Han tribe. It was after the invasion of the Russians late in the nineteenth century that the manufacturing industry in the modern sense of the term sprang up in Manchuria. Following the termination of the Russo-Japanese War, and especially with the outbreak of the World War, the manufacturing industry made marked strides. After the War was over, however, the industry entered upon an era of reaction. Speaking generally, the manufacturing industry in Manchoukuo is still on a very small scale and has not yet outlived a stage of handicraft, and that in spite of the country being blessed with rich natural resources. Cases are very rare where any industries of modern form are carried on with the latest equipments and a large capitalization. Barring various industries run by Japanese in the Kwantung

Leased Territory and along the South Manchuria Railway lines, the manufacturing industries worth mentioning are only such as flour-milling, oil-milling, brewery, etc. A very tardy development is shown by the light industries to say nothing of the heavy industries.

As stated above, Manchoukuo is rich in the resources of industrial material, added to which, it is very favourably circumstanced in regard to conditions of enterprises such as motive power, fuel, water supply, wages, etc. In spite of all this, the manufacturing industry has so far been in an inchoate stage of development. This is due to nothing but a lack of knowledge of industry and of capital and unduly heavy burdens being imposed on the tax payer during the former regime. As also stated above, the manufacturing industry (mostly the manufacture of special products of Manchuria) very much prospered during the World War in Manchuria, especially North Manchuria. Since the termination of the War, however, the industry sank to the depths of depression through the effects of the

Table 2. NUMBER

	Metal				Machine	
	Manchus	Japanese	Others	Total	Manchus	Japanese
Along S.M.R. Lines						
Hsinking	10	6	0	16	7	9
Mukden	52	8	0	60	24	9
Liaoyang	0	0	0	0	0	1
Antung	18	3	0	21	12	7
Yingkow	0	2	0	2	4	0
Others	23	15	1	39	15	9
Total	103	34	1	138	62	35
Along Other Railway Lines						
Harbin	5	0	0	5	12	0
Tsitsihar	7	0	0	7	5	0
Kirin	0	0	0	0	2	0
Taonan	0	0	0	0	4	0
Chengkiatun	12(5)	0	0	17	2	0
Other	25	0	0	25	29	0
Total	54	0	0	54	54	0
Kwantung Province						
Dairen	16(1)	22	0	39	16	42
Others	17	2	0	19	3(1)	3
Total	34	24	0	58	20	45
Other Districts	4	0	0	4	1	0
Grand Total	195	58	1	254	137	80

Industrial Statistics*

(Prepared by Provisional Industrial Research Bureau, Manchoukuo Government)

Industries	Jurisdiction	No. of Factories	No. of Employees	Production (¥1,000)	Investment (¥1,000)
Spinning	Manchoukuo	1,139	33,389	39,232	17,386
	K.L.T., S.M.R.Z. ..	128	10,750	23,312	—
	Total	1,267	44,149	62,544	—
Metal	Manchoukuo	745	7,635	15,260	7,477
	K.L.T., S.M.R.Z. ..	116	2,667	4,261	—
	Total	859	10,302	19,521	—
Machine & Tool	Manchoukuo	328	4,617	6,727	3,562
	K.L.T., S.M.R.Z. ..	181	12,425	22,550	—
	Total	509	17,042	29,277	—
Ceramics	Manchoukuo	405	16,430	5,558	4,626
	K.L.T., S.M.R.Z. ..	184	9,733	10,569	—
	Total	589	26,163	16,127	—
Chemical	Manchoukuo	601	8,339	29,835	10,346
	K.L.T., S.M.R.Z. ..	223	9,267	74,005	—
	Total	824	17,606	103,841	—
Food & Drink	Manchoukuo	711	6,708	40,353	26,232
	K.L.T., S.M.R.Z. ..	413	7,453	28,862	—
	Total	1,124	14,161	69,215	—
Gas & Electric	Manchoukuo	—	—	—	—
	K.L.T., S.M.R.Z. ..	15	1,151	5,813	—
	Total	15	1,151	5,813	—
Lumber & Woodware Mfg. ..	Manchoukuo	526	6,287	5,862	1,630
	K.L.T., S.M.R.Z. ..	121	2,884	10,947	—
	Total	647	9,171	16,809	—
Printing & Book-binding	Manchoukuo	275	4,859	4,798	2,705
	K.L.T., S.M.R.Z. ..	117	2,392	4,126	—
	Total	392	7,251	8,924	—
Miscellaneous	Manchoukuo	1,777	20,891	16,660	13,596
	K.L.T., S.M.R.Z. ..	237	4,792	11,613	—
	Total	2,014	25,683	28,274	—
GRAND TOTAL	Manchoukuo	6,505	109,155	164,287	87,566
	K.L.T., S.M.R.Z. ..	1,733	63,524	196,362	168,529
	Total	8,240	172,979	360,649	256,196

Note:—Abbreviations: K.L.T.—Kwantung Leased Territory.

S.M.R.Z.—South Manchuria Railway Zone.
* Kwantung Leased Territory and S.M.R. zone figures as in Dec. 1933, excepting the figures for No. of Factories, Dec. 1934. All figures of Manchoukuo as in Dec. 1934.

1	59	21(2)	27(4)	0	54	11	6(1)	0	18
0	7	24(2)	5(1)	0	32	24	3(1)	0	28
1	66	49	37	0	86	35	11	0	46
0	1	18	0	0	18	32	0	0	32
7	224	441	91	1	533	783	25	1	809

economic crisis of world-wide character. Many of the industries should have repeatedly effected readjustments and have now found themselves on the road to recovery. As it is, the Government is making every effort to revivify the various industries under its control and supervision, while observing the principles of the Japan-Manchoukuo economic bloc and considering the importance of national defence and public interest.

A partial investigation of the condition of the manufacturing industry had hitherto been made by the Government of Kwantung Province and the South Manchuria Railway Company, but never had any investigation of the entire state of the industry been made. In January, 1934 the Government of Manchoukuo, in conjunction with the South Manchuria Railway Company and the Government of Kwantung Province started investigation of the industry of the whole country. The investigation remained to be completed at this writing. The state of the industry of Manchoukuo as revealed by the "Manchoukuo Industrial Statistics" for 1932 prepared by the Economic Research Council of the South Manchuria Railway Company may be seen from the following:—

Table 1. General Condition of Industry

Number of Factories ..	4,079
Total investments	¥ 242,320,107
Production	
Soya bean oil	¥ 31,628,372
Soya bean-cake	¥ 2,124,766
Wheat flour	¥ 22,832,775
Pig-iron	¥ 11,080,636
Others	¥ 186,722,597
Total	¥ 324,389,146
Motors	291,355 H.P.
Number of Workers ..	108,906
Volume of electricity generated by Power	
Houses	554,915,482 K.W.H.
Volume of gas generated	15,244,630,265 cubic ft.

Number of Factories and Workers

The number of factories throughout Manchoukuo (inclusive of the Leased Territory of Kwantung and the South Manchuria Railway Zone) in 1932 was 4,079. Of this number, 3,250 or about 80% were run by Manchoukouans, 754 by Japanese and 75 by other nationals. It is notable that the number of factories in the principal towns along the South Manchurian Railway lines occupies 57% of the whole number of factories, and is about double that of factories lying along the other railway lines.

To specify the number of factories according to localities, Mukden comes first with 833 (23%), followed by Antung with 413 (10%), Harbin with 356 (8%) and Hsinking with 288 (7%).

As for the relative proportion of the number

OF FACTORIES (1932)

& Tool	Total	Ceramics			Total	Textile			
		Manchus	Japanese	Others		Manchus	Japanese	Others	Total
Others	17	49	10	0	59	34(1)	1	0	36
0	33	58	1	0	63	243	4(1)	0	248
0	1	7(4)	5	0	12	6	2	0	8
0	19	22	2	0	24	145	3	0	148
0	4	11	2	0	13	32	1	0	33
2	26	71(4)	33(1)	0	110	72(4)	2	1	79
3	100	226	54	1	281	537	14	1	552
2	14	85(2)	0	0	87	117	0	0	117
0	5	18	0	0	18	1	0	0	1
0	2	10(1)	0	0	11	24	0	0	24
0	4	0	0	0	0	1	0	0	1
0	2	0	0	0	0	19(1)	0	0	20
1	30	30(2)	0	0	32	16	0	0	16
3	57	148	0	0	148	179	0	0	179
1	59	21(2)	27(4)	0	54	11	6(1)	0	18
0	7	24(2)	5(1)	0	32	24	3(1)	0	28
1	66	49	37	0	86	35	11	0	46
0	1	18	0	0	18	32	0	0	32
7	224	441	91	1	533	783	25	1	809

Kwantung Province						
Dairen	16(1)	22	0	39	16	42
Others	17	2	0	19	3(1)	3
Total	34	24	0	58	20	45
Other Districts	4	0	0	4	1	0
Grand Total	195	58	1	254	137	80

of various industries, spinning ranks first, followed by the chemical industry, foods and drinks, ceramics, metal, tool and machinery. The number of factories classified according to industry, locality and nationality is tabulated in an accompanying table.

As for the number of workers, it is given as 108,906 inclusive of Kwantung Province. As large a percentage as 94 of them are Manchou-

kuans. The majority of the Japanese workers are in various towns along the South Manchurian Railway lines and Dairen. They number 6,047, of whom about 2,000 are Koreans. Soviet workers are only 45 in number. As to the number of workers by industry, the number of regular workers is in proportion to the number of plants. The spinning mills top the list of the entire number of these workers with one-third of

(Continued)

NUMBER OF

	Textile				Chemical	
	Manchus	Japanese	Others	Total	Manchus	Japanese
Along S.M.R. Lines						
Hsinking	13	3	0	16	23(1)	22(1)
Mukden	41	4	0	45	155	20(1)
Liaoyang	19(23)	1	0	43	23	3(1)
Antung	41	8	0	49	29	21
Yingkow	17(3)	1	0	21	0	1(1)
Others	127(49)	20	1	197	57(5)	57(7)
Total	333	37	1	371	293	135
Along Other Railway Lines						
Harbin	45(2)	0	2	49	31(9)	2
Tsitsihar	6	0	0	6	6	0
Kirin	21	0	0	21	14(4)	4
Taonan	14	0	0	14	15	0
Chengkiatun	8(3)	0	0	11	187	0
Others	162(19)	2	2	185	259(3)	0
Total	180	2	4	286	138	6
Kwantung Province						
Dairen	45(9)	21(1)	1	77	12	48(2)
Others	10(2)	2	0	14	15	20
Total	66	24	1	91	27	70
Other Districts	4	0	0	4	33(4)	0
Grand Total	683	63	6	752	495	211

Table 3. No. OF WORKERS

	Metal			Machinery & Tools		
	Regular Workers		Total Wages (in Yen)	Regular Workers		Day's Workers
	Manchus	Japanese		Manchus	Japanese	
Along S.M.R. Lines						
Hsinking	208	4	62,492	451	99(*13)	191,684
Mukden	870	—	286,637	2,164	85	728,950
Liaoyang	—	—	—	—	—	13,299
Antung	228	1	72,286	268	53	99,130
Yingkow	20	4	4,200	31(24)	—	10,540
Others	373(639)	95	127,355	1,997	444	776,561
Total	1,699(639)	104	552,970	4,911(24)	681(*13)	1,820,164
Along Other Railway Lines						
Harbin	(70)	—	—	500(2,125)	—	140,000
Tsitsihar	49	—	14,200	32(192)	3	8,700
Kirin	—	—	—	124	—	44,059
Taonan	—	—	—	58	—	20,210
Chengkiatun	75	—	21,680	72	—	18,775
Others	44(56)	—	13,680	547(1,049)	29	177,799
Total	168(126)	—	49,560	1,333(3,366)	32	409,543
Kwantung Province						
Dairen	848	12	287,669	3,599	1,863(*1)	1,475,458
Others	107	—	27,904	164	36	66,175
Total	955	12	315,573	3,763	1,899(*1)	1,541,633
Other Districts	(11)	—	—	(10)	—	—
Grand Total ..	2,822(776)	116	918,103	10,007(3,400)	2,612(*14)	3,771,340

the entire number, followed in order by the chemical industry, ceramics, machine-making, food and drinks and metal. The number of workers and wages specified according to industry, locality and nationality is given in tabular form as follows:—

Industrial Capital

The capitalization of industries approximately
FACTORIES (1932)

	Food & Drink				Miscellaneous					
	Others	Total	Manchus	Japanese	Others	Total	Manchus	Japanese	Others	Total
	2	49	44	51	0	95	180(2)	102(1)	3	288
	1	177	167	35	5	207	740	85(2)	6	833
	0	27	0	1	0	1	55(27)	9(1)	0	92
	0	50	74	24(3)	1	102	341	68(3)	1	413
	0	2	4	2	0	6	68(3)	9(1)	0	81
	1	127	26	30	0	56	391(62)	166(8)	7	634
	4	432	315	146	6	467	1,869	455	17	2,341
	29	71	8	2	3	13	303(13)	4	36	356
	0	6	5	0	0	5	48	0	0	48
	0	22	5	3(1)	0	9	76(5)	7(1)	0	89
	0	5	7	0	0	7	31	0	0	31
	0	7	21	0	0	21	69(9)	0	0	78
	12	74	51	1	3	55	372(24)	3	18	417
	41	185	97	7	6	110	950	15	54	1,019
	0	62	29	59	2	90	150(12)	225(8)	4	399
	0	35	22	14	0	36	115(5)	49(2)	0	171
	0	97	51	73	2	126	282	284	4	570
	0	37	50(3)	0	0	53	142(7)	0	0	149
	45	751	516	226	14	756	3,250	754	75	4,079

& WAGES (1932)

	Ceramics				Textile				
	Total Wages (in Yen)	Regular Workers		Day's Workers	Total Wages (in Yen)	Regular Workers		Day's Workers	Total Wages (in Yen)
		Manchus	Japanese			Manchus	Japanese		
	188,741	1,514(1,968)	38	222,805	170,941	392	—	70,730	33,363
	577,201	1,553(2,390)	2	330,652	205,279	6,786	43	1,730,782	746,402
	22,077	25	—	2,939	1,048	1,815	6	2,306,481	257,413
	96,970	408	31	71,305	29,252	9,752(5)	249	2,306,827	847,396
	4,934	148	—	17,061	10,072	12(1,352)	—	4,080	1,346
	967,155	1,665(580)	16	284,199	165,367	3,644(173)	46	353,359	181,216
	1,857,078	5,313(4,938)	87	928,951	581,959	22,401(1,530)	344	6,772,259	2,067,136
	139,500	300(138)	—	72,000	35,000	(1,793)	—	—	—
	3,250	—	—	—	—	9	—	1,360	1,360
	41,824	204	—	36,720	36,720	677	—	134,110	49,292
	14,238	—	—	—	—	—	—	—	—
	15,243	—	—	—	—	168	—	50,640	9,565
	150,173	(131)	—	—	—	24(107)	—	6,120	2,933
	364,228	504(269)	—	108,720	71,720	878(1,900)	—	192,230	63,150
	2,035,316	2,862	163	722,321	429,223	2,090(15)	24	714,587	302,301
	89,240	322	—	45,154	22,041	4,024	—	796,482	303,893
	2,124,556	3,184	163	757,475	451,264	6,114(15)	24	1,511,069	606,194
	—	(103)	—	—	—	(118)	—	—	—
	4,345,862	9,601(5,310)	250	1,805,146	1,104,943	29,393(3,563)	368	8,475,558	2,736,480

(Continued)

	No. OF WORKERS					
	Chemical			Food & Drink		
	Regular Workers	Day's Workers	Total Wages (in Yen)	Regular Workers	Day's Workers	Total Wages (in Yen)
Manchus	Japanese		Manchus	Japanese		
Along S.M.R. Lines						
Hsinking	228	—	49,073	26,386	418	98
Mukden	405	73	118,555	47,103	1,078	73 (*1)
Liaoyang	512	7	109,826	62,739	289	6
Antung	1,313	748	449,345	226,276	418(20)	225
Yingkow	870(42)	—	149,135	85,041	3(60)	—
Others	12,946(28)	247	926,470	654,091	1,486(27)	129
Total	16,274(70)	1,075	1,802,404	1,101,636	3,690(107)	531 (*1)
Along Other Railway Lines						
Harbin	1,933(309)	—	163,960	58,029	588(167)	(*20)
Tsitsihar	60	—	18,500	38,611	34	—
Kirin	207	—	47,120	27,173	180	28
Taonan	30	—	7,470	4,875	39	—
Chengkiatun	26	—	4,800	1,212	131	—
Others	887(61)	—	187,104	62,188	54(574)	—
Total	3,143(370)	—	428,954	192,088	1,026(741)	28 (*20)
Kwantung Province						
Dairen	4,459	37	1,224,000	808,310	2,510	57
Others	59	1	8,503	4,580	313(11)	19
Total	4,518	38	1,232,503	812,890	2,823(11)	76
Other Districts	(7)	—	—	—	(366)	—
Grand Total	23,935(447)	1,113	3,163,861	2,106,614	7,539(1,225)	635 (*21)

Table 4. CAPITALIZATION

Line of Industry	Manchoukuo			Japan		
	Total	Percentage	Average Per Plant	Total	Percentage	Average Per Plant
Metal	¥ 386,050	0.6	¥ 1,979	¥ 31,627,955	20.5	¥ 545,309
Machinery and Tools ..	5,765,632	8.4	42,084	20,679,527	13.4	258,494
Ceramics	2,970,334	4.4	6,735	15,195,638	9.8	166,985
Spinning	8,019,619	11.8	10,242	15,897,167	10.3	635,886
Chemicals	25,787,366	37.9	37,756	31,799,256	20.6	504,750
Foods and drinks	21,805,610	32.1	44,051	24,905,818	16.1	118,037
Miscellaneous	3,240,706	4.8	6,280	14,267,904	9.3	63,132
Total	67,975,317	100	20,915	154,373,265	100	204,739

Table 5. INDUSTRIAL

	Metal			Machine		
	No. of Factories	Value of Production	Average Production	No. of Factories	Value of Production	Average Production
Along S.M.R. Lines						
Hsinking	16	¥ 163,197	¥ 10,199	17	¥ 596,282	—
Mukden	60	480,813	8,013	33	2,350,311	—
Liaoyang	—	—	—	1	52,708	—
Antung	21	481,602	22,933	19	311,498	—
Yingkow	2	22,000	11,000	4	7,500	—
Others	39	11,342,739	290,865	26	3,773,531	—
Total	138	12,190,351	90,509	100	7,091,830	—
Along Other Railway Lines						
Harbin	5	63,920	12,784	14	2,011,380	—
Tsitsihar	7	166,500	23,785	5	9,480	—
Kirin	—	—	—	2	103,576	—
Taonan	—	—	—	4	1,013,506	—
Chengkiatun	12	66,865	5,570	2	35,071	—
Others	25	99,835	3,993	30	9,051,243	—
Total	49	397,120	8,104	57	12,224,255	—
Kwantung Province						
Dairen	38	1,734,838	45,653	59	8,643,152	—
Others	19	35,643	1,875	6	269,040	—
Total	57	1,770,481	31,061	65	8,912,192	—
Other Districts	4	8,571	2,142	1	3,200	—
Grand Total	248	14,566,523	59,139	223	28,231,478	—

& WAGES (1932)

Total Wages	Miscellaneous						Total		
	Regular Workers		Day's Workers	Total Wages (in Yen)	Regular Workers		Day's Workers	Total Wages (in Yen)	
	Manchus	Japanese		Manchus	Japanese				
88,637	2,175	110	588,283	496,175	5,388(1,968)	349(*13)	1,315,489	1,056,194	
123,264	4,542	135	990,839	499,836	17,396(2,390)	411(*1)	4,409,678	3,317,435	
42,787	9	—	2,433	1,581	2,650	19	2,513,450	387,645	
72,475	1,765(100)	255	629,889	316,211	14,152(125)	1,562	3,796,677	1,620,655	
657	595(292)	7	177,621	89,220	1,679(1,770)	11	363,495	194,714	
154,852	498(121)	28	144,034	104,277	12,609(1,568)	1,104	2,895,505	2,296,039	
482,672	9,584(513)	535	2,533,099	1,507,300	53,874(7,821)	3,456(*14)	15,294,244	7,872,682	
29,469	(166)	—	—	—	3,332(4,768)	(*20)	479,672	261,998	
5,251	43(300)	—	13,700	9,938	227(492)	3	67,610	33,684	
27,630	890(98)	29(*10)	243,150	215,995	2,282(98)	57(*10)	537,359	398,634	
5,045	89	—	19,440	8,852	261	—	55,810	33,010	
14,295	183	—	55,360	16,589	655	—	195,905	62,170	
5,340	28(575)	—	8,400	2,730	1,584(2,553)	29	407,953	230,290	
87,030	1,233(972)	29(*10)	340,050	254,104	8,330(7,911)	89(*30)	1,744,309	1,019,786	
316,121	2,334	284	807,541	827,040	18,707(15)	2,440(*1)	5,856,492	4,912,109	
46,324	252	6	74,306	50,159	5,241(11)	62	1,105,622	527,320	
362,455	2,586	290	881,847	877,199	23,948(26)	2,502(*1)	6,962,114	5,439,429	
—	(336)	—	—	—	(951)	—	—	—	
932,157	13,403(1,822)	854(*10)	3,754,996	2,638,603	86,152(16,709)	6,047(*45)	24,000,667	14,331,897	

OF INDUSTRIES

Line of Industry	Other Countries			Total		
	Total	Percentage	Average Per Plant	Total	Percentage	Average Per Plant
Metal	¥ 2,596,603	6.6	¥ 2,596,603	¥ 34,610,608	14	¥ 136,262
Machinery and Tools ..	1,208,523	3.1	172,646	27,653,682	11	123,453
Ceramics	122,202	0.4	122,202	18,288,174	8	34,311
Spinning	6,000	0.0	6,000	23,922,786	10	29,570
Chemicals	2,431,697	6.1	405,282	60,018,319	25	79,811
Foods and drinks	2,168,500	54.9	48,187	48,879,928	20	91,073
Miscellaneous	1,438,000	28.9	817,000	28,946,610	12	38,289
Total	19,971,525	100	266,287	242,320,107	100	59,406

PRODUCTION BY LOCALITY

& Tool	Ceramics			Textile		
	Average Production	No. of Factories	Value of Production	Average Production	No. of Factories	Value of Production
¥ 35,075	59	¥ 384,460	¥ 6,516	35	¥ 207,931	¥ 5,940
71,221	63	1,087,116	17,255	247	13,012,853	52,683
52,708	8	20,634	2,579	8	5,714,928	714,366
16,394	24	103,622	4,317	148	3,962,571	26,774
1,875	13	76,806	5,908	33	804,250	24,371
145,135	105	1,204,121	11,467	75	1,738,381	23,178
70,918	272	2,876,759	10,576	546	25,440,914	465,951
143,670	85	111,400	1,310	117	5,689,820	48,630
1,896	18	59,256	3,292	1	8,400	8,400
51,788	10	153,600	15,360	24	559,275	23,303
253,376	—	—	—	1	24,958	24,958
17,535	—	—	—	19	141,280	7,435
301,708	30	19,952	665	16	68,890	4,305
214,460	143	344,208	2,407	178	6,492,623	36,475
146,494	48	3,146,366	65,549	17	3,908,200	229,600
44,840	29	86,333	2,977	27	4,482,155	166,005
137,110	77	3,232,699	41,983	44	8,385,355	190,576
3,200	18	30,039	1,668	32	84,120	2,628
126,598	510	6,483,705	12,713	800	40,403,012	50,503

(Continued)

	Chemicals			INDUSTRIAL Foods & Drink	
	No. of Factories	Value of Production	Average Production	No. of Factories	Value of Production
Along S.M.R. Lines					
Hsinking	16	¥ 1,323,412	¥ 82,713	47	¥ 4,140,768
Mukden	45	892,618	19,835	176	5,061,613
Liaoyang	20	1,695,044	84,752	26	1,371,150
Antung	49	11,511,546	234,929	50	3,899,593
Yingkow	18	14,419,403	801,077	1	11,650
Others	148	16,721,987	112,986	115	8,653,255
Total	296,	46,564,910	157,310	415	23,038,029
Along Other Railway Lines					
Harbin	47	7,139,289	151,899	61	18,176,451
Tsitsihar	6	183,832	30,638	6	232,662
Kirin	21	186,940	8,901	18	885,660
Taonan	14	83,488	5,963	5	35,661
Chengkiatun	8	124,549	15,568	7	163,700
Others	166	4,170,180	25,133	71	10,548,635
Total	262	11,890,278	45,382	169	30,042,769
Kwantung Province					
Dairen	67	65,640,866	979,714	60	5,869,192
Others	12	247,953	20,662	35	803,978
Total	79	65,888,819	834,036	95	6,673,170
Other Districts	4	6,922	1,730	33	2,074,497
Grand Total	641	124,350,029	93,994	711	61,828,465

vestments chiefly represent the tobacco industry. The industrial investments of Manchoukuo, Japan and other countries classified according to the kinds of industry are given in an accompanying table.

The chemical industry comes first in capitalization, followed by foods and drinks, metals, etc. To give representative ones, soja bean oil milling of the chemical industry is capitalized at ¥29,000,000, approximately, flour-milling of the food and drink industry at ¥17,000,000 and iron-manufacture of the metal industry at ¥32,000,000. The general average of investments per factory is put at ¥60,000. Manchoukuo is represented by only ¥20,000, while Japan and other countries by more than ¥200,000 on an average or over ten times the Manchoukuo average.

Industrial Products

The total value of industrial products of Manchoukuo for 1932 was roughly ¥324,000,000. The chemical industry ranks first with ¥124,000,000 (38%) followed by the food and drink industry with ¥60,000,000 (19%), the spinning industry with ¥40,000,000 (12%), and the tool and machinery industry with 28,000,000 (9%). To be more particular, soja bean oil milling of the food and drink industry accounts for ¥24,000,000 (39%), cotton yarn and cloth of the spinning and weaving industry for ¥23,000,000 (57%), railway carriages of the tool and machinery industry for ¥20,000,000 (71%) and iron-manufacture of the metal industry for ¥11,000,000 (78%).

To specify industrial production by locality,

the S.M.R.Z. and Kwantung Province combined claim ¥23,000,000, approximately, or 80% of the value of the whole production.

PRINCIPAL INDUSTRIES

Ceramic Industry

Cement Industry.—The cement industry of Manchuria was initiated in 1908 when the Dairen Branch of the Onoda Cement Company of Japan was established in Choushuitzu, Kwantung Province. There had been no small demand for cement in Manchuria due to the growing work, but the bulk of the requirements had been met by imports. It is chiefly since the conclusion of the World War that the cement industry in Manchuria has appreciably developed. This is due partly to the increase in the demand and partly to the existence of rich resources of materials of the industry such as lime, etc.

The establishment of the Japanese works referred to above was followed by that of Russian and Chinese plants. Following the Manchurian incident the Russian and Chinese factories suffered a reverse, but the Japanese interests rapidly increased their hold on the market. Prior to the establishment of Manchoukuo, the demand for cement was 100,000 metric tons, approximately a year, 70 per cent. of which was used by the various undertakings of the South Manchuria Railway Company.

With the founding of Manchoukuo a number of enterprises including the construction of railways, buildings, roads and other works were launched bringing about a commensurate increase in the demand for cement.

PRODUCTION BY LOCALITY

Average Production	No. of Factories	Value of Production	Average Production	Total	
				No. of Factories	Value of Production
88,101	97	¥ 3,950,026	¥ 41,579	285	¥ 10,766,076
28,759	207	23,479,547	113,428	831	46,364,871
48,890	1	6,721	6,721	64	8,761,185
77,991	99	3,691,796	27,291	410	23,962,228
11,650	6	2,914,728	485,788	77	18,256,357
75,245	56	1,119,871	19,998	564	44,553,885
55,513	464	35,162,689	75,782	2,231	152,664,582
297,975	13	6,841,580	526,275	343	40,033,840
38,777	5	62,119	12,124	48	722,249
49,203	8	1,031,682	128,960	83	2,920,733
7,132	7	53,706	7,972	31	1,211,319
23,386	21	92,930	4,425	69	624,395
148,572	55	171,425	3,117	393	24,132,160
177,768	109	8,253,442	75,720	967	69,644,696
97,820	90	4,617,321	51,304	379	93,554,935
22,971	36	274,548	7,526	164	6,199,650
70,244	126	4,891,869	38,324	543	99,754,583
62,864	50	117,934	2,359	142	2,325,283
86,838	749	48,425,934	64,554	3,883	324,389,146

At the end of 1935 the industry was in a position to supply the needs of the country. Japan had hitherto been a prominent supplier of cement to Manchuria. In 1934 and 1935 several large cement plants were established in Manchoukuo by Japanese industrialists. In most cases the cement companies in Manchoukuo are subsidiaries of large concerns of Japan. The largest cement manufacturers in Manchoukuo are the interests affiliated with the Asano Portland Cement Company and the Onoda Cement Company. The Kirin factory of the Daido Portland Cement Company, which is capitalized at ¥3,000,000 and which is controlled by the Asano Portland Cement Company, was expected to increase its capacity from 110,000 to 220,000 metric tons by the spring of 1936. The Asano, Okura Trading and Shibusawa interests are jointly projecting a plant at Penhsihu with a capital of ¥3,000,000, which is ready for operation by the end of 1936. The Onoda interests are planning to construct a plant at Ssuningkai with an annual capacity of 100,000 tons. The capital is estimated at ¥5,000,000. The South Manchuria Railway Company is also setting up a plant with a capacity of 100,000 tons at Fushun.

Table 6. Cement Manufacturing Companies in Manchoukuo (1935)

Name of Company	Authorized Capital (¥1000)	Paid-up Capital (Metric Tons)	Annual Capacity (Metric Tons)
Kwantoshu Onoda Cement (Dairen) ...	500	500	250
Kwantoshu Onoda Cement (Anshan) ...	500	500	110
Manshu Onoda Cement	5,000	2,500	100

Daido Cement	3,000	3,000	110
Fushun Cement	2,500	2,500	110
Harbin Cement	2,500	1,250	120
Pensihu Cement	3,000	3,000	100
Manshu Cement (Liaoyang)	2,000	1,250	90
Total	18,500	14,000	980

According to the Manchoukuo Industrial Statistics, the cement production of Manchoukuo for 1932 was 108,408 metric tons in Portland cement valued at ¥1,408,050 and 31,981 metric tons valued at ¥708,561 in other descriptions. The imports and exports of cement in recent years are as follows:—

Table 7. Imports and Exports of Cement

	Imports		Exports	
	Volume (piculs)	Value (yen)	Volume (Piculs)	Value (yen)
1935	2,473,960	3,543,465	250,222	391,216
1934	5,423,557	7,900,636	139,166	217,230

Bricks.—The manufacture of bricks in Manchuria is very old in origin. The relics of ancient times, which are sometimes found, prove of fine quality. Black bricks, which are used at present, are of very inferior quality. They are produced chiefly in Mukden, Hsinking, Tsitsihar, Taonan, etc. Those which are generally known as red bricks are manufactured at factories of a considerable size. It was over a quarter of a century ago that the manufacture of this kind of bricks was started in Manchuria. With the increase in the demand for machine-made red bricks, and the accompanying growth of new enterprises, the industry has of late appreciably developed.

The demand for bricks throughout Manchoukuo in 1934 and 1935 totalled 150-160,000,000 pieces in Mukden and 500-700,000,000 in Hsinking, Dairen and Harbin and other towns combined.

The Manchoukuo Industrial Statistics show that investments in the brick industry in 1932 were ¥4,000,000, approximately in ordinary bricks and ¥600,000 in special bricks, totalling ¥4,600,

000. As for production for the same year ordinary bricks accounted for 197,589,340 pieces, valued at ¥1,744,573, fire proof bricks for 23,708 metric tons, valued at ¥300,413, and roof tiles for 1,894,900 pieces, valued at ¥44,426, making a total value of ¥2,200,000, approximately. Details of the brick industry in 1932 are tabulated below:—

Table 8. Brick and Tile Industry (1932)

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

Large fire-proof brick manufacturing companies are the Dairen Ceramics Company, the Fushun Ceramics and a brick factory attached to the Showa Steel Works and the Tairiku Ceramics Company. The Dairen Ceramics Company was established in March 1925 with a capital of ¥600,000, which is now paid up. The productive capacity of the Company for the first half of 1935 was 25,000 metric tons, or about 80 per cent. of the actual output for the previous year, the manufactures consisting of hard bricks, fire-proof bricks, magnetic bricks, silica bricks, and motor bricks. The Fushun Ceramics Company is capitalized at ¥1,000,000, a quarter of which is paid up. The productive capacity of the Company is 25,000,000 pieces in bricks, 4,000,000 pieces in tiles and 12,000 metric tons in fire-proof bricks. The actual output for 1934 was 70 per cent. of the capacity. The bulk of the products are supplied to the Fushun colliery. The Tairiku Ceramics Company, Dairen, was established in March, 1919 with a capital of ¥500,000, which is paid up. The Company, which had long been in adverse circumstances, revived rapidly about the time of the Manchurian incident. Since the foundation of the new Empire, it has set up branches in various places. In 1934 it turned out 220,000 porcelain tubes, besides bricks of various kinds, tiles, etc.

Earthen Ware and Porcelain.—The production in Manchoukuo is still comparatively small. The major portion of the demand which is increasing rapidly, is supplied by imports from China and Japan. Since very early days, water jars and other primitive potteries have been manufactured in such places as Mukden, Fushun, Hsinking and Penhsihu.

There are two representative ceramics companies in Manchoukuo. One is the Chaohsing Pottery and Porcelain Company, Mukden under Manchu management and the other the Tahoa

Pottery and Porcelain Company, Dairen under Japanese management. Besides, there are several petty porcelain factories, but they are all engaged exclusively in the manufacture of low-grade kitchen utensils for Manchus. The Chaohsing Pottery and Porcelain Company was established in 1923 with a capital of 480,000 yuan, by the encouragement of the former Mukden Government. The Company steadily developed. At first it was equipped with only pottery kilns. In 1928 it was additionally equipped with porcelain kilns. The porcelain production of the Company especially increased due to the protection given by increased tariff rates on foreign products. Up to 1931 the Company had been turning out 10,000,000 pieces of porcelain a year. The rapid progress thus made by the Company under the aegis of the Mukden Government brought a heavy pressure to bear upon the Japanese ceramics companies in Manchuria. Besides porcelains, the Company manufactured Chinese and Japanese tiles and cement tiles and has gradually extended the field of its activity.

The Tahoa Pottery and Porcelain Company was established in October, 1920. It is now capitalized at MY155,000. It turns out kitchen utensils for the Manchus and also insulators. An annual productive capacity is 4,500,000 pieces, valued at ¥220,000.

Table 9. Pottery and Porcelain (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 has been conducted on a small scale for the last twenty years, but its production on any fair scale is of recent origin. Large glass manufacturers in Manchoukuo are connected with the Japanese interests. The largest glass manufac-

turing company is the Shoko Glass Company, Dairen, which was established in 1925 with the joint investments of the Asahi Glass Company of Japan and the South Manchuria Railway Company. It has an annual productive capacity of 500,000 cases, of 100 square feet of window and sheet glass each, valued at over one million yen.

The manufacture of sheet glass was first experimented on in Manchuria by the Ceramic Laboratory of the South Manchuria Railway Company in 1916. The manufacture has since made marked progress. But, the country has still to depend largely upon imports in order to meet its requirements. The imports of China-ware, enamelled ware and glass in 1933 were MY248,000 in value, and window glass, coloured, stained, ribbed, embossed or wired glass amounted to MY411,000 and glass bottles MY260,000.

Table 10. 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 Manufactures 18	18			307,378

Chemical Industry

Paper.—The paper industry in Manchoukuo is progressing only very slowly. The first paper mill in the modern sense of the term was established in Manchuria in 1917 when the Funing Paper Manufacturing Company was brought into being as a Sino-Japanese joint enterprise. Many paper mills have since been established, but the majority of them have not shown good results. About 80 per cent. of the demand for paper is supplied from abroad, Japan being the major supplier. Paper import in 1933 was ¥10,012,000, approximately, which compares with ¥7,461,000 for the previous year. Over one-third of the import was supplied by Japan.

Besides the so-called foreign paper, which includes newsprint, drawing and wrapping paper, the country consumes a fair amount of native style paper known as "reishaishi". The total consumption of this description of paper in 1933 amounted to 18,000,000 lbs., of which 8,000,000 lbs. was supplied by Japan, 3,000,000 lbs. by China and 7,000,000 lbs. by the native factories.

In 1934 there were two large paper manufacturing companies in Manchoukuo, namely, the Yalu Paper Manufacturing Company and the Manchuria Paper Manufacturing Company. The former is capitalized at ¥5,000,000, representing the Okura and Ohashi interests. The latter is capitalized at ¥500,000. Until the foundation of Manchoukuo there were a number of minor paper mills operating in the country, including

such concerns as the Matsu-ura and the Funing paper companies, which have since been merged or dissolved. In 1933 there were in all 18 paper mills, producing over ¥2,230,000 worth of paper.

Pulp.—The pulp industry of Manchoukuo was initiated in 1919 by the Yalu Paper Manufacturing Company, when it installed equipments for an annual capacity of 12,000 metric tons. Owing, however, to the post-war economic crisis, the Company was forced to suspend operations. As a result of the Manchurian incident, the Japan-Manchoukuo economic bloc was completed, while the rayon industry began to make phenomenal developments. Due to the swift increase in the demand for pulp caused thereby, many enterprises were launched one after another for pulp manufacture. The Government has already given a charter to the establishment of the following four pulp manufacturing concerns:—

Table 11. Pulp Manufacturing Concerns

Name of Company	Capitalization	Affiliation
East Manchoukuo 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

These companies will operate on lands with a combined area of 2,800,000 cho (approximately 3,860,000 acres). The standing timber on the lands aggregate 900,000,000 koku (approximately 9,000,000,000 cubic feet) and consists mainly of cedar pines. It is estimated that the four companies will be able to supply Japan with 120,000 tons of pulp a year for the manufacture of paper and rayon. In 1933 there was only one pulp factory, which turned out pulp to the amount of 3,379 metric tons, valued at ¥287,620.

Sulphate of Ammonia.—The consumption of sulphate of ammonia in Manchoukuo is only about 400 metric tons a year. So it scarcely deserves notice as a consuming market. As for production, or supply, about 40,000 metric tons of sulphate of ammonia has hitherto been supplied as by-products by the Oil Shale Plant of Fushun, the Showa Steel Plant and the Manchuria Oil Company. The industry has become distinctly active since the Manchurian Chemical Industry Company opened operations in March, 1935. The Company has an annual productive capacity of 200,000 tons. The plan for the enterprise was

kou Pulp Co. 20,000,000 Oji Inter-launched as far back as 1928 when the Anshan Iron Works was granted a permit by the Japanese Government to open an ammonia factory. At that time Japan's productive capacity of sulphate of ammonia was only 250,000 tons against the demand of 550,000 tons and about 300,000 tons had to be yearly imported from abroad. In view of this situation, it was thought necessary to stabilize the nitrate industry from the viewpoint of the national policy of fertilizer. Hence the scheme of the establishment of the Company. 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 Kanchingtzu from a mere 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, which is the largest of the kind in the country. The Kwantung Government completed in 1929 its largest reservoir near Yin-chengtzu to supply the factory.

Table 12. Productive Capacity of Manchuria Chemical Co. (In Tons)

Sulphate of Ammonia	200,000	Nitrate of Ammonia	3,000
Sulphuric Acid	250,000	Tar	1,000
Thick Sulphuric Acid	3,000	Creosote	1,000
Nitric Acid	2,000	Pitch	2,000
Benzol	1,000	Cokes	10,000

Soda Ash.—The salt fields in Kwantung Province cover an extensive area of 18,000,000 tsubo and have an annual productive capacity of about 500,000 koku. Not only it is very easy to increase the production but production cost is very moderate. Further, there is an ample supply of lime, sulphate of ammonia and fuel. Thus, the country is favoured with every condition necessary for the soda industry. There is a plan afoot for the founding of a Kwantung Soda Ash Manufacturing Company of an annual productive capacity of 54,000 tons with a capital of ¥5,500,000. When the proposed plant is materialized, the country will not require any foreign supply of soda ash.

In the Mongolia soda lakes about 1,000 metric tons of soda is annually produced. Soda ash import for 1933 was MY1,522,00.

Soap.—Formerly, Manchuria looked entirely to foreign supply for her requirements of soap.

It soon became evident that a location accessible to both railways and ocean ships was necessary for mass production of essential chemicals. As a result of the independence of Manchoukuo from China in 1932, which charged Japan with the mission of chemical exploitation of the resources of the new country, the scheme progressed rapidly. 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. A factory was started at Kanchingtzu near Dairen. Of the capitalization of ¥25,000,000, a half was taken up by the South Manchuria Railway Company. In March, 1935 the factory was completed and immediately put in operation with the purpose of turning out sulphate of ammonia to the amount of 180,000 metric tons a year to be increased later. The plant is equipped with 35 coke ovens. There is a coal shed of 2,000 tons capacity for fueling the ovens. The plant 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 salt water and consumes 120,000 tons of Fushun coal yearly. Productive capacity of the Company may be seen from the following:—

The imports which were very inferior in quality, tended to increase. Since the World War, however, the European and American goods have been largely replaced by Japanese manufactures.

To refer to the soap industry under Japanese management in Manchoukuo, the first factory was started in 1907 in Dairen by one Mr. Hantaro Hatanaka. The following year another factory named Mangyoku-Yoko was established. In 1919 the Manchurian Soap Mangyoku-Yoko was established. In 1919 the Manchurian Soap Manufacturing Company was established in Dairen with a capital of ¥1,000,000 of which ¥250,000 is paid up. In 1926 the Dairen Oil and Fat Company started the manufacture of soap as an additional industry. In Mukden a factory for manufacturing industrial soap was started in 1916. Later this additional enterprise was suspended. Lately there have been established a few soap factories there. There are one each in

Hsinking and Port Arthur.

Japanese investments in the soap industry in Manchoukuo in 1932 amounted to ¥400,000, representing about one third of the entire capital outlay in the industry.

It was more than a decade ago that the industry was started by a native. It so swiftly developed that in 1928 there were as many as 36 Manchurian soap plants. Due partly to keen competition and partly to the serious fall in Mukden notes, the majority of them have come to grief. Only several now carry on.

The soap industry under Russian management in North Manchuria had been wriggling under the oppression caused by imports from abroad until about 1918. Later the industry thrived due to the growing demand for soap in Siberia. Then it sank with the shrinkage of the demand, but it has resumed activity since 1921. Soap import is about a million yen a year. The output of soap for 1933 in Kwantung Province and the railway zone was ¥654,200. Soap production for 1932 classified according to locality is tabulated as follows:—

Table 13. Soap Production By Locality (1932)

	Amount (Dozens)	Value (M.¥.)	Amount (Kgs.)	Value (M.¥.)
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
Others Districts	—	—	23,400	6,200

Paint.—Despite the growing demand for paint due to building activities and other developments, the country has hitherto been almost entirely dependent upon imports for the supply of this line of goods. Since the Manchurian incident, however, the paint industry has gradually expanded and improved. In December, 1934 the Manchurian Paint Company amalgamated the Harbin Paint Company in order to meet swiftly increasing demands for paint. At present there are in Manchoukuo only three paint factories, namely, the Dairen and Harbin factories of the Manchurian Paint Company and the Mukden factory of the Nippon Paint Company. These three factories supply about 70 per cent. of the total requirements of paint of Manchoukuo, which are put at ¥3,500,000 a year.

The Manchurian Paint Company was established in February, 1919 in Dairen with a capital of ¥500,000, of which ¥300,000 is paid up. Its products consist of common paint, mixed paint, varnish, paint oil, aqueous wall paint, putty, illuminating paint, hydrozincite and other things. Since its establishment, the Company has steadily developed. It has branches in Shanghai, Tientsin and Harbin. Its productive capacity is ¥700,000 to ¥900,000 a year. The manufacturers mentioned above find their markets not only in North and South Manchuria but also in China and

the South Seas region. After the Manchurian incident, there was established at Mukden another paint company styled the Japan-Manchoukuo Paint Company with a capital of ¥1,000,000, of which ¥250,000 was paid up. In September, 1934 the Company was merged in the Nippon Paint Company, which has had steady markets in Manchuria for twenty years past, and has since been known as the Mukden factory of the Nippon Paint Company. Its annual productive capacity is put at ¥1,500,000.

Dyestuffs.—Formerly, the people of Manchuria made a considerable amount of indigo and other dyestuffs from the bark of pagoda or maple tree. In those days small dyestuffs plants existed in all parts of the country. With the appearance of German dyes in the market the industry began fast to lose strength. Due to the stoppage of the import of German dyes during the World War, Japanese and American dyes found their way to the Manchurian market, while the manufacture of indigo revived.

The Yamato Dyestuff Company is the only company of the kind in Manchoukuo. It was established in Dairen in 1919. It is capitalized at ¥5,000,000, of which a half is paid up. Its productive capacity is 2,000,000 kin.

As for imports, in 1934, artificial indigo was imported to the extent of MY1,340,000 and anni-

line dyes and others MY1,700,000. It is expected that the value of imports for 1935 decreased 20 to 30 per cent. owing to the shrinkage of the purchasing power of the people in the interior districts.

Matches.—The match industry in Manchuria was started in 1906. During the World War match factories were established in such places as Dairen, Antung, Kirin, Mukden, Yinkow, etc. This fungoid growth of match factories had evil effects upon the industry. In 1925 Swedish match interests began to exert dominant influence over the match market in Manchuria. Many of the match companies that had existed were brought under the control of the Swedish interests. In 1931 the Chinese authorities instituted the match monopoly system and charged the Sino-Japanese Match Association with the working of the system. After the Manchurian incident, the Swedish interests applied for per-

mission to join the association. Thereupon, a match association was formed anew embracing all the entrepreneurs concerned in Manchoukuo and simultaneously public markets established as a marketing organ. The whole amount of the capital involved was taken up by the Japanese interests.

In July 1932 after the establishment of Manchoukuo the public markets were brought under the direct control of the Department of Finance of the New Government. As for the Swedish interests, finding that the situation was gradually turning unfavourable to them, they at last disposed of all their share-holdings and withdrew from the market. According to the Manchurian Industrial Statistics, in 1932 there were 19 match factories in Manchoukuo, whose output was 193,463 boxes, valued at MY1,127,291. Match imports for 1934 were MY334,306. Details of match companies in 1934 are tabulated below:—

Table 14. Match Manufacturing Companies in Manchoukuo (1934)

Name of Co.	Location	Capital (Hsien Tayang)	Yearly Productive (Cases)	Capacity
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	
Changehun 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	
Chihhsing 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	

Gunpowder and Other Explosives.—Gunpowder, ammunition and arms are manufactured by the Mukden Arsenal. Explosives for the use of mining and engineering are made by the Manchuria Mining Drugs Company, which was opened in 1919. Besides, there are a company known as the South Manchuria Gunpowder Company, in Dairen and other similar concerns. By way of pursuing the policy of bringing under government control the manufacture and sale of gunpowder, which has an important bearing upon the preservation of peace in the country, the Civil Affairs Department of Manchoukuo has established a special concern by merging all the powder manufacturing companies throughout the

country. The new company is known as the Manchurian Gunpowder Marketing Company, Limited, and under the direct supervision of the minister of civil affairs. It is capitalized at Y500,000 yuan, of which 250,000 yuan is taken up by the Manchoukuo Government and the remaining half by the South Manchuria Railway Company, the Mukden Arsenal, the Penhsihu Iron Manufacturing Company and others.

Bean Oil Milling.—It was about six decades ago that the bean oil industry was started in Manchuria. Already at the time of the Japan-China War (1894-95) there were more than 30 bean oil mills in Newchang, now known as Yinkow. These were all run on a very small scale. Through the widespread use of hydro-pressure

machines, the industry has at last attained the present growth.

At first bean-cake was a by-product, which was used as nothing but fodder. Owing to the growing importance of bean-cake as fertilizer and a sharp increase in the demand for it in Japan and other countries, the positions of oil and cake became reversed. During the World War, the industry made spectacular developments. Of

late years, however, it has been hard hit by the world-wide economic depression and the growth of the sulphate of ammonia industry.

There are more than 3,000 bean oil mills throughout Manchoukuo, but those with worthy equipments are 402 in number as may be seen from the following table (as shown by the returns of the Dairen Bean Oil Association):—

Table 15. Bean Oil Mills

Locality	No. of Mills	No. of Pressing Machines		Production Capacity Per Day	
		Hydraulic	Screwing	Beancake (Pieces)	Bean Oil (Kin)
Dairen	50	2,368	186	33,176	165,880
Yinkow	20	526	1,117	148,814	744,070
Antung	23	234	1,090	37,010	185,050
Harbin	43	1,041	1,032	93,510	4,767,550
South Manchuria	238	344	3,278	87,920	439,600
North Manchuria	28	414	354	38,130	190,650
Total	402	4,927	7,057	438,560	2,192,800

The production of bean-cake and oil in 1932, as shown by the Manchurian Industrial Statistics, is as follows:—

Table 16. Output of Bean-cake and Oil

	No. of Mills	Volume metric tons	Value yen
Bean Oil		159,159	31,628,372
Bean-cake ...	473	1,450,668	72,124,766

The exports of bean-cake and oil in recent years classified according to destinations are tabulated below:—

Table 17. Exports of Bean Oil and Bean-cake By Countries (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	193,264	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

	Bean Oil			Bean-cake		
	Piculs	MY	%	Piculs	MY	%
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¥	%	Piculs	M¥	%
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	169,279	1,754,237	11.0	73,392	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

(1935)

	Bean Oil			Bean-cake		
	Piculs	M¥	%	Piculs	M¥	%
Japan & Chosen	12,469	177,879	1.0	12,634,139	38,075,814	75.0
China	161,003	2,208,121	11.0	3,175,090	9,945,813	18.0
Russia	—	—	—	—	—	—
Great Britain	264,022	3,584,446	18.0	32,743	98,229	—
Germany	434,332	5,935,387	29.0	111,013	333,039	—
Netherlands	189,589	2,579,946	13.0	9,877	29,631	—
Norway	3,216	44,527	—	153,257	459,771	1.0
U.S.A.	99,534	1,370,228	7.0	648,340	1,945,020	5.0
Others	314,920	4,231,674	21.0	160,923	482,769	1.0
Total	1,479,085	20,132,208	100.0	16,925,382	51,370,086	100.0

As the foregoing tables show, the exports of bean-cake and oil increased in volume but decreased in value in 1934 as compared with the preceding year. In this connection it may be noted that measures have of late been taken by foreign countries to restrict imports of bean-cake and oil. In September, 1931 China imposed a retaliatory tariff on bean oil and in the same year England also imposed a tariff on bean oil products, while Poland and the Scandinavian countries started the industry.

Leather and Hides.—There are abundant supplies of materials for the leather industry in Manchoukuo. The number of the factories in 1932 stood at 144, of which 22 were under Japanese and 122 under Manchu management. The capital outlay of the industry aggregated MY483,490 and the output for 1933 ¥327,000. The industry is most flourishing in Dairen, Mukden and Antung in South Manchuria.

Since the foundation of Manchoukuo, several plans have been drawn up for the establishment of new factories in this line. The most notable of them represents a tannery concern known as the Japan-Manchuria Tannery Company with a capital of ¥3,000,000. Statistics on the leather and hide industry for 1932 are shown in the table appended:—

Table 18. Situation of Leather and Hide Industry

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

Food and Drink Industry

Flour.—Flour milling has developed from of old in many parts of Manchuria and is one of the staple industries of the country. The first flour mill in modern form appeared only in 1900 when a Manchuria Flour Milling Company under Russian management was established in Harbin. This proved a great incentive to the industry, which made swift developments. After attain-

ing the pinnacle of prosperity in 1918 or 1919 the industry declined in activity owing to such causes as the diminution of wheat production, tariff barriers, high freight rates, etc. The majority of the mills had to suspend operation, and the industry has since been in depression.

Harbin is the centre of the activity of the flour industry as wheat is mostly produced in North Manchuria. As stated above, however, the industry has been under the harrow of depression. Oppressed by imports, it can even hardly maintain its own. But it may be said that the industry holds out very bright prospects considering a fall in wheat price accompanying the Government's encouragement of the increase of the production of the grain and the concomitant expansion of consumption. Already in March,

1934 there was brought into being a Japan-Manchoukuo Flour Manufacturing Company under Japan-Manchu joint management. The Company is capitalized at ¥2,000,000 and has a productive capacity of 2,500 barrels. At present it is operated at 70 per cent. of the capacity. According to the Manchuria Industrial Statistics, in 1932 there were 307 flour mills throughout North and South Manchuria, which were responsible for the production of 184,416 metric tons, valued at ¥22,832,775. This is, however, far short of meeting the requirements of the country. The import of flour is yearly increasing. Flour import, which was 4,086,467 piculs, value ¥32,259,468 in 1932, increased to 8,369,879 piculs, value ¥58,678,946 in 1933.

Table 19. Details of Flour Mills

	No. of plants		Amount of Capital (M.¥.)		Yearly Productive Capacity		Output (M.¥.)
	Manchus	Others	Manchus	Others	No. of Milling Machines	(Metric Tons)	
South Manchuria ..	3 (3)	(1)	2,100,600	4,189,107	29	73,575	2,208,355
Hsinking	3 (1)	(1)	2,100,000	3,339,107	—	73,575	2,208,855
Others	(2)	—	—	850,000	29	—	—
North Manchuria ..	22 (12)	4	9,864,700	750,000	330	358,567	20,856,034
Harbin	8 (9)	4	6,994,000	750,000	284	320,490	13,508,951
Tsitsihar	2	—	203,000	—	6	3,534	202,662
Kirin	1	—	—	—	7	—	—
Others	12 (2)	—	2,337,700	—	33	34,543	7,144,421
Other Districts ...	7 (1)	—	102,200	—	8	23,178	1,313,935
Grand Total ..	32 (16)	4 (1)	12,066,900	4,939,107	367	455,320	24,378,374

Distilling and Brewing.—Breweries and distilleries of modern form are still very few in Manchoukuo.

Kaoliang.—The distilling of kaoliang spirit is the most important of this line of industry in Manchoukuo. It is said to be in the latter part of the seventeenth century that the distilling of this spirit was started in Manchuria due to the introduction of the civilization of South China brought by Chinese settlers. It is made from kaoliang at native distilleries known as Chaokuo. As the number of Chinese settlers increased rapidly, the demand for kaoliang increased steadily. Small Chaokuo operated by Chinese are found everywhere in Manchoukuo. The principal places of production of kaoliang are Lianyang, Mukden and Hsinking. Kaoliang has a special flavour acceptable to all the people and is much in demand. In addition, the industry is not risky. So it bids fair to be more and more prosperous helped by the expansion of the population and the increase in the production of the material.

There are not available accurate figures for the production of Kaoliang, but it is estimated at roughly 180,000,000 kin a year.

Spirits.—Formerly, the distilling industry in North Manchuria was carried on by small distilleries. On the establishment of a big distillery under Japan-Manchoukuo joint management in November 1933, some of those distilleries were closed down and the rest suspended operation, with the result that the industry has been placed under almost perfect control.

The Company referred to above is styled the Daido Alcohol Distilling Company, which was brought into being by purchasing plants owned and managed by Mr. Su Peng-chi. It is capitalized at ¥1,670,000 which is paid up. It has three plants. In 1933 it turned out alcohol for 2,000 metric tons and Fusel oil for 6 tons, and in the first half of 1934 alcohol to the extent of 1,450 tons and Fusel oil 5 tons. The Company is also planning the manufacture of an alcoholic fuel to replace gasoline for the use of motor-cars. Besides, there is an alcohol distillery under in-

dividual management in of Hailar and Tung-churian incident, the one in Hailar has produced 200 metric tons of alcohol and that in Tunging 140 tons. The former has a productive capacity of 2.5 metric tons per 24 hours and the latter 1.0 metric tons. Actually, however, since the Man-

Table 20. Distilling & Brewery Industry

	No. of plants		Amount of Capital (M.¥.)			Output (M.¥.)					
	Japanese	Man-chou	Japanese	Man-chou	Others	Chinese Liquors	Japanese Sake	Foreign Liquors	Beer	By-Products	
South Manchuria	27	85(1)	1,191,600	1,786,500	42,700	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)	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

Sake.—Many places of Manchoukuo are suited for the brewing of sake by reason of the quality of water. This industry has therefore gradually developed with the increase in the number of Japanese residents. The output of sake for 1934 in Kwantung Province and the adjoining districts was more than 15,000 koku. Of late many sake breweries have been established in Hsinking, Mukden, Harbin and various other parts of the country. On the other hand, sake is increasingly imported from Japan through Antung, Yinkow, Tumen, etc. At present sake import is about equal the output of the liquor in Kwantung Province. Sake production for 1934 specified according to locality is tabulated below:—

Table 21. 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*
Antung	7	900*
Tiehling	1	100*

Beer.—The demand for beer in Manchuria, which was only 170,000 dozens, valued at ¥380,000 in 1927, increased to 520,000 dozens, valued at ¥1,400,000 in 1932, in which Manchoukuo became independent. The requirements of the liquor are expected to have risen to 350,000 dozens, valued at ¥2,600,000 in 1933.

Beer brewing was carried on many years ago already in Imienpo and Harbin in North Manchuria and Dairen in South Manchuria. The breweries in Dairen had long been closed down under the pressure of Japanese imports. Two breweries in North Manchuria had been the only breweries existent in Manchuria until the Manchurian incident of 1931. Since then, the demand for beer has greatly increased due to the increase in the number of Japanese settlers. Two large beer breweries were established in Manchoukuo in 1934. One is the Manchurian Beer Company in Mukden. The Company is capitalized at ¥2,000,000, which is paid up. It is financed chiefly by the beer cartel of Japan. The productive capacity is put at 100,000 cases. The other is the Dai-Manchu Hop Company in Harbin. It is capitalized at ¥2,500,000, which is paid up. At present it is engaged in the cultivation of hop and beer brewing in Imienpo and the manufacture and sale of soft drinks in Harbin.

Soy.—In sympathy with the rapidly increasing number of Japanese residents since the foundation of the country, the soy industry has made marked developments. The output of soy in Kwantung Province, which was as limited as 14,500 koku in 1931, increased to 22,000 koku in 1932, to 25,000 koku in 1933 and to 27,000 koku in 1934. It is observed that 30 per cent. of the output is exported to Manchoukuo and 10 per cent. to China. The shipments to the former have of late begun to shrink in contradistinction to the increase in the local consumption. This is due to the growing development of soy brewing in Manchoukuo. Prior to the 1931 incident there was almost no production of soy in Manchuria, but at present it is produced to the extent of about 30 per cent. of the output of Kwantung Province. Thus, the Manchoukuoan soy is gradually invading the market along the S.M.R. line hitherto monopolized by the Kwantung brewers. The import of soy from Japan is reckoned at 10,000 koku a year. In 1935 the Kwantung Province Soy Brewing Association was composed of fifteen members. Principal soy breweries in whole Manchoukuo are the Dairen Soy Co., the Ikeda Shoten and the Shimaki Shoten, Dairen, and the Mukden Shoten and the Iyokoku Shoten, Mukden the Manshu Shoyu, Hsinking and the Okada Shoten, Liaoyang.

According to the Manchurian Industrial Statistics, in 1932 there were 79 soy breweries, which were responsible for the production of 105,778 hectolitres, valued at ¥1,599,548.

Sugar.—The climate of Manchuria is suited for the cultivation of beet-root but not for sugar cane. The cultivation of beet-root was started in 1906 or 1907. The manufacture of sugar from

beet-root was initiated in 1909 when a sugar mill was established at Ashihho. Since then no small number of sugar mills had been set up in both North and South Manchuria. But all proved not successful. The South Manchuria Sugar Manufacturing Co., suspended operations in 1927 and various sugar mills in North Manchuria also often suspended operations. After the foundation of Manchoukuo, the sugar industry began again to draw the attention of entrepreneurs as a promising industry. In March, 1934 the North Manchuria Sugar Manufacturing Company was established in Harbin with a capital of ¥2,000,000, which is paid up. Of this capitalization, 52 per cent., or ¥1,040,000 is taken up by the Japan Sugar Trading Company and 48 per cent., or ¥960,000 by white Russians (who are American in nationality). The productive capacity of the Company is 7,000 tons (120,000 piculs) of sugar and 50,000,000 vedro of alcohol a year.

The establishment of another sugar company, or the Manchuria Sugar Manufacturing Company was launched in the same year. As shown by the prospectus, the company is to be capitalized at ¥10,000,000, of which a quarter is to be called up simultaneously with the establishment, the promoters including prominent Japanese sugar companies, such as the Dai-Nippon Sugar Mfg. Co., the Ensuiko Sugar Mfg. Co., etc. Besides, the establishment of the Kangteh Sugar Manufacturing Company was projected in the same year.

Sugar import, which stood at ¥14,608,000 in 1932, increased to ¥16,028,000 in 1933. Sugar imports classified according to suppliers are tabulated as follows:—

Table 22. Sugar Import

	1933		1934		1935	
	Piculs	M.¥.	Piculs	M.¥.	Piculs	M.¥.
Japan	1,320,534	10,858,605	1,063,035	8,105,827	1,301,848	9,508,734
Korea	445,143	3,795,252	293,052	2,143,112	362,228	2,601,971
Hongkong	154,402	1,232,654	110,149	937,962	66,093	583,082
China	9,549	92,224	41,223	277,431	10,410	68,725
Russia	384	6,472	592	6,130	—	—
Netherlands India	103,531	622,524	42,270	287,557	91,717	696,046
British India	1,175	7,887	3,317	30,958	—	—
Great Britain	15,946	206,858	5,447	51,556	2,857	38,448
Netherlands	—	1,680	—	—	—	14
U.S.A.	16,075	86,003	6	7,830	208	12,526
Canada	1	18	—	—	—	5
Germany	—	45,661	—	51,916	400	112,165
Others	—	—	1,995	4,821	1,143	20,796
Total	2,066,740	16,955,838	1,561,086	11,905,100	1,836,904	13,642,512

Ice.—Dairen is the biggest ice consuming market in Manchoukuo. The Dairen Ice Manufacturing Company, which is the sole supplier to

the market, has a productive capacity of about 200 tons a day. In 1935 the demand for ice was about 30 per cent. larger than the average owing

to the activity of coastwise fishery and an increase in the import of raw fish. In the middle of the summer, or in August the market suffered from the dearth of ice so much that about 1,000 tons of ice had to be imported from Japan. The company contemplates setting up a factory of a 10 tons capacity. As for the productive capacity of ice outside Kwantung Province, Fushun and Anshan are each responsible for about 5 tons, Antung for 20 tons, Yinkow for 15 tons and Hsinking for 20 tons.

Metals

Metallic Magnesia.—There are inexhaustible sources of magnesite in the neighbourhood of Tashichiao. The industries for its utilization have, therefore, a very bright future. At present there are three kinds of this industry, viz., (1) Manufacture of fire-proof things, (2) manufacture of building materials and (3) manufacture of metallic magnesia. The first two are undertaken by the South Manchurian Mining Company, which was established in 1918 with a capital of ¥600,000. The last, or the manufacture of metallic magnesite is carried on by the Japan-Manchoukuo Magnesium Company, which was jointly established in 1919 by the South Manchuria Railway Company, the Sumitomo interests and the Rikagaku Kenkyusho (Physical and Chemical Institute) and other organizations. It is capitalized at ¥7,000,000, of which ¥1,750,000 is paid up. The newly founded company, whose plant with an annual productive capacity of 350 metric tons is situated at Ube City, Yamaguchi Prefecture, has an ambition to dominate the metallic magnesium industry in Japan by acquiring raw materials from Manchoukuo. As the first step towards that end, the Naoetsu plant of the Rikagaku Kenkyusho with an annual productive capacity of 150 metric tons was purchased by the Company.

Aluminium.—Aluminium manufacturing in Manchoukuo holds out bright prospects. Raw materials for the manufacture of aluminium, particularly alumina shale, have been found in fairly large quantities at Fuchow, Yentai, Chinchou, Penhsihu and in other districts. The Japan-Manchoukuo Aluminium Company, the only large concern of the kind in existence at present, was established in October, 1933 with a capital of ¥5,000,000. Another aluminium company styled the "Manchuria Aluminium Manufacturing Company" is being projected by the South Manchuria Railway Company. The Company will be established at Fushun with a capital of ¥1,200,000, a half of which will be taken up

by the South Manchuria Railway Company and the other half by several aluminium manufacturing concerns in Japan. An annual aluminium output for the future is expected to be 40,000 metric tons.

Textile Industries

The Cotton Spinning and Weaving Industry.—The cotton spinning and weaving industry has developed from of old in Manchuria as cotton tissues have been used by over 90 per cent. of the people as daily necessities. It was, however, as late as 1923 or 1924 that the industry in modern style grew in Manchuria. The Japanese spinning industry, which had attained remarkable developments both financially and technically, extended its activity to Shanghai and thence to Manchuria about this time. In 1923 the Manchuria Spinning Company was established in Lianyang, in 1924 the Chinchou factory of the Naigai Cotton Company in Chinchou and in 1925 the Manchuria Fukubo Company in Choushuitzu. But many of the spinning mills that were brought into being in those days have not proved successful. Only several are carrying on at present. These are the Manchuria Spinning Company, the Naigai Cotton Company, the Manchuria Fukubo Company, the Mukden Spinning Mill and the Yinkow Spinning Mill.

The fact that the Japanese cotton spinning industry extended its activity to Manchuria is to be accounted for by such causes as Manchuria being a large consuming market, self-supply of raw cotton, an ample supply of labour and low wages, exemption from the import duties on the machinery and materials and the low rate of public levies, etc. But, the results of the operation of the industry proved unsatisfactory due to various obstructions, and the industry had remained at the depths of depression until the Manchurian incident of 1931. The following are the principal causes of the depression of the industry:—

- The market is narrow in scope and lacks resilience. By reason of the Customs barrier, the products of Kwantung Province cannot be exported to Manchoukuo. Neither Manchoukuo products can be exported. In these circumstances, the products of Kwantung Province had found themselves forced to find their way to Japan, Korea, British India and the South Seas by availing themselves of the specially favoured tariff.
- Difficulty in the way of getting supply

of raw cotton. Contrary to expectations, Manchurian cotton was found insufficient both in quality and quantity, and a considerable amount of raw cotton had to be imported from abroad yearly.

- Labour conditions were not satisfactory. Wages were certainly low, but they were often made immoderate by a rise in the price of silver. In addition, the efficiency of labour was far from satisfactory.
- The spinning and weaving industry in Japan had so much developed that it had become unnecessary to rely upon foreign machines, and it was found not only inconvenient but costly to get the machine repaired. The industry was oppressed by the cheap and superior products of the industry of Japan. After the Manchurian incident, the industry was set free from the oppression of the former military clique. That especially benefited such concerns as the Manchuria Spinning Company, which extended the scope of its capacity by enhancing the equipments. In 1932 the Yinkow Spinning Company was established in Yinkow. Throughout the whole Manchoukuo there are about 10,000 hand looms by means of which 100,000 bales of coarse tissues are yearly turned out to meet the requirements of the populace.

To refer in detail to the abovementioned spinning concerns, the Manchuria Spinning Company, Lianyang, was established in 1923 with a capital of ¥2,500,000, which is paid up. It is equipped with 31,360 spindles and 505 looms. The cotton yarn produced thereby consists chiefly of the thicker stuff representing 16 to 17 counts. As for the tissues, they are partly coarse and partly fine stuffs. Almost the whole products are consumed in the domestic market. The Chinchou Factory of the Naigai Cotton Company was established in 1924 with a capital of ¥4,600,000

and is equipped with 63,200 spindles. It turns out chiefly 40 counts and partly 16 counts of yarn. The thicker yarn is supplied chiefly to the interior and the thinner yarn largely exported to South China, India and Siam. The Manchurian Fukubo Company, Choushuitzu, Dairen was established in 1925 with a capital of ¥3,000,000, of which ¥1,500,000 is paid up. Equipped with 29,520 spindles, the Company produces chiefly the thicker yarns of 20 to 21 counts. The larger portion of the products is exported to Japan (Hyogo, Nagano and Okayama being the principal destinations). The Mukden Spinning Mill, Mukden, is a semi-official Manchoukuoan concern. It is capitalized at ¥4,500,000 in 45,000 shares of ¥100 each. The factory is provided with 30,816 spindles and 250 looms. The daily capacity of production is 50 bales of 16 counts of yarn, 10 bales of 10 counts and 10 bales of 20 counts and 120 bales of the finer tissues. The Yinkow Spinning Mill is capitalized at ¥2,000,000 and equipped with 28 spindles and 340 looms. About 60 per cent. of the raw cotton consumed is Manchurian product. The cotton spinning and weaving industry of Manchoukuo may be said to have a bright future before it in view of the scheme for the extension of the cotton crop being launched and the growing demand for cotton yarn and cloth. The output of cotton yarn and cloth for 1932 is as follows:—

Table 23. Output of Cotton Yarn and Cloth

	Volume bales	Value yen
Cotton Yarn	90,024	14,206,440
Cotton Cloth	2,537,617	8,884,503

The imports and exports of cotton yarn and cloth for 1932 and 1933 are given below:—

Table 24. Exports and Imports of Cotton Yarn and Cloth

	(In thousands of yen)	
	Exports	Imports
1935	5,624	7,937
1934	6,136	12,533

Table 25. No. of Plants, Capital and Output of Cotton Spinning & Weaving Industry By Locality

	(1932)			
	No. of plants	Capital (M.¥)	No. of Operatives	Output (M.¥)
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	182,160
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

	No. of plants	Capital (M.¥)	No. of Operatives	Output (M.¥)
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.

Woolen Industry.—In spite of an abundant supply of wool in Manchoukuo, the woolen industry is quite inactive. That is due chiefly to the inferiority of the hair. A woolen company was first established in Manchuria in 1918 when the Manchu-Mongolia Company was brought into being with a capital of ¥10,000,000 under the support of the Kwantung Government, the South Manchuria Railway Company and the Oriental Development Company in order to meet the stoppage of the import of wool from Australia consequent upon the World War. In 1924 the greater part of the mill was destroyed by fire and the capital had to be reduced to ¥3,000,000. In 1931 it was further reduced to ¥400,000. After the Manchurian incident the position of the Company so much improved that the capital was raised to ¥1,000,000. It has since been enjoying a good run of business. In 1924 the Yu-Ching-teh Woolen Works was established in Harbin. The output of woollens for 1932, as shown by the Manchoukuoan Industrial Statistics, is given below:—

Table 26. Output of Woollens

	No. of Works	Volume yards	Value yen
Woolen Tissues	8	634,068	1,739,794
Blanket	2	171,167	2,890,074
Other Woolen goods	12	—	248,323

Imports of woollens were ¥6,314,000 in 1932 and ¥7,831,000 in 1933.

Hemp-dressing Industry.—The hemp-dressing industry has been regarded as a very promising industry in Manchoukuo in view of the brisk demand for gunny bags and the climate and soil of the country being well suited for the cultivation of hemp. In 1917 the Manchurian Hemp-dressing Company was established in Dairen and in 1919 the Mukden Hemp-dressing Company in Mukden. The latter company gave way under the heavy pressure caused by Indian gunny bags and was closed down in March, 1930. Since the Manchurian incident, however, the Company has been pursuing the road to recovery.

The capacity of the production of gunny bags

of the Manchurian Hemp-dressing Company is put at six millions bags a year. The production of 1933 consisted of 4,629,000 bags, 174,000 yards of cloth and ¥1,829,000 of yarn. The Company's products for the four years ending 1934 are as follows:—

Table 27. Manufactures of Manchuria Hemp-dressing Co.

	Gunny bags (Pieces)	Hemp Cloth (yards)	Hemp yarns
1934	4,629,000	174,000	1,829,000
1933	4,649,000	175,000	1,166,000
1932	4,773,000	182,000	1,261,000
1931	3,765,500	331,000	1,630,000
1930	3,028,000	442,000	1,560,000

The productive capacity of gunny bags of the Mukden Hemp-dressing Company is seven millions. The Company's manufactures for 1934 were 4,330,000 gunny bags and others.

Table 28. Manufactures of Mukden Hemp-dressing Co.

	Gunny bags (Pieces)	Hemp yarn as cloth (Kin)
1926	1,804,810	116
1927	1,807,690	42,510
1928	1,183,447	1,483,378
1929	1,959,279	207,350
1934	4,330,712	—

The imports of gunny bags consist of 30,000,000 pieces of new bags and 15,000,000 pieces of old bags, but these fall far short of meeting the domestic requirements, which exceed 70,000,000 pieces. The domestic production of hemp in 1932 was 4,756,513 pieces, valued at ¥1,331,823.

Wild Silk Industry.—The wild silk industry originally grew in Kaiping, whence it gradually spread to such places as Haicheng, Antung, Siuyen, Hojyo, Shipul, etc. The manufacture of wild silk is a very important industry of Manchoukuo ranking next to soja beans, bean-cake and coal. The annual crop of wild cocoons is put at 6-10,000,000,000 pieces, or 8,500,000,000 to 8,600,000,000 pieces on an average.

Formerly, wild silk was exported not only to Japan but also to China and the United

States of America, but it is now almost exclusively shipped to Japan. The industry is run on a large scale under the modern factory system and also on a small scale by farmers as a subsidiary occupation. The wild silk factories are naturally concentrated in the wild silk markets, such as Natung, Heicheng, Kaiping, Kaiyuang Huangfengcheng, Siuyen and Sifeng. The details of the wild silk and silk pongee mills are tabulated below.

Table 29. Wild Silk Yarn and Silk Pongee Mills (a) Wild Silk Mills (1933)

Locality	No. of Mills	No. of Machines	Daily productive Capacity
Antung	43	9,215	5,261
Kaiping	14	3,060	655
Haicheng	12	6,090	2,240
Mukden	—	—	—
Sifeng	44	4,145	876

(b) Silk Pongee Mills (1933)

Locality	No. of Mills	No. of Machines	Output (hiki)
Antung	17	186	31,700
Haicheng	3	100	—
Kaiping	5	200	—
Mukden	1	200	—
Sifeng	—	—	—

Table 30. Exports (inclusive of shipments to Japan) of Wild Silk Cocoons and Others

Line of Goods	1935		1934	
	Volume	Value (M¥)	Volume	(Value M¥)
Cocoons and Dupion				
Cocoons	1,318,271	136,638	2,230,722	229,887
Silk Yarn	2,271,014	7,278,999	2,461,066	7,408,875
Waste Silk	2,482,418	1,105,705	2,720,533	795,800
Silk Goods	58,784	324,520	28,345	178,320
Total	6,130,487	8,845,862	7,440,666	8,612,882

Machinery and Tools Industry

Before the foundation of Manchoukuo there were already about ten machine manufacturing works in Dairen and other places, such as the South Manchuria Railway Works, the Dairen Machinery Works, etc. Since the establishment of the country, many new projects have been launched. Principal among them are the Mukden Arms Manufactory, the Manchu Manufactory, the Japan-Manchoukuo Steel Plant, in Mukden, and the Truck Workshops of the Japan Rail Company.

The South Manchuria Railway Works, which has for its object manufacturing, assembling and repairing vehicles, was established in Shano in 1908. The Dairen Machinery Works was founded in 1918 chiefly with the object of executing orders of the S.M.R. Co., for vehicles, rolling stocks, machinery.

The Mukden Arms Manufactory was established with Japanese capital in the form of a stock corporate in October, 1932 by utilizing the quodam Mukden Arsenal which was established during the former regime. It is engaged in the manufacture of arms and ammunition, gunpowder and the manufacture and repair of various machines and tools.

Motor-Car.—In 1933 projects were launched

for the establishment of the motor-car industry in Manchoukuo. At present the country has to look to imports for all its requirements of motor-cars. The projects 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 Kokogyo Kaisha (Japan Motor-car Manufacturing Company), the Tokyo Gas Denki Kaisha (Tokyo Gas and Electricity Company) the Ikegaki Works, the Nissan Automobile Company and the Ishikawajima Works. The Dowa Automobile Company is capitalized at ¥8,000,000, which is jointly taken up by seven Japanese companies including most of those mentioned above. It dominates this particular enterprise in Manchoukuo. The Manchoukuo Government's share of investments in the Company amounts to ¥2,000,000.

Table 31. No. of Machine and Tool Plants and Output (1932)

	No. of Plants	Value of Output
Machine and Tool	105	5,792,738
Railway Vehicles	63	20,634,370
Other Vehicles	48	476,890
Ships	7	1,327,480
Total	223	28,231,478

Electric and Gas Industries

Electric Industry.—The electric industry was started in Manchuria in October, 1902 when Russia established a generating house at Hamacho, Dairen as a subsidiary business of the Chinese Eastern Railway, now known as the North Manchuria Railway. After the Russo-Japanese War the electric industry showed appreciable developments under Japanese influence. In 1905 Port Arthur was lighted by electricity and in the same year the Yinkow Waterworks Electricity Company was established. In 1907 there was brought into being the Antung Electricity Company. On being established the same year the South Manchuria Railway Company started the industry of supplying electricity to Dairen and opened a power house in Fushun and Mukden in 1908 and another in Changchung in 1910. All these showed satisfactory developments. Especially notable have been the developments attained by the South Manchuria Electricity Company becoming independent of its parent company, or the South Manchuria Railway Company in 1926. The Company has extended its activity to almost all parts of Kwantung Province and the S.M.R. Zone with the exception of Fushun.

To review the history of the electric industry under Manchu influence, it is to be traceable to a power house erected at Harbin in 1905 by the Chinese Eastern Railway Company to meet its own requirements. The following year an electric bureau under Russian management was established in Manchouli. Meantime, electric enterprise mania became more and more apparent stimulated by the growing developments shown by the Japanese undertaking and by the facilities afforded thereby. In 1907 the Kirin Electric Works was brought into being. In 1909 the Mukden Electric Works and in 1911 the Changchung Electric Works, all these being official undertakings. Thus electric enterprises for public and private uses gradually spread over principal cities. Barring the public undertakings, however, all those electric enterprises were nothing but small-scale coal-power stations. Besides, they were ill equipped, not well managed and supervised and, worst of all, ignored public interest. In consequence, these concerns had been in

Table 32. Electricity Supplied in South Manchuria

	Light		Power		Electric Train		Total K.W.H.
	No. of Lamps	K.W.H.	H.P.	K.W.H.	No. of Coaches	K.W.H.	
1924	574,752	34,399,241	2,302	99,217,820	478	12,275,892	145,892,953
1925	616,998	36,402,531	2,609	110,637,855	494	13,262,644	160,303,030
1926	644,204	34,493,109	3,339	153,966,327	496	12,846,416	201,305,852

depression.

After the founding of the new country, the situation changed wholesale. The electric industry was relieved of all causes of unrest. As a result, the industry has not only recovered its former strength but also has extended its scope of activity even to remote countryside. In view of the fact that the demand for electricity will surely increase in sympathy with the growth of industry and spread of the cultural civilization of the country, the Government is doing all it can to help develop the industry, while effectually controlling it. As the first step towards dispersing ominous clouds overhanging the industry due to keen competition going on between the Japanese and Manchoukuo concerns, making closer their connexions and securing the rational development of the industry, the authorities are endeavouring to control the standard frequency, voltage and other technical matters.

The South Manchuria Electric Company referred to above is capitalized at ¥25,000,000, of which ¥22,000,000 is paid up. The amount of electric power supplied in 1932 was over 99,000,000 k.w.h. and electric lights supplied 52,000,000 k.w.m.

Recent Situation

The electric light and power industry of Manchoukuo was formed into a virtual monopoly of the Government 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 new concern was organized by the following companies:—Japanese interests, South Manchuria Electric Co., Yinkow Electric and Waterworks Co., North Manchuria Electric Co.; Manchurian interests, Mukden Electric Light Office, Hsinking Electric Light Office, Kirin Electric Light Office, Harbin Electric Business Bureau, Tsitsihar Electric Light Office, Antung Electric Co. Electric supply in Manchuria for the nine years ending 1932 is tabulated below:—

MANUFACTURING INDUSTRY

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

In North Manchuria there are also electric enterprises at Harbin. Of these, the North Manchuria Electric Company is the largest, followed by the Harbin Electric Office and the electric generating station attached to the Harbin Railway Bureau of Manchoukuo State Railway Direction. There are in all 90 electric undertakings in Manchoukuo including 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 management. These private corporations include Fushun Colliery, and the 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.

In 1934 several projects were launched to cope with the increasing demand for electric power. The South Manchuria Electric Company was 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 be 25,000 k.w. The same company is also putting up 154,000 volt transmission wires between Fushun and Mukden. Following the realization of these two projects, the Company will lay 44,000 volt transmission wires to Yinkow from Anshan. The Company is also engaged in extending its power plant in Fushun in order to increase its capacity of 80,000 k.w. by 50,000 k.w. The project was expected to be materialized in the course of 1935. The South Manchuria Electric Company also started the construction of a 54,000 k.w. power house at Kanseishi, opposite Dairen, in the early summer of 1934.

Table 33. Electric Power Supplied by the Manchuria Electric Company & its Affiliated Companies Classified by Districts (Dec. 1935)

	Electric Light		Electric Power		Amount of Power supplied (Kw.)
	No. of Houses supplied	No. of Lights	No. of Houses supplied		
Head Office	3,141	24,116	31		713
Dairen Branch	63,958	398,431	2,997		67,429
Mukden Branch	44,810	443,175	2,327		54,072
Yingkow Branch	10,871	56,394	425		3,629
Anshan Branch	6,971	45,086	245		6,413
Antung Branch	19,584	90,929	613		11,869
Hsinking Branch	24,205	210,300	1,386		15,072
Kirin Branch	9,487	61,484	147		2,201
Harbin Branch	36,944	352,350	2,188		13,792
Tsitsihar Branch	5,460	44,892	152		1,519
Tsitsihar Taonan Branch	2,250	14,261	11		104
Total	230,681	1,741,418	10,522		176,813
Subsidiary Companies:					
Wafangtien Electric Light Co.	2,508	12,613	61		397
Tashihchiao Electric Light Co.	1,710	8,683	146		1,198
Liaoyang Electric Light Co.	4,309	24,255	194		3,074
Tiehling Electric Co.	6,761	23,338	192		821
Kaiyuan Electric Co.	4,624	17,292	92		697
Shingishu Electric Co.	14,021	49,332	314		4,604
Tungfang Electric Light Co.	5,494	24,539	28		605
Suichung Electric Light Co.	355	2,513	—		—
Tatung Electric Co.	4,266	23,366	308		1,692
Liaoyuan Huahsing Electric Co.	1,093	6,971	9		98

	Electric Light		Electric Power	
	No. of Houses supplied	No of Lights	No. of Houses supplied	Amount of Power supplied (Kw.)
Yenki Electric Co.	4,986	20,898	28	284
Tunhua Electric Co.	2,172	10,599	19	152
Peian Electric Co.	1,202	8,407	5	26
Total	53,501	232,806	1,396	13,648
Direct Controlling Companies:				
Chihfeng Electric Light Office	628	3,849	—	—
Chin-hsien Electric Light Co.	3,021	33,264	58	355
Nungan Mingsing Electric Light Co.	460	2,692	—	—
Manchouli Municipal Electric Light Office	1,127	7,451	17	94
Iran Electric Co.	644	3,381	—	—
Chiamussu Chingtsengyuan Electric Light Office	1,233	7,267	2	3
Total	7,113	57,904	77	452

Table 34. ELECTRIC POWER SUPPLIERS

	Established	Purpose	Authorized Capital (M. ¥.)	No. of Stations		Generating Power (K.W.)	Supplied Power (K.V.A.)	Cycle	Maximum Voltage
				Generating Station	Transforming Station				
Manchuria Electric Company (Capital: ¥90,000,000)	Dairen Branch	1904	—	2	—	92,280	—	50	66,000
	Mukden Electric Office	1908	—	2	1	9,000	90,000	50 or 60	154,000
	Chaoyang Office	—	—	—	1	—	320	50	11,000
	Taonan Office	—	—	—	1	850	—	60	3,300
	Tungliao Office	—	—	—	1	700	—	60	22,000
	Yingkow Branch	1908	—	—	1	5,300	—	50	11,000
	Anshan Branch	1919	—	—	1	—	(750)	25 or 50	5,500
	Antung Branch	1908	—	—	1	15,500	50	50	11,000
	Hsinking Electric Office	1909	—	—	1	18,250	—	50	44,000
	Kirin Branch	1907	—	—	1	—	(3,750)	50	11,000
	Harbin Electric Office	1918	—	—	3	20,950	—	50	11,000
	Tsitsihar Branch	1909	—	—	1	1,696	—	50	11,000
	Chengteh Office	—	—	—	1	75	—	50	3,300
	Mutankiang Office	—	—	—	1	275	—	50	3,300
	Chiamussu Office	1927	—	—	1	320	—	50	3,300
	Hailar Office	—	—	—	1	75	—	50	3,300
	Hsiuyuan Office	1935	—	—	1	50	—	50	3,300
	Chingyuan Office	1935	—	—	1	75	—	50	3,300
	Lingyuan Office	—	—	—	1	—	—	50	3,300
Subsidiary Companies of Manchuria Electric Company	Wafangtien Electric Light Co., Ltd. ..	1930	50,000	—	1	—	450	50	11,000
	Hsiungyuehcheng Branch	1924	—	—	1	—	50	50	3,300
	Tashihchiao Electric Light Co., Ltd. ..	1916	300,000	—	1	—	600	50	11,000
	Kaiping Electric Light Co.	1923	—	—	1	—	150	50	3,300
	Liaoyang Electric Light Co.	1912	300,000	—	1	—	4,650	50 or 60	22,000
	Tiehling Electric Light Co.	1911	500,000	—	1	—	2,366	50 or 60	3,300
	Kaiyuan Electric Co., Ltd.	1914	—	—	1	—	1,500	50 or 60	22,000
	Sifeng Electric Co.	1933	—	—	1	—	150	50 or 60	3,300
	Changtu Electric Co.	—	850,000	1	1	1,400	10,500	50	22,000
	Shingishu Electric Co.	1913	—	—	1	—	(450)	50	3,300
	Teishyu Branch	—	—	1	1	173	(1,000)	60	3,300
	Gisen Branch	—	—	1	—	44	—	60	3,300
	Kisen Branch	—	1,000,000	1	—	1,768	—	50	22,000
	Tungfang Electric Co.	1935	—	—	1	160	—	50	3,300
	Shanchengchen Branch	—	—	—	1	—	60	50	3,300
	Hailung Branch	1935	—	—	1	—	60	50	3,300
	Tungfeng Office	1935	—	—	1	—	150	50	3,300
Chaoyangchen Office	1935	60,000	1	1	75	—	50	3,300	
Suichung Electric Co.	1933	850,000	—	1	—	1,500	50	11,000	
Tatung Electric Co.	1933	—	—	1	—	900	50	22,000	
Kungchuling Branch	1933	200,000	1	—	540	—	50	3,300	
Liaoyuan Huahsing Electric Co.	1918	200,000	1	—	300	—	50	11,000	
Yenki Electric Co.	—	—	—	—	—	—	—	—	

Table 35. Gas Production and Supply
(Cubic Feet)

	South Manchuria Gas Co.		Fushun Colliery	
	Production	Supply	Production	Supply
1926	495,021,013	467,441,318	18,133,415,709	18,133,415,709
1927	431,259,659	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	15,388,285,728
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 production and distribution by locality are tabulated as follows:—

IN MANCHOUKUO, 1935

Purpose	Authorized Capital (M. ¥.)	No. of Stations		Generating Power (K.W.)	Supplied Power (K.V.A.)	Cycle	Maximum Voltage
		Generating Station	Transforming Station				
Lighting & Supply	—	2	—	92,280	—	50	66,000
" " "	—	2	1	9,000	90,000	50 or 60	154,000
" " "	—	—	1	—	320	50	11,000
" " "	—	1	—	850	—	60	3,300
" " "	—	1	—	700	—	60	22,000
" " "	—	1	—	5,300	—	50	11,000
" " "	—	—	1	—	(750)	25 or 50	5,500
" " "	—	1	1	15,500	50	50	11,000
" " "	—	1	—	18,250	—	50	44,000
" " "	—	—	1	—	(3,750)	50	11,000
" " "	—	3	—	20,950	—	50	11,000
" " "	—	1	—	1,696	—	50	11,000
" " "	—	1	—	75	—	50	3,300
" " "	—	1	—	275	—	50	3,300
" " "	—	1	—	320	—	50	3,300
" " "	—	1	—	75	—	50	3,300
" " "	—	1	—	50	—	50	3,300
" " "	—	1	—	75	—	50	3,300
Lighting & Supply	50,000	—	1	—	450	50	11,000
" " "	—	—	1	—	50	50	3,300
" " "	300,000	—	1	—	600	50	11,000
" " "	—	—	1	—	150	50	3,300
" " "	300,000	—	1	—	4,650	50 or 60	22,000
" " "	300,000	—	1	—	2,366	50 or 60	3,300
" " "	500,000	—	1	—	1,500	50 or 60	22,000
" " "	—	—	1	—	150	50 or 60	3,300
" " "	—	—	1	—	75	50 or 60	3,300
" " "	850,000	1	1	1,400	10,500	50	22,000
" " "	—	—	1	—	(450)	50	3,300
" " "	—	1	1	173	(1,000)	60	3,300
" " "	—	1	—	44	—	60	3,300
" " "	1,000,000	1	—	1,768	—	50	22,000
" " "	—	1	—	160	—	50	3,300
" " "	—	—	1	—	60	50	3,300
" " "	—	—	1	—	60	50	3,300
" " "	—	—	1	—	150	50	3,300
" " "	60,000	1	1	75	—	50	3,300
" " "	850,000	—	1	—	1,500	50	11,000
" " "	—	—	1	—	900	50	22,000
" " "	200,000	1	—	540	—	50	3,300
" " "	200,000	1	—	300	—	50	11,000

(Continued)

	Tumen Branch	—
	Tunhua Electric Co.	—
	Weiho Branch	—
	Peian Electric Co.	1932
	Koshan Branch	—
	Noho Office	—
	Chihfeng Electric Light Office	1926
	Chin-hsien Electric Co.	1918
	Faku-hsien Electric Light Office	1928
	Nungan Electric Co.	1927
	Manchouli Municipal Electric Light Office	1906
	Iran Electric Co.	—
	Chiamussu Chingtsengyuan Electric Light Office	—
Japanese Government Management	Port Arthur Civil Administration Office	1907
	Chinchow Administration Office	1917
	Pulantien " "	1921
	Pitzuwo " "	1921
S. M. R. Company	Fushun Coal Mine Electric Station ..	1908
	Wulungpei Spring	1929
Japan-Manchoukuo Joint Management	Penhsihu Coal & Iron Works	1910
	Koshan Electric Co.	1927
	Hulan Electric Co.	1912
	Changtu Electric Co.	1925
	Peipiao Coal Mine Co.	1926
Manchoukuo Government Management	Manchurian Coal Mine Co. Pataohao Electric Office	1926
	Taonan Electric Light Office	1926
	Mukden Tramcar Office	1926
	Tungliao Electric Light Office	1922
Central Bank of Manchoukuo Management	Harbin Railway Bureau	1927
	Hailun Electric Light Office	1931
	Suihua Kwansin Electric Light Office ..	1931
	Hailar Electric Light Office	1913
Manchoukuo Management	(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 Chihtung 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	
Chuhuo Tungyao Electric Light Co. ...	1926	

" " "	—	—	—	—	50	3,300	
" " "	400,000	1	—	225	50	3,300	
" " "	—	—	—	—	—	—	
" " "	400,000	1	—	130	50	3,300	
" " "	—	1	—	150	60	3,300	
" " "	—	1	—	32	60	—	
" " "	140,000	1	—	75	50	3,300	
" " "	171,570	1	—	1,000	50	3,300	
" " "	218,400	1	—	350	60	—	
" " "	100,000	1	—	62	60	5,250	
" " "	169,276	1	—	337	Direct	220	
" " "	90,000	1	—	140	50	—	
" " "	96,000	1	—	110	Direct	440	
Lighting & Supply	—	—	1	—	1,800	50	11,000
" " "	—	—	1	—	450	50	11,000
" " "	—	—	—	—	150	50	3,300
" " "	—	—	{ 2 } +3	—	600	50	11,000
Lighting, Supply & Railway	—	2	11	60,000	—	60	44,000
Lighting & Supply	—	1	—	10	—	Direct	—
Lighting & Supply	—	1	{ 5 } +1	9,000	—	60	—
" " "	50,000	1	—	150	—	50	3,300
" " "	50,000	1	—	87	—	Direct	440
" " "	60,000	1	—	—	75	60	3,300
" " "	300,000	1	—	1,500	—	50	550
" " "	1,148,165	1	{ 6 } +4	3,200	—	50	35,000
Lighting & Supply	424,184	1	—	850	—	60	2,300
Railway	215,500	—	1	—	685	60	2,300
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
Lighting & Supply	—	1	—	310	—	Direct	250
Lighting & Supply	30,000	1	—	120	—	50	5,250
Lighting & Supply	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

(Continued)

Mienpo Changlung Electric Light Co.	1928
Shihtowhotsu Fucheng Electric Light Office	1924
Ningan Yumin Electric Light Office	1926
Suifenhao Paocheng Electric Light Co. (Chientao Province)	1921
Towtaokow Chungchengyu Electric Light Office	1931
Lungchingsun Tahsing Electric Co.	1922
Hunchun Hsuehchun Electric Light Co. (Antung Province)	1926
Takushan Puchao Electric Light Co.	1923
Tunghua Electric Light Co. (Fengtien Province)	1924
Haicheng Electric Co.	1924
Sian Electric Co.	1922
Shanchengchen Tunghsing Electric Co.	1919
Ssuping kai Electric Light Co. (Chinchow Province)	1923
I-hsien Electric Light Office (Hsingan Provinces)	1922
Puketuchan Electric Light Office	1924

Gas Industry.—The gas industry was initiated in Manchuria by the South Manchuria Railway Company in 1910 when the Company started supplying gas to the public by establishing a furnace with a daily capacity of 300,000 cubic feet and also a gas tank of a 150,000 cubic feet capacity. In 1925 the Company set up branch plants at Mukden, Anshan and Hsinking. Simultaneously with this the gas works of the Company was reorganized into the South Manchuria

Gas Company, capitalized at ¥10,000,000. At present the productive capacity of the Company is 520,000 cubic feet a year.

The Fushun Colliery has its own gas producing plant, and is also supplying gas to the public. Its annual productive capacity is 22,500,000 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 36. Gas Production and Distribution by South Manchuria Gas Company (1934)

	Gas Production Capacity (11,000 Cubic Feet)	Length of Gas Pipes (Metres)	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

Miscellaneous Industry

Tobacco.—The principal producing centres are grouped in the northern and eastern districts of Fengtien Province and the southern and eastern districts of Kirin Province. The output of manufactured tobacco for 1932, as shown by the Manchurian Industrial Statistics, was 251,437 bales, value ¥29,539,442 in cigarettes and 113 bales, value ¥11,127 in cut tobacco. This falls far short of meeting the domestic requirements. A considerable amount of manufactured tobacco is imported from abroad. The import of various forms of manufactured tobacco was ¥9,767,392 in 1932 and ¥11,476,151 in 1933.

The output of tobacco leaves by locality is as follows:—

Table 37. Output of Tobacco Leaves

Fengtien Province	13,000,000 lbs.
Kirin Province	32,000,000 "
Heilungkiang	10,000,000 "
Total	55,000,000 "

Cigarette manufacture was tried for the first time by Russians at Harbin. In 1905, the Anglo-American Tobacco Company in South China extended its activity to Manchuria. It was in 1906 that a similar industry was started by Japanese in Manchuria. With the increase in the number of cigarette factories, there naturally developed a keen competition, which in turn greatly stimulated the industry.

There are 14 tobacco factories in Manchoukuo. Those under Japanese management number 10,

" " "	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
" " "				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	3,300
" " "	—	1	—	—	—	Direct	220
Lighting	45,600	1	—	70	—	Direct	470

of which 6 are at Mukden, 2 at Dairen and 2 at Yinkow, those under Anglo-American management 2, one of which is at Mukden and the other at Harbin and those under Russian management 2, one of which is at Harbin and the other at Mukden.

The most noted cigarette manufacturing companies are the To-a Tobacco Company, the British-American Tobacco Company, the Chinese-Russian Tobacco Company, the Robert Bros., and Tschurin & Co.

The To-a Tobacco Company was founded in 1906 in Tokyo with a capital of ¥1,000,000 for the purpose of exporting Japanese tobacco to China and Korea in order to cope with the British-American tobacco trust. The capital has since been increased to ¥11,500,000, of which ¥7,300,000 is paid up. The Company has its head office in Tokyo and branches in Mukden, Dairen, Yinkow and Tientsin. The British-American Tobacco Company is a British-American joint enterprise and capitalised at ¥800,000,000. The Head Office is in London and factories in Shanghai, Hankow, Tientsin and Tsintau. Formerly, the Manchurian market was entirely monopolized by this British-American Tobacco Company, or Trust. After the Russo-Japanese War, the To-a Tobacco Company began to open an outlet for the lower grades of cigarettes in South Manchuria. Since then, the British-American Company has concentrated its activities in North Manchuria. As far as the higher grades of tobacco are concerned, the whole market of Manchuria is still monopolized by them.

Besides the above, in 1935 there was brought into being the Manchou Tobacco Company with a

capital of ¥12,000,000, of which ¥3,000,000 is paid up. Factories are to be set up one each at Hsinking and Harbin. The annual productive capacity of the Company is expected to be 60,000 cases, each containing 25,000 pieces of cigarettes. There have also been movements for the rationalization of the industry. In July, 1934 a large tobacco-growers' union was organized at Fenghuangcheng, which is noted for tobacco production in South Manchuria, through the co-operation of the Local Administrative Office of the S.M.R. Co., at Antung and Mr. Miyazaki, a councillor of Fenghuang-hsien.

Tobacco Tax Law.—The Manchoukuo Government promulgated the Cigar and Cigarette Tax Law for enforcement as from July 1, 1934 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 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 is maintained among various grades of cigars and cigarettes by a more careful classification than was observed before and by a readjustment of the rates according to their prices. The new law divides the cigarettes into seven grades instead of four as was done by the former ruling. The rates of the more expensive brands have been raised, but the cheaper brands are left practically unaffected by the present revision. Despite its increase, however, the tobacco tax in this country is still very low as compared with similar taxes in other countries.

The new law makes the smuggling and illegal sale of tobacco more difficult than before as it provides that the sale and delivery of cigars or cigarettes bearing no official stamps shall be forbidden strictly. According to the provisions, all merchandise found without these stamps will be regarded as having been smuggled in and con-

fiscated by the Government, while their owner will be fined 10 to 100 yuan.

The new law has also abolished the cumbersome system requiring a transport certificate for conveying tax-paid tobacco products from one place to another.

CHAPTER XXII

FOREIGN TRADE

Ever since the founding of Manchoukuo various forms of construction work have progressed steadily. This is vividly reflected in foreign trade. Manchuria's exports consisting chiefly of agricultural, forestry and aquatic products had always exceeded imports until she became independent of China four years ago. This long continued state of foreign trade suddenly underwent a

change in 1933, in which the country entered upon a period for the construction of railways and the establishment of towns. Since that year, trade has continued showing an adverse balance. The greater part, or about 90 per cent. of the import excess consists of construction materials. The table appended shows the condition of trade for the last ten years:—

Table 1. Foreign Trade of Manchuria (Haikwan Taels)

	Exports	Imports	Total	Balance
1926	566,770,392	421,992,028	988,768,420	144,778,364
1927	626,002,224	409,245,433	1,035,247,657	216,756,791
1928	668,677,754	459,946,472	1,128,624,226	208,731,282
1929	659,682,350	502,948,051	1,162,630,401	156,734,299
1930	608,384,026	462,733,025	1,071,157,051	145,611,001
1931	739,271,685	341,599,692	1,080,871,377	397,671,993
1932	618,156,837	337,672,748	955,829,585	280,484,089
*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
*1935	421,077,753	604,149,359	1,025,227,112	-183,071,606

* Manchoukuo yuan.

Foreign Trade for 1935

As will be noted from the above table, foreign trade for 1935 figured out at ¥421,077,753 in exports and at ¥604,149,359 in imports totalling ¥1,025,227,112 and showing an import excess of ¥183,071,606. Contrasted with the previous year,

exports show a decrease of ¥26,716,499, imports an increase of ¥10,587,111, the aggregate a decrease of ¥16,761,703 and the adverse balance an expansion of ¥37,935,925. Imports and exports (inclusive of re-imports and re-exports) for 1935 as compared with the preceding year are tabulated below:—

	(M.Y)		
	1935	1934	Inc. or Dec.
Exports			
Manchou Goods	391,544,649	419,955,840	-28,411,191
Re-exports	29,533,104	28,470,727	+ 1,062,377
Total	421,077,753	448,426,567	-27,348,814
Imports			
Foreign Goods	604,056,413	593,466,680	+10,589,733
Re-imports	92,946	95,568	- 2,622
Total	604,149,359	593,562,248	+10,587,111
Grand Total	1,025,227,112	1,041,988,815	-16,761,703
Import Excess	183,071,606	145,135,681	+37,935,925

As may be seen from the above table, exports were ¥421,000,000, approximately and imports ¥604,000,000 totalling ¥1,025,000,000 and resulting in a serious import excess of ¥183,000,000. Contrasted with the previous year, or 1934, exports show a decrease of ¥27,000,000 (6.1%) and imports an increase of ¥10,000,000 (1.8%), making a total decrease of ¥17,000,000 (1.6%). The foreign trade of Manchoukuo for 1933 showed an

export excess to the tune of ¥28,000,000, but it took an adverse turn from the following year and resulted in an import excess of ¥183,000,000 in 1935, as stated above, which was ¥38,000,000 larger than for the previous year.

Staple Exports and Imports

To survey exports and imports for 1935, it is

References: Tables 1, 4, 5, 6, 9-16, 18, 21, 35 & 36-Manchoukuo Niempao (Official Annual Report of Manchoukuo), 1935. Tables 2, 3, 8, 17, 19, 20, 23-29 & 31-Manshu Sangyo Tokai (Statistical Annual of Manchurian Industry), 1934. Table 7, 17, 22 & 30-Annual Returns of the Foreign Trade of Manchoukuo. Table 32, 33 & 34-Researches of Manchuria Electric Company, Ltd.

first of all noteworthy that exports of special products of Manchuria show a decrease. The soya bean heads the list of exports with ¥130,000,000, followed by bean-cake with ¥51,300,000, coal ¥40,400,000, bean oil ¥20,100,000, peanuts ¥15,100,000, beans (exclusive of soya beans) ¥13,000,000, pig-iron ¥10,300,000, millet, perilla ¥8,000,000, wild silk yarn ¥7,000,000, sulphate of ammonia, cotton yarn and hemp seed each with ¥6,000,000, kaoliang and timber each with ¥4,000,000, mixed fodder and sesamum seed each with ¥3,000,000.

On the side of imports, wheat flour ranked first with ¥54,000,000, followed by iron and steel with ¥51,500,000, vehicles and ships with ¥39,800,000, tool and machinery ¥35,000,000, bleached and dyed cotton fabrics ¥25,200,000, shirtings, gray ¥24,600,000, silk fabrics ¥19,700,000, electric apparatus, ¥15,200,000, gunny bags, woolens, timber, sugar, paper, rice and paddy each with over ¥10,000,000. Staple exports and imports are listed below:—

Table 2. Staple Exports
(M.¥1,000)

	1935	1934	Inc. or Dec.
Bristles	2,796	2,146	Inc. 650
Hides and Leather	899	763	Dec. 136
Fur	3,234	1,923	Do. 1,311
Soya Beans	130,053	160,349	Do. 30,296
Other Beans	13,055	9,994	Inc. 3,062
Buckwheat	2,494	4,251	Do. 1,766
Kaoliang	3,393	7,311	Dec. 3,318
Maize	1,470	5,016	Do. 3,546
Millet	9,050	19,940	Do. 10,890
Bean Cake	51,370	51,509	Do. 139
Ginseng	939	1,139	Do. 200
Bean Oil	20,132	16,262	Inc. 3,870
Paraffin Wax	1,206	741	Inc. 465
Groundnuts	15,141	14,129	Do. 1,021
Hemp Seed	5,649	4,410	Do. 1,238
Perilla Seed	7,533	4,153	Do. 3,380
Sesamum Seed	3,122	5,865	Dec. 2,743
Sweepings (cereals)	3,220	8,668	Do. 5,448
Coal	40,474	41,956	Do. 1,482
Shale Oil	1,279	964	Inc. 315
Timber	3,848	3,876	Dec. 28
Raw Silk, Wild	7,279	7,409	Do. 130
Wool	1,477	756	Inc. 690
Cotton Yarn	5,624	6,136	Dec. 512
Pig Iron	10,329	10,380	Do. 51
Sulphate of Ammonia	6,051	1,718	Inc. 4,333
Salt	4,663	5,438	Dec. 775

Table 3. Staple Imports
(M.¥1,000)

	1935	1934	Inc. or Dec.
Cotton Piece Goods, Grey	24,626	17,154	Inc. 7,472
Do. White or Dyed	25,251	27,511	Dec. 2,260
Do. Printed	7,483	10,948	Do. 3,465
Do. Miscellaneous	2,979	12,439	Do. 9,460
Raw Cotton	9,407	12,284	Do. 2,877
Cotton Yarn	7,937	12,533	Do. 4,596
Gunny Bags	14,641	16,134	Do. 1,493
Woolens	11,343	9,551	Inc. 1,791
Rayon Yarn	8,051	10,824	Dec. 2,773
Silk Fabrics	19,709	11,111	Inc. 8,598
Copper	4,464	4,440	Do. 23
Iron and Steel	51,540	58,227	Dec. 6,687
Machinery and Tools	34,612	28,056	Inc. 6,556
Vehicles and Ships	39,844	30,946	Do. 8,899
Electric Apparatus	15,281	11,638	Do. 3,643
Marine Products	8,557	8,238	Do. 319
Tea	3,136	3,023	Do. 113
Rice and Paddy	11,567	7,476	Do. 4,091
Wheat Flour	53,989	57,058	Dec. 3,069

	1935	1934	Inc. or Dec.
Fruits	7,852	6,152	Inc. 1,700
Sugar	12,974	11,565	Do. 1,419
Foods and Drinks	7,965	6,980	Do. 985
Cigarettes	1,934	2,678	Dec. 744
Leaf Tobacco	6,067	8,558	Dec. 2,491
Soda ash	1,601	1,608	Do. 7
Dyes, Pigments, Paints, and Varnishes	6,745	5,608	Inc. 1,137
Gasoline, Naphtha, and Benzine, Mineral	5,375	9,865	Dec. 4,490
Kerosene	2,228	11,621	Do. 9,393
Lubricating Oil	2,849	3,202	Do. 353
Soap	2,206	2,022	Inc. 184
Paper	12,959	12,139	Do. 820
Paper Ware	5,863	5,344	Inc. 519
Fur	1,421	1,815	Dec. 393
Timber	14,310	17,499	Do. 3,189
Cement	3,543	7,901	Do. 4,357
Rubber Shoes	8,438	5,530	Inc. 2,908

Staple Exports.—To compare both exports and imports for 1935 with the previous year, a sharp decrease in soya beans and other farm products is a feature of exports and a decrease in goods of international character and an increase in construction materials and various things necessary for the economic construction of the new country are a feature of imports.

The twenty-seven items of exports listed above may be roughly grouped into three kinds, namely, agricultural, mineral and miscellaneous goods. The value of the exports of these three groups for 1935 compared with 1934 are as follows:—

(M.¥1,000)

	1935	1934
Agricultural products	263,063	311,856
Mineral products	53,289	54,041
Miscellaneous goods	36,781	61,305

As may be seen from the above figures, exports of farm products show a noticeable decrease. The value of the exports of farm products occupies 67.4% of that of the whole exports of the country testifying to the fact that Manchoukuo is essentially an agricultural country. The proportion of the value of exports of farm products for 1934 was as large as 74.3%. Compared with this, the proportion for the year under review shows a decrease of as much as about 7%. This sharp diminution of the exports of farm produce was due chiefly to the fact that restrictions were imposed upon the imports of soya beans and other staple farm products in various countries. The soya bean is the most notable example. The foremost destination of the soya bean in 1934 was Egypt, the value of the exports running up to ¥46,000,000. In 1935 the value of the exports decreased one-third to ¥16,000,000. The exports to Germany decreased from ¥36,000,000 to ¥22,

000,000. Thus, despite a rise in the market price, the exports of soya beans decreased by as much as ¥30,000,000, or 19%. The decrease in volume was far larger, or 29%. The exports of millet also decreased by half to ¥10,900,000 owing to restrictions imposed thereon by Korea, which is the largest consuming market for millet. The exports of maize, kaoliang and sweepings also sharply decreased due to the raising of the import duties in Japan. Sweepings decreased ¥5,400,000, or 60%, maize from ¥5,000,000 to ¥1,000,000, or by 70%, and kaoliang by half to ¥3,300,000 (64% in volume). Hemp seeds decreased by ¥2,700,000 due to a decrease in demand in Japan and Italy. Buckwheat also decreased ¥1,700,000 due to a decrease in shipments to Germany. As for the exports that increased, bean oil increased ¥3,800,000, perilla ¥3,400,000, beans (exclusive of soya beans) ¥3,000,000, hemp seeds ¥1,200,000, and peanuts ¥1,000,000. The exports of bean-cake decreased by 8% in volume. The volume of exports of farm products is given below:—

Table 4. Volume of Exports of Farm Products
(In 1,000 piculs)

	1935	1934
Soya Bean	29,204	41,809
Other Beans	2,648	2,617
Buckwheat	445	856
Maize	550	2,056
Millet	1,742	4,006
Bean-cake	16,925	20,380
Bean Oil	1,479	1,609
Peanuts	1,717	1,563
Hemp Seeds	1,512	1,078
Perilla	1,507	533
Sesamum Seeds	282	583
Mixed Fodder	1,552	4,725

It will thus be seen that quantitatively only a few items increased revealing the pronounced

depression in the exports of farm products.

Turning to the exports of minerals, coal decreased by roughly ¥1,500,000, or 3.5%. This is due chiefly to an increase in consumption in the domestic markets. The exports of shale oil and paraffin wax increased reflecting the progress of the extension programme of the Fushun Works. Though quite limited in value, the rate of increase is very notable, the former representing 33% and the latter 56%. The decrease of the exports of iron and steel is also due to an expansion of consumption in the domestic market as in the case of coal. The output of principal minerals for 1935 compared with the preceding year is given below:—

	1935	1934
Coal (1,000 tons)	4,182	4,302
Shale Oil (Do.)	53	40
Paraffin Wax (1,000 piculs) ...	301	236
Iron and Steel (Do.)	7,153	7,282

Apart from farm and mineral products, all goods show a decrease excepting sulphate of ammonia, which increased three and a half-fold from ¥1,700,000 to ¥6,000,000 (120% increase in volume), fur increased ¥1,600,000, and bristle and hides and leather increased more or less. Especially noticeable is a decrease shown by wild silk which is due to a failure of the cocoon crop.

Imports.—As stated at the outset, a decrease in the goods of international character and an increase in building materials are the most prominent features of the imports for the year under consideration. Seven import items which may be regarded as construction materials, or copper, iron and steel, machinery and tool, vehicles, munitions, timber and cement, accounted for ¥163,600,000, or 27% of the total value of the imports. It shows an expansion of about ¥5,000,000 in comparison with the value of the imports of the corresponding items in the previous year. Some of them decreased in consignments. For instance, iron and steel decreased ¥6,700,000,000, cement ¥4,300,000, and timber ¥3,200,000. The shrinkage of the imports of these goods was due chiefly to the expansion of the respective industries. Vehicles increased by ¥8,900,000, machinery by ¥6,500,000 and electric apparatus by ¥3,600,000. This speaks for the steady development of the railway service and the consequent expansion of industries in general.

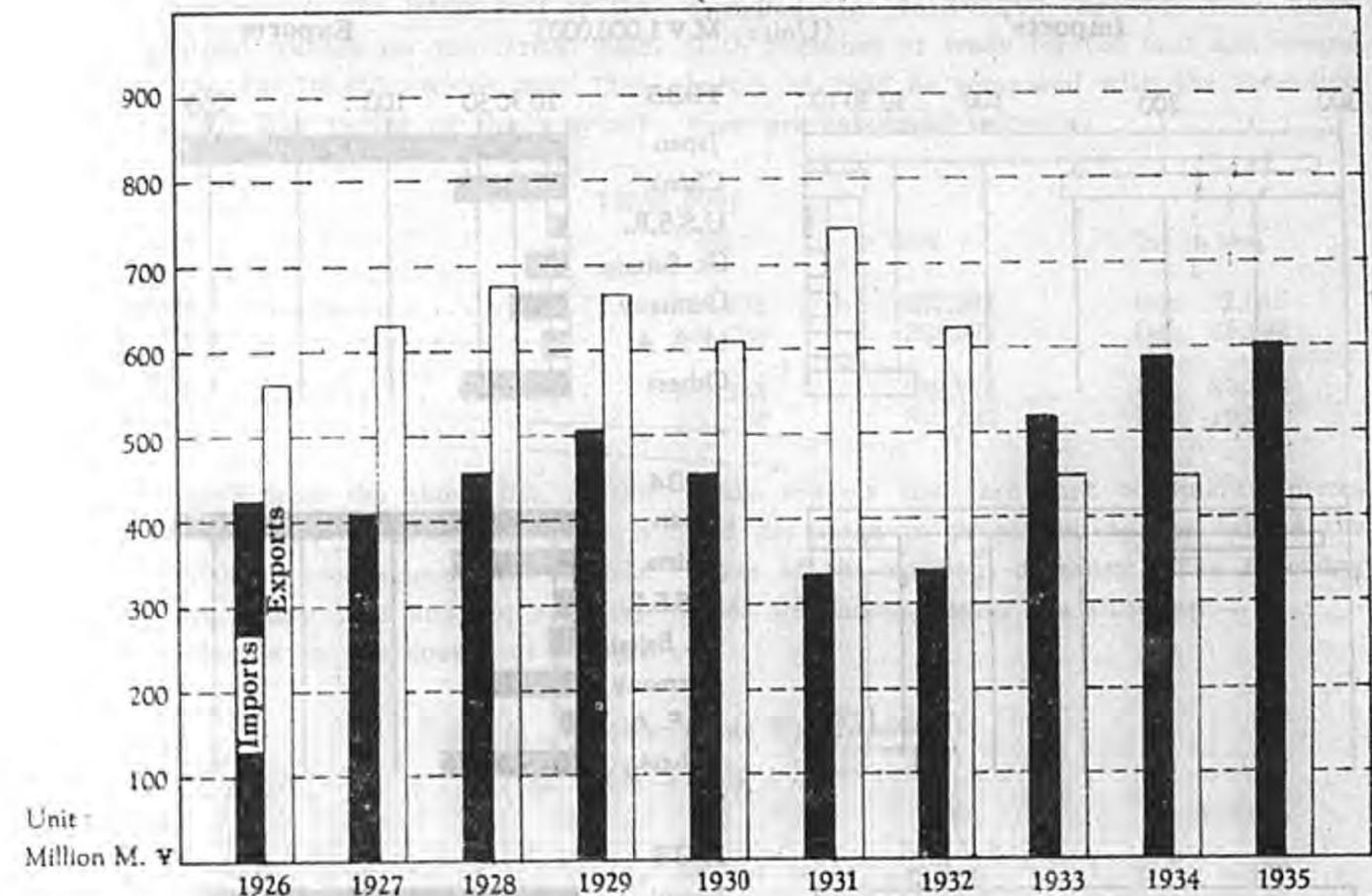
As to the commodities of international character, cotton tissues, which top the list, decreased by as much as ¥7,700,000. Gray shirtings

increased by ¥7,500,000. Bleached and dyed stuffs decreased by ¥2,200,000 and printed cotton piece goods by ¥3,500,000 and other kinds of cotton stuffs diminished by ¥9,500,000. Cotton yarn comes next to cotton tissues in the list of decreases with ¥4,600,000, followed by raw cotton with ¥2,900,000, and rayon ¥2,800,000. Thus the decrease in the consignments of textiles are very noticeable. Silk fabrics and woollens were the only exceptions, the former increasing by ¥8,600,000 or 77% and the latter by 18%. The enormous expansion of the imports of silk tissues is due to a steep rise in the price of raw silk in the latter half of the year under review and the consequent activity of speculative purchases. The increase in the woollens imports is due to similar causes. Wheat flour which is next to cotton tissues in importance in the import trade decreased by ¥3,000,000, or 50% (11% in volume) due chiefly to the raising of the tariff and the revival of the flour industry in North Manchuria. The imports of petroleum, naphtha and other kinds of mineral oil decreased by ¥14,000,000, or 42%. This is due to a reaction from considerable purchases having been made since 1934 in anticipation of the enforcement of the oil monopoly. The imports of gunny bags decreased by ¥1,500,000. The volume of the imports also more or less decreased. That is accounted for by the reopening of the operations of the Mukden Hemp Dressing Company and by the depression in the exports of special products of the country. As regards foodstuffs, apart from wheat flour which has been referred to above, rice imports increased ¥4,100,000, or 55% due to the increase in the number of Japanese residents. The rise in the price of the cereal had also more or less to do with that tremendous expansion of the imports. Fruit imports increased by ¥1,700,000, sugar by ¥1,400,000, sake and beer each by ¥1,000,000. All this is due chiefly to a growing increase in the number of Japanese residents. Tobacco imports decreased by ¥3,200,000 due apparently to the raising of the import duties in the autumn of 1934.

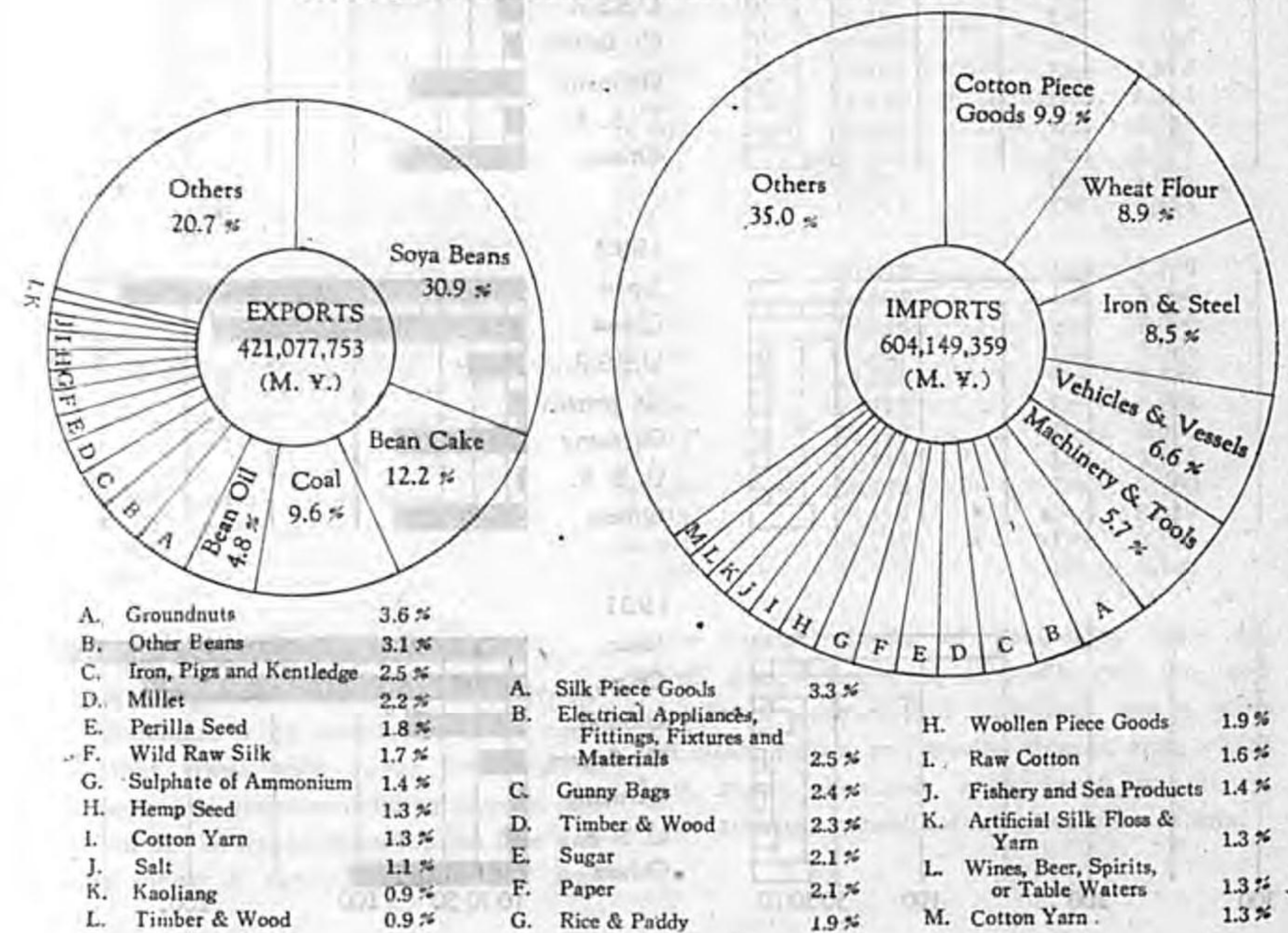
Commerce By Months

The export trade of Manchoukuo for the first half of 1935 was not on the whole much different from the like period of the previous year, the monthly average standing at ¥37,500,000 as against ¥37,900,000 for the corresponding period of the preceding year. But the monthly average in the latter half of the year sharply fell to ¥32,600,000 as against ¥36,800,000 in the like

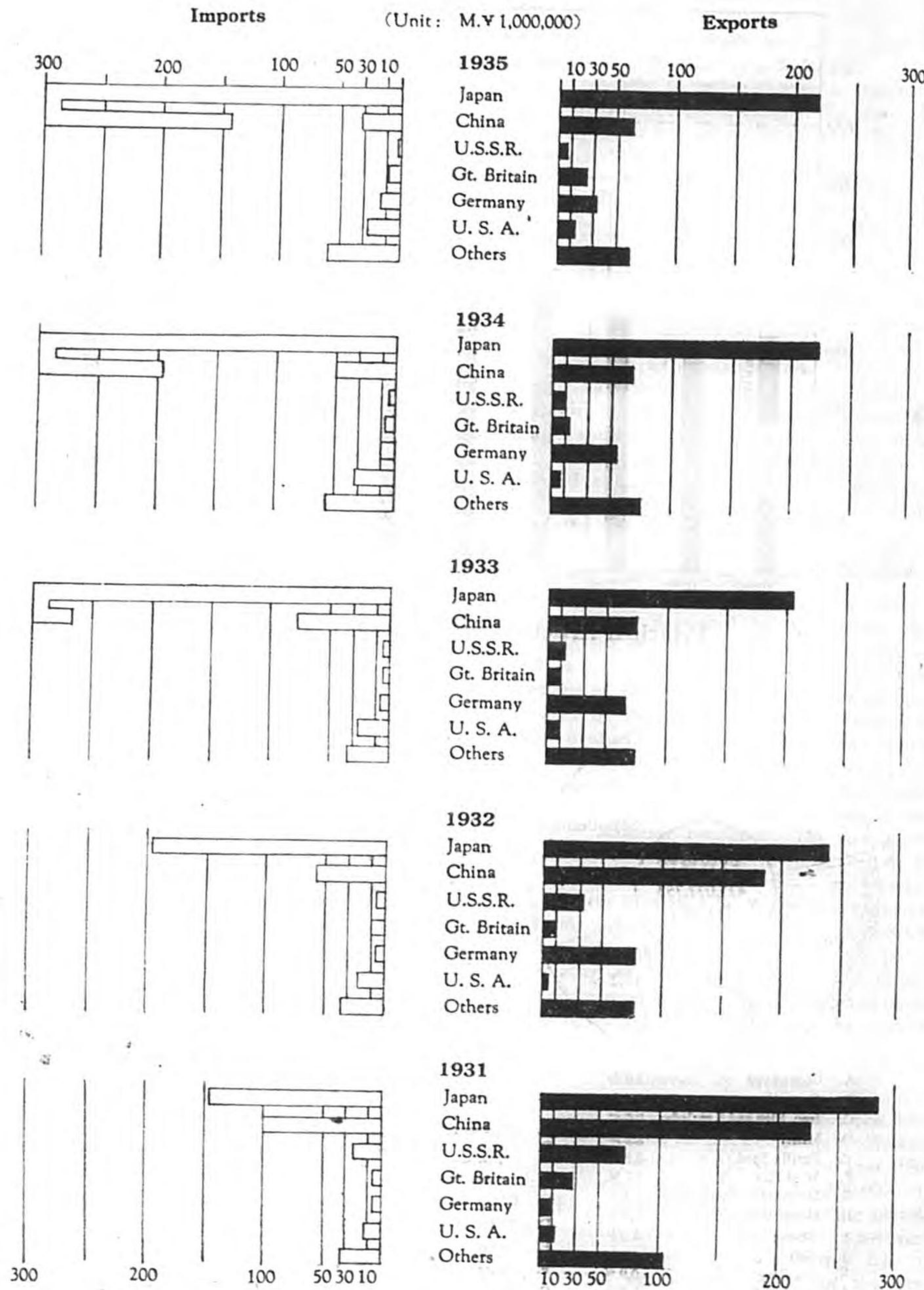
Total Value of Exports and Imports of Manchoukuo (1926-1935)



Principal Articles Exported and Imported, 1935



Values of Exports and Imports by Countries, 1931 to 1935



period of the foregoing year. The import trade also sharply decreased in the latter half of the year. The monthly average for the former half of the year was ¥49,700,000, which was 11% more than for the like period of the previous year. The monthly average for the latter half dwindled to ¥51,000,000 against ¥54,000,000. Both branches of trade for the first and second halves of 1935 as compared with the preceding year are tabulated below:—

	(M.¥1,000)		Inc. or Dec.
	1935	1934	
Exports			
First Half	225,292	227,847	Dec. 2,055
Second Half	195,785	221,077	Dec. 25,292
Imports			
First Half	298,243	268,115	Inc. 30,128
Second Half	305,906	335,447	Dec. 19,541

As will be noted from the above list, in the second half of the year under review, exports dropped ¥25,000,000 by comparison with the like period of the preceeding year and imports ¥19,500,000. This change in the course of foreign trade reflects the fact that commodity prices had not risen in proportion to the fall in the value of the national currency. The following table will make clearer the situation:—

Table 5. Foreign Trade By Months

	(M.¥1,000)		Inc. or Dec.
	1935	1934	
Exports			
January	39,013	43,511	Dec. 4,498
February	43,485	34,980	Inc. 8,505
March	41,218	31,649	Do. 8,569
April	34,836	37,775	Dec. 2,940
May	33,475	39,198	Do. 5,723
June	32,266	39,233	Do. 5,966
July	32,280	36,658	Do. 4,379
August	27,332	31,175	Do. 3,843
September	26,007	32,905	Do. 6,898
October	33,969	35,945	Do. 1,977
November	35,899	42,223	Do. 5,325
December	40,298	42,171	Do. 1,873
Imports			
January	38,507	40,633	Dec. 2,126
February	46,056	36,598	Inc. 9,058
March	48,237	38,278	Do. 9,595
April	60,389	58,401	Do. 1,988
May	53,183	47,586	Do. 5,598
June	51,869	46,616	Do. 5,253
July	47,113	50,146	Dec. 3,033
August	47,939	51,114	Do. 3,175
September	50,630	58,410	Do. 7,780
October	54,819	48,470	Inc. 5,349
November	55,997	61,746	Dec. 5,751
December	49,407	55,559	Do. 6,152

Commerce By Countries

Trade with Japan.—To classify the foreign trade of Manchoukuo by countries, it is most noticeable that trade with Japan inclusive of Korea is more and more expanding due to the intensification of the Japan-Manchoukuo bloc and the growing inflow of capital from Japan. Ex-

ports consist chiefly of bean-cake, bean oil, wheat, coal, cokes, iron, wild silk, salt, etc., and imports of construction materials, cotton yarn and cloth, cotton and woolen tissues, rice, wheat flour, sugar, chemicals, sake, paper, machinery, toilet articles, miscellaneous goods, foodstuffs.

Table 6. Trade With Japan in 1935

	(M.¥1,000)		
	1935	1934	Inc. or Dec.
Exports	217,292	218,675	Dec. 1,383
Imports	456,675	408,601	Inc. 48,073
Total	673,967	627,277	Do. 46,690
Import Excess	239,382	189,926	Do. 49,457

As may be seen from the above table, though exports for 1935 show a decrease of ¥1,400,000 (0.6%) in comparison with the preceding year, imports represent an increase of ¥48,000,000 (11.8%). The total of imports and exports exhibits an expansion of ¥46,700,000 (7.4%) and the adverse balance ¥49,457,000. Thus, trade with Japan occupies an overwhelming proportion of 65.8% in the whole trade of the country, which compares with 60.2% for 1934 and 57.0% for 1933. Especially noticeable is an expansion shown by the imports trade. The

percentage of imports, which stood at 66.5 in 1933, increased to 69.0% in 1934 and to 75.6% in 1935. Exports for the year under consideration decreased more than a million yen as compared with the previous year as stated already, but their percentage was as large as 51.6%. It compares very favourably with 48.8% for 1934 and with 46.7% for 1933. The large adverse balance shown by Manchoukuo in recent years may be ascribed primarily to the expansion of trade with Japan as may be gathered from the list appended:—

	(M.¥1,000)		
	1935	1934	1933
Whole Import Excess	183,072	145,136	67,355
Excess of Imports from Japan	239,383	189,926	130,166
Excess of Exports to Other Exports	56,311	44,790	62,811

Trade with China.—Next to Japan in importance comes China in Manchoukuo's foreign trade. China trade for the year under notice was ¥97,300,000, or 9.5% of the value of the whole trade. On September 25, 1932 the Manchoukuo Government intimated to the Chinese Government that the goods coming from China should henceforth be treated as foreign goods, and on that day enforced both import and export duties on the goods so affected. This drove China extremely hostile to Manchoukuo and trade between the two countries has since been on the decline.

Exports to China consist of agricultural, aquatic and mineral goods and imports of cotton cloth and piece goods, leaf tobacco, paper, chemicals, foodstuffs, miscellaneous goods, etc.

Trade with Europe and America.—China is

Table 7. Commerce By Countries

	(M.¥1,000)			
	1935	1934	Inc. or Dec.	
Japan	Exports	217,292	218,675	Dec. 1,383
	Imports	456,675	408,601	Inc. 48,073
	Total	673,967	627,277	Do. 46,690
	Import Excess ...	239,383	189,926	—
China	Exports	65,393	65,694	Dec. 342
	Imports	31,993	57,595	Do. 25,602
	Total	97,346	123,229	Do. 25,943
	Export Excess ...	33,360	8,099	—

	1935			1934			Inc. or Dec.		
U.S.S.R.	Exports	4,662	8,423	Dec.	3,761				
	Imports	1,168	4,876	Do.	3,708				
	Total	5,830	13,299	Do.	7,469				
	Export Excess ...	3,494	3,547	—	—				
Germany	Exports	32,799	53,310	Dec.	20,512				
	Imports	14,742	12,486	Inc.	2,256				
	Total	47,541	65,796	Dec.	18,256				
	Export Excess ...	18,057	40,824	—	—				
Hong-kong	Exports	7,528	6,848	Inc.	680				
	Imports	2,759	3,597	Dec.	838				
	Total	10,287	10,445	Do.	158				
	Export Excess ...	4,769	3,251	—	—				
Belgium	Exports	1,148	1,190	Dec.	42				
	Imports	1,511	704	Inc.	808				
	Total	2,659	1,894	Do.	765				
	Import Excess ...	363	Exp. Exc. 486	—	—				
British India	Exports	2,701	646	Inc.	2,055				
	Imports	23,821	24,943	Dec.	1,220				
	Total	26,522	24,589	Inc.	1,933				
	Import Excess ...	21,120	24,297	—	—				
Holland	Exports	10,075	8,073	Inc.	2,002				
	Imports	815	388	Do.	427				
	Total	10,890	8,461	Do.	2,429				
	Export Excess ...	9,260	7,685	—	—				
Dutch Indies	Exports	701	1,709	Dec.	1,008				
	Imports	5,062	6,695	Do.	1,633				
	Total	5,762	8,404	Do.	2,641				
	Import Excess ...	?	4,986	—	—				
Italy	Exports	3,864	4,303	Dec.	440				
	Imports	1,357	702	Do.	655				
	Total	5,220	5,005	Inc.	215				
	Export Excess ...	2,517	3,601	—	—				
England	Exports	24,221	16,218	Inc.	8,003				
	Imports	9,482	9,316	Do.	166				
	Total	33,703	25,534	Do.	8,169				
	Export Excess ...	14,739	6,902	—	—				
U.S.A.	Export Excess ...	15,596	5,966	Inc.	9,630				
	Imports	24,936	35,227	Dec.	10,291				
	Total	40,532	41,193	Do.	661				
	Import Excess ...	9,340	29,261	—	—				
France	Exports	3,570	2,921	Inc.	649				
	Imports	463	565	Dec.	102				
	Total	4,032	3,486	Inc.	547				
	Export Excess ...	3,107	2,856	—	—				
Other Countries	Exports	31,568	54,448	Dec.	22,880				
	Imports	29,366	28,868	Inc.	497				
	Total	60,934	83,316	Dec.	22,382				
	Export Excess ...	2,202	25,560	—	—				

Table 8. Commerce By Countries By Percentage

	1935			1934			1933		
	Exports	Imports	Total	Exports	Imports	Total	Exports	Imports	Total
Japan	51.6	75.6	65.8	48.8	69.0	60.2	46.7	66.5	57.0
China	15.5	5.3	9.5	14.6	9.7	11.8	16.0	15.5	15.7
U.S.S.R.	1.1	0.1	0.5	1.9	0.8	1.3	3.0	1.5	2.2
Hong-kong	1.8	0.5	1.0	1.5	0.6	1.0	1.4	1.6	1.5
British India	0.5	3.8	2.6	0.1	4.0	2.4	0.2	2.9	1.6
Dutch Indies	5.8	1.5	3.2	3.6	1.5	2.5	2.0	1.4	1.7
England	5.8	1.5	3.2	3.6	1.6	2.5	2.0	1.4	1.7
France	0.8	0.1	0.4	0.7	0.1	0.3	0.6	0.2	0.3
Germany	7.8	2.4	4.6	11.9	2.1	6.3	14.8	2.1	8.0

	1935			1934			1933		
	Exports	Imports	Total	Exports	Imports	Total	Exports	Imports	Total
Belgium	0.2	0.3	0.3	0.3	0.1	0.2	0.0	0.3	0.2
Holland	2.4	0.1	1.1	1.8	0.1	0.8	1.3	0.1	0.7
Italy	0.9	0.3	0.6	1.0	0.1	0.5	0.4	0.1	0.2
U.S.A.	3.7	4.1	4.0	1.3	5.9	4.0	1.7	5.6	3.8
Other Countries .	7.7	5.1	5.9	12.1	4.9	8.0	10.8	2.5	6.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Commerce By Ports.—To specify the trade of Manchoukuo by principal ports, Dairen occupies a predominant position little affected by the opening of three ports in North Manchuria. Foreign trade handled by the port during 1935 was ¥780,000,000, or three-fourths of the whole trade of Manchoukuo. It is 76.3 in percentage, which is 1 more than 75.3 for the previous year. Especially notable is Dairen's share in the import trade, which is as large as 77%. Dairen is followed by Antung with ¥110,000,000, or 10.9%, Yinkow with ¥67,000,000, or 6.5% and Tumen with ¥43,000,000, or 4.2%. Tumen Port has only a tiny share of the whole trade of the country, but it increased by 24% during the year under review and holds out bright prospects.

Table 9. Commerce By Ports (M.¥1,000)

Name of Port		1935	1934	Inc. or Dec.
Dairen	Exports	315,371	335,182	Dec. 19,811
	Imports	464,375	449,246	Inc. 15,129
	Total	779,746	784,428	Do. 4,682
	Percentage	76.3	75.3	—
Antung	Exports	35,898	44,735	Dec. 8,837
	Imports	75,685	77,372	Do. 1,687
	Total	111,583	122,107	Do. 10,524
	Percentage	10.9	11.7	—
Yinkow	Exports	41,606	36,316	Inc. 5,290
	Imports	25,174	29,049	Dec. 3,875
	Total	66,780	65,365	Inc. 1,415
	Percentage	6.5	6.3	—
Shangkaikan	Exports	8,357	8,620	Dec. 263
	Imports	5,247	8,105	Do. 2,858
	Total	13,604	16,725	Do. 3,121
	Percentage	1.3	1.3	—
Harbin	Exports	3,005	8,903	Dec. 5,898
	Imports	4,906	4,573	Inc. 332
	Total	7,911	13,476	Dec. 5,565
	Percentage	0.8	0.6	—
Jehol	Exports	1,698	1,314	Inc. 384
	Imports	1,266	4,068	Dec. 2,802
	Total	2,963	5,382	Do. 2,419
	Percentage	0.3	0.5	—

Trade Through Dairen.—Foreign trade through the port of Dairen in 1935 figured out at 5,976,000 metric tons in exports and at 2,967,000 metric tons in imports. Contrasted with the preceding year, exports show a decrease of 987,000 tons and imports 11,000 tons. The progress of trade through the port for the last four years may be seen from the table appended:—

(In thousands of metric tons)

	Exports	Imports
1932	6,206	1,268

The decrease in the trade of the port for the year under review, especially notable in imports, is due chiefly to a diminution of trade with Japan. Only the U.S.A. and the smaller countries grouped as "other countries" in the list show an expansion in both the amount and proportion in the 1935 trade through Dairen.

Table 10. Foreign Trade Through Dairen By Countries (1,000 metric tons)

	1935			1934			1933		
	Exports	Imports	Total	Exports	Imports	Total	Exports	Imports	Total
Japan	4,180 (69.9%)	4,694 (67.4%)	4,248 (61.8%)	341 (5.7%)	387 (5.6%)	670 (9.8%)	1,224 (20.5%)	1,726 (24.9%)	1,681 (24.5%)
China and Manchoukuo	341 (5.7%)	387 (5.6%)	670 (9.8%)	1,224 (20.5%)	1,726 (24.9%)	1,681 (24.5%)	153 (2.6%)	92 (1.3%)	65 (1.0%)
European Countries	1,224 (20.5%)	1,726 (24.9%)	1,681 (24.5%)	153 (2.6%)	92 (1.3%)	65 (1.0%)	77 (1.3%)	51 (0.7%)	206 (3.0%)
U.S.A.	153 (2.6%)	92 (1.3%)	65 (1.0%)	77 (1.3%)	51 (0.7%)	206 (3.0%)	2,138 (72.1%)	2,189 (73.5%)	1,565 (72.2%)
Other Countries	77 (1.3%)	51 (0.7%)	206 (3.0%)	2,138 (72.1%)	2,189 (73.5%)	1,565 (72.2%)	190 (6.4%)	249 (8.4%)	290 (13.4%)
Imports				190 (6.4%)	249 (8.4%)	290 (13.4%)	106 (3.6%)	116 (3.9%)	94 (4.4%)
Japan	2,138 (72.1%)	2,189 (73.5%)	1,565 (72.2%)	106 (3.6%)	116 (3.9%)	94 (4.4%)	176 (6.0%)	134 (4.5%)	79 (3.7%)
China and Manchoukuo	190 (6.4%)	249 (8.4%)	290 (13.4%)	176 (6.0%)	134 (4.5%)	79 (3.7%)	394 (12.0%)	228 (9.7%)	139 (6.4%)
European Countries	106 (3.6%)	116 (3.9%)	94 (4.4%)	394 (12.0%)	228 (9.7%)	139 (6.4%)			
U.S.A.	176 (6.0%)	134 (4.5%)	79 (3.7%)						
Other Countries	77 (1.3%)	51 (0.7%)	206 (3.0%)						

Staple Exports and Imports.—To survey staple exports and imports through the port, on the side of exports a decrease of as much as 431,000 metric tons, or 5% is shown by shipments of soya beans in comparison with the previous year. This is due primarily to the fact that the shipments to Europe decreased 440,000 tons, or 31.4% to 962,000 tons. Besides, other staple farm products such as kaoliang, peanuts, and maize all show a decrease. Only red beans increased somewhat in shipments. Other notable decreases are 65,000 metric tons, or 22.7% shown by pig-iron and 315,000 tons, or 12.6% by coal. As for imports, consignments of construction materials such as metal, etc., continued increasing somewhat. The most notable decrease is 110,000 metric tons, or 47.7% shown by cement. The decrease in the consignments of wheat and cotton yarn and cloth speaks for the diminution of the purchasing power of the agricultural community. The great expansion of the imports of sugar and fabrics (chiefly silk tissues) means nothing but the activity of transit trade due to such a special cause as the prosperity of exports to the coasts of North China. Details are tabulated below:—

Table 11. Principal Exports and Imports Through Dairen (In 1,000 metric tons)

	1935	1934	1933
Exports			
Soya beans	1,510	1,920	1,988

	1935	1934	1933
Kaoliang	31	93	64
Red beans	88	67	61
Maize	4	40	12
Peanuts	132	133	76
Other cereals	359	518	292
Bran	10	7	3
Bean cake	725	883	692
Bean oil	90	85	67
Pig iron	270	322	427
Cement	17	7	14
Coal	2,185	2,500	2,807
Others	549	380	369
Total	5,976	6,963	6,873

	1935	1934	1933
Imports			
Rice	80	67	21
Raw fruits and vegetables	137	136	103
Petroleum	50	98	77
Cement	121	232	110
Fish and sea weeds	24	25	26
Wheat flour	323	384	290
Sugar	75	63	87
Tobacco	14	53	44
Cotton yarn and cloth	39	52	72
Tissues	14	10	7
Gunny bags	53	58	54
Paper	106	98	84
Metal	589	566	350
Chemicals and materials	60	43	43
Others	1,033	822	610
Total	2,967	2,978	2,169

Table 12. Foreign Trade By Countries (1934—1935) (M.¥)

Countries	1935			1934		
	Exports	Imports	Total	Exports	Imports	Total
Asia						
Japan	183,523,623	434,273,822	617,797,445	172,265,580	383,270,256	555,535,836
Korea	33,760,671	22,282,688	56,043,359	46,832,899	25,321,331	72,154,230
China	65,335,783	32,156,319	97,492,102	65,299,692	57,537,743	122,837,435
Russia	4,661,837	1,168,227	5,830,064	8,423,177	4,880,197	13,303,374
Hongkong	7,559,367	2,761,889	10,321,256	6,848,614	3,596,674	10,445,288
British India	2,690,416	23,865,728	26,556,144	645,539	23,961,676	24,607,215
Straits Settlements	2,837,631	77,997	2,915,628	1,094,238	586,037	1,680,275

(Continued)

Countries	1935			1934		
	Exports	Imports	Total	Exports	Imports	Total
Netherlands India	701,032	5,062,353	5,763,385	1,701,534	6,694,905	8,396,439
British Borneo ..	6,500	247,828	254,328	—	1,132,012	1,132,012
French Indo-China.	566	4,197,126	4,197,692	49,801	1,473,793	1,523,594
Philippines	603,633	55,435	658,068	822,370	207,799	1,030,169
Siam	212,070	121,691	333,761	85,097	62,177	147,274
Turkey	—	525,292	525,292	—	935,723	935,723
Persia	—	360,000	360,000	—	343,706	343,706
Syria	—	—	—	4,290	—	4,290
Arabia	—	—	—	3	5	8
Palestine	52,572	2,310	54,882	—	—	—
Afghanistan	—	163	163	—	—	—
British Colonies (Aden)	14,616	—	14,616	2,352	—	2,352
Portuguese Posses- sion in India ..	—	1,200	1,200	—	—	—
Total	301,959,317	527,160,068	829,119,385	304,075,186	510,004,034	814,079,220
Europe						
Great Britain	24,231,031	9,458,208	33,689,239	16,189,539	19,298,794	25,488,333
France	3,569,770	462,784	4,032,554	2,921,120	541,300	3,462,420
Germany	32,799,399	14,672,884	47,472,283	53,310,602	2,507,800	65,818,402
Belgium	1,148,098	1,511,487	2,659,585	1,190,409	703,813	1,894,222
Netherlands	10,075,070	815,477	10,890,547	8,080,668	388,062	8,468,730
Denmark	3,559,446	134,210	3,693,656	1,658,278	105,713	1,763,991
Poland	19,553	776,604	796,157	10,005	566,680	576,685
Danzig	227	—	227	—	—	—
Latvia	1,574	27,754	29,328	5	438	443
Finland	—	1,224	1,224	3,000	24	3,024
Sweden	2,728,811	933,120	3,661,931	161,814	1,004,431	1,166,245
Norway	1,219,578	39,703	1,259,281	963,590	205,930	1,169,520
Spain	135,942	522	136,464	81,360	11,849	93,209
Portugal	55,412	3,487	58,899	137,152	—	137,152
Italy	3,863,633	1,356,745	5,220,378	4,309,837	701,676	5,011,513
Switzerland	1,407	313,473	314,880	62	516,910	516,963
Austria	—	12,459	12,459	—	2,783	2,783
Hungary	—	3,158	3,158	4,800	281	5,081
Czechoslovakia ...	117	168,393	168,510	1,149	3,096	4,245
Greece	72,256	41,219	113,475	56,975	18,960	75,935
Rumania	—	225	225	—	3	3
Bulgaria	—	4,244	4,244	—	—	—
Esthonia	—	666	666	—	—	—
Others	—	20	20	20	—	20
Total	83,481,324	30,738,066	114,219,390	89,080,385	26,578,534	115,658,919
America						
U. S. of America .	15,589,646	24,935,651	40,525,297	5,959,379	35,289,666	41,249,045
Canada	1,229,114	296,385	1,525,499	1,255,126	189,388	1,444,514
Mexico	104	44,520	44,624	—	218,100	218,100
British Central America	—	5,658	5,658	—	—	—
Cuba	163,846	—	163,846	388,150	—	388,150
Central America .	640,171	—	640,171	5,284	1,228	6,512
Brazil	—	15,704	15,704	—	10,363	10,363
Peru	—	—	—	—	964	964
Chile	5,291	16,879	22,170	7,218	35,078	42,296
Argentina	—	555,810	555,810	741	—	741
Uruguay	—	—	—	14,408	—	14,408
Bolivia	—	1,900	1,900	—	—	—
Total	17,628,172	25,872,507	43,500,679	7,630,306	35,744,787	43,375,093
Africa						
Egypt	17,178,069	15,168	17,193,237	47,071,407	307,530	47,378,937
Tripoli	—	—	—	8,158	—	8,158
Tunis	—	—	—	2,581	—	2,581
Algeria	267,456	—	267,456	237,025	—	237,025
Morocco	499,972	—	499,972	301,087	—	301,087
Union of South Africa	9,683	136,994	146,677	1,923	—	1,923
British Africa ...	100	—	100	—	—	—
Total	17,955,280	152,162	18,107,442	47,622,181	307,530	47,929,711

(Continued)

Countries	1935			1934		
	Exports	Imports	Total	Exports	Imports	Total
Others						
Australia	38,007	20,222,118	20,260,125	16,324	20,917,398	20,933,722
New Zealand	15,653	1,629	17,282	2,185	—	2,185
Other Oceania ...	—	309	309	—	9,965	9,965
Greenland	—	2,500	2,500	—	—	—
Total	53,660	20,226,556	20,280,216	18,509	20,927,363	20,945,872
Grand Total .	421,077,753	604,149,359	1,025,227,112	448,426,567	593,562,248	1,041,988,815

Table 13. Total Value of Exports and Imports
(Value in MY)

(2nd half 1934 and 1935 Compared)

Countries	Exports		Imports		Total	
	1935	1934	1935	1934	1935	1934
Japan	83,797,672	73,674,164	219,974,001	212,225,173	303,771,673	285,899,337
Korea	12,467,544	17,505,060	11,320,847	12,191,928	23,788,391	29,695,988
China	35,315,583	35,342,374	19,171,478	36,253,923	54,487,061	71,596,297
Russia	1,524,256	1,805,891	438,831	1,728,960	1,963,087	3,534,851
Hongkong	3,667,844	3,535,404	1,559,476	2,650,126	5,227,320	6,185,530
British India	1,235,869	179,585	14,734,108	13,800,139	15,969,977	13,979,724
Netherlands India .	272,990	284,906	210,250	4,132,255	483,240	4,417,171
Great Britain	12,331,733	13,113,429	4,629,904	4,394,508	16,961,637	17,507,937
France	1,032,277	936,170	244,003	305,683	1,276,280	1,241,853
Germany	15,501,793	31,574,055	6,058,728	7,214,421	21,560,520	38,788,476
Belgium	938,356	434,796	482,826	521,002	1,421,182	955,798
Netherlands	2,139,056	3,757,262	608,972	248,957	2,748,032	4,006,019
Italy	1,097,509	2,340,932	1,087,358	97,234	2,184,867	2,438,166
U.S.A.	5,408,674	3,096,800	10,752,736	12,316,976	16,161,410	15,413,776
Others	19,053,841	33,498,321	12,902,535	17,367,107	31,556,376	50,865,428
Total	195,784,998	221,079,199	305,906,294	325,448,192	501,691,292	546,527,391

Table 14. Principal Exports
(Value in MY)

Articles and destinations	1932	1933	1934	1935
	Bristles	1,153,251	2,297,233	2,145,821
Japan	69,750	296,240	459,036	809,988
Korea	1,232	85	—	2,362
China	220,108	213,265	529,603	328,909
Hongkong	16,765	—	19,942	36,383
Great Britain	143,102	148,454	238,528	233,535
Germany	12,712	97,914	67,706	99,240
Belgium	—	15,744	1,841	—
Netherlands	—	—	28,751	—
Italy	7,433	2,625	12,316	—
U. S. A.	682,149	1,522,906	788,098	1,177,055
Other Countries	—	—	—	109,123
Hides and Leather	7,373,964	1,189,811	763,488	899,599
Japan	1,202,686	1,163,064	736,297	889,229
Korea	6,028	10,427	20,598	4,497
China	163,598	16,320	6,598	5,873
Other Countries	1,652	—	—	—
Skins	2,327,645	2,147,836	1,923,515	3,234,194
Japan	1,619,369	1,035,754	1,036,080	1,632,963
Korea	16,544	19,685	28,705	28,279
China	114,762	223,459	168,624	224,252
Russia	5,650	—	200	—
Great Britain	21,307	28,046	100,867	166,716
France	41,445	5,188	1,960	—
Germany	17,817	48	18,625	—
U. S. A.	479,535	826,602	562,619	1,131,890
Other Countries	11,216	9,054	5,835	50,094
Soya Beans	225,114,465	169,095,488	160,348,746	130,053,055
Japan	32,464,485	33,598,390	31,297,681	38,992,063
Korea	3,161,036	3,681,871	8,353,300	4,527,438
China	45,189,617	7,806,781	9,030,531	12,049,064

FOREIGN TRADE

Articles and destinations	1932	1933	1934	1935
Russia	23,337,475	11,827,018	7,823,758	3,674,252
Hongkong	245,193	1,619,861	1,106,037	1,446,976
British India	17,559	1,685	469	—
Netherlands India	5,003,796	3,654,468	1,313,629	327,998
Great Britain	7,968,764	5,982,530	13,714,170	18,214,915
France	188,698	265,359	1,071,822	1,026,933
Germany	59,642,805	54,932,391	36,257,950	22,168,693
Netherlands	2,217,322	1,766,233	312,666	716,805
Italy	1,289,677	995,436	1,515,032	1,350,320
Egypt	38,718,735	37,509,002	46,179,247	16,284,285
Other Countries	5,719,303	5,454,463	2,372,414	9,273,313
Other Beans	11,512,816	9,180,185	9,993,577	13,055,930
Japan	8,413,659	7,754,355	6,414,596	8,991,611
Korea	968,766	433,245	1,242,965	1,218,510
China	1,662,592	317,950	1,329,997	1,542,809
Hongkong	223,242	318,028	357,511	504,543
Netherlands India	152,091	15,135	55,314	119,918
Great Britain	—	42,540	8,595	—
Germany	12,291	49,530	215,956	19,517
Belgium	—	—	22,411	1,886
Netherlands	351	57,966	155,825	—
U. S. A.	32,696	50,778	7,437	—
Other Countries	47,128	140,658	182,970	657,136
Buckwheat	2,868,266	3,226,612	4,251,198	2,494,433
Japan	131,608	105,619	19,616	171,233
Korea	276,012	55,737	319,778	612,195
China	5,477	4,135	4,806	4,293
Hongkong	241,313	—	4	—
Great Britain	—	4,160	27,846	17,556
Germany	1,706,848	2,400,838	3,151,034	1,107,438
Belgium	178,665	58,822	287,550	281,346
Netherlands	305,337	593,301	428,180	286,158
Italy	—	—	7,002	—
U. S. A.	14,723	—	368	—
Other Countries	8,277	—	5,014	14,214
Kaoliang	28,401,908	7,215,389	7,310,645	3,993,135
Japan	7,009,040	3,236,631	3,242,270	1,955,921
Korea	2,356,597	166,407	105,739	139,748
China	17,818,942	3,812,241	3,838,665	1,886,506
Hongkong	23	11	3,686	—
Netherlands India	—	7	—	—
Germany	1,130,270	—	86,254	—
Netherlands	83,029	—	12,042	—
U. S. A.	456	—	21,044	10,542
Other Countries	3,551	92	945	18
Maize	5,142,010	3,319,490	5,016,061	1,470,218
Japan	2,149,249	1,212,701	2,314,870	341,871
Korea	294,941	686,633	587,809	171,957
China	2,696,675	1,408,926	1,949,972	907,404
U. S. A.	1,145	11,230	62,471	31,556
Other Countries	—	—	100,939	17,430
Millet	23,556,419	14,745,699	19,940,104	9,049,721
Japan	538,085	686,960	1,122,731	374,094
Korea	22,345,860	13,465,611	17,483,964	8,065,305
China	489,983	498,080	1,063,212	281,754
Netherlands India	—	29	—	—
Great Britain	4,521	14,121	22,661	—
France	—	6,158	3,091	—
Germany	13,204	26,553	130,642	14,781
Belgium	—	4,300	3,682	—
Netherlands	6,078	14,114	1,467	—
Italy	—	787	20,227	3,543
U. S. A.	50,443	25,234	86,576	299,855
Other Countries	108,248	3,752	1,851	10,389

FOREIGN TRADE

Articles and destinations	1932	1933	1934	1935
Bean cake	103,445,766	57,614,313	51,508,798	51,370,086
Japan	50,031,351	39,059,499	36,874,624	34,711,639
Korea	3,690,149	1,888,861	4,501,363	3,364,175
China	38,531,693	12,975,960	7,474,469	9,945,813
Great Britain	258,785	80,746	39,414	98,229
Germany	2,778,252	471,004	385,556	333,039
Belgium	127,335	63,385	64,206	20,450
Netherlands	661,757	257,399	183,484	29,631
Italy	47,115	111,587	25,078	—
U. S. A.	847,378	1,264,597	1,256,401	1,945,020
Other Countries	6,471,951	1,441,275	704,203	922,050
Ginseng	687,520	1,380,455	1,139,349	938,893
Japan	4,054	318	2,896	790
Korea	—	201	14,546	36,473
China	504,570	781,204	515,848	498,289
Hongkong	178,896	598,732	606,059	403,341
Other Countries	—	—	—	—
Bean Oil	38,238,031	18,472,609	16,262,187	20,132,208
Japan	115,314	56,954	293,646	115,569
Korea	7,559	5,760	8,120	62,310
China	27,974,503	10,519,313	4,792,115	2,208,121
Hongkong	172,027	130,970	316,023	—
Netherlands India	—	7	—	2,052,312
Great Britain	1,211,376	1,127,288	454,122	—
France	—	—	12,513	3,584,446
Germany	5,878,656	5,469,476	7,702,668	5,935,387
Netherlands	1,694,076	569,687	1,754,237	—
Italy	105,901	56,683	7,623	2,579,946
U. S. A.	309,292	449,102	81,647	1,370,228
Other Countries	769,327	87,369	839,473	2,223,889
Paraffin Wax	—	962,647	740,780	1,206,375
Japan	—	962,647	740,780	1,205,415
Korea	—	—	—	—
Other Countries	—	—	—	960
Groundnuts	8,435,498	8,826,350	14,129,008	15,140,649
Japan	519,396	509,644	670,355	689,708
Korea	4,258	1,185	19,495	3,951
China	470,073	19,996	16,281	16,102
Hongkong	203,957	905,223	1,115,463	40,762
Great Britain	293,765	146,549	261,099	527,910
France	2,233,781	1,692,606	1,205,294	1,733,050
Germany	1,569,087	1,256,478	2,605,884	2,187,608
Belgium	6,193	22,269	473,481	32,297
Netherlands	1,032,026	1,897,139	3,909,922	5,936,969
Italy	653,038	501,742	1,093,542	1,183,944
U. S. A.	217,828	127,419	227,196	206,630
Other Countries	1,232,096	1,746,100	2,530,996	2,581,718
Hemp Seed	2,631,775	3,052,666	4,410,253	5,648,588
Japan	36,637	446,492	685,796	807,327
Korea	—	1,064	248,290	362,461
China	11,254	1,300	1,014	1,936
Hongkong	7,432	4,136	7,643	—
British India	—	89	—	—
Great Britain	46,947	111,032	85,054	36,848
France	532,387	552,644	578,149	437,488
Germany	977,512	1,391,625	1,950,131	298,140
Belgium	67,287	75,181	118,283	145,088
Netherlands	160,580	147,019	94,703	46,596
Italy	33,665	19,300	33,785	9,841
U. S. A.	207,705	148,025	435,379	3,387,408
Other Countries	550,329	154,749	154,026	115,455
Perilla Seed	2,618,056	3,051,312	4,152,603	7,533,082
Japan	2,595,985	2,974,783	3,152,311	6,205,113
Korea	19,885	8,135	822,503	1,150,036
China	2,186	136	2,005	9,863

FOREIGN TRADE

Articles and destinations.	1932	1933	1934	1935
U. S. A.	—	68,258	175,384	166,478
Other Countries	—	—	—	1,592
Sesame Seed	1,275,651	4,664,176	5,865,119	3,122,001
Japan	805,211	2,742,595	2,523,457	716,772
Korea	425,975	1,293,463	1,259,324	1,030,521
China	44,387	54,380	90,758	36,028
France	—	—	10,220	—
Germany	—	43,680	117,790	94,030
Belgium	—	34,286	103,220	16,690
Netherlands	—	37,271	177,170	50,870
Italy	—	69,054	1,404,840	947,070
U. S. A.	—	289,447	38,810	128,670
Other Countries	—	—	139,530	101,350
Sweeping (Cereals)	4,058,245	6,381,965	8,668,058	3,220,047
Japan	4,028,803	6,322,844	8,581,813	3,130,956
Korea	29,397	59,105	83,602	79,375
China	45	16	482	24
Hongkong	—	—	44	—
Other Countries	—	—	2,117	9,692
Coal	50,863,497	47,201,710	41,955,600	40,473,980
Japan	31,071,183	29,661,501	29,369,885	28,859,849
Korea	4,475,195	5,159,109	5,299,317	5,713,322
China	10,090,957	7,321,682	3,777,413	2,635,542
Russia	5,273	36,527	1,500	—
Hongkong	1,468,016	1,590,646	1,370,722	1,372,543
Netherlands India	7,956	38,783	—	—
Great Britain	950,888	1,007,669	924,099	1,103,344
France	—	—	6,800	—
Germany	3,012	16,031	21,700	23,420
Netherlands	90,914	482,557	333,510	267,490
Other Countries	2,700,103	1,887,175	859,654	498,470
Shale Oil	—	1,295,718	963,978	1,278,885
Japan	—	1,293,554	963,951	1,278,589
Korea	—	2	—	—
Other Countries	—	2,162	27	296
Timber and Wood	5,401,459	2,864,028	3,876,270	3,847,748
Japan	113,116	62,332	56,472	79,949
Korea	1,107,383	657,887	1,525,700	1,861,804
China	4,180,805	2,139,644	2,271,066	1,897,312
Hongkong	—	—	6,710	—
Great Britain	—	32	12,685	—
Other Countries	155	4,133	3,637	8,683
Raw Silk, Wild	10,017,320	9,565,278	7,408,875	7,278,999
Japan	9,355,810	9,357,186	6,674,563	6,279,303
Korea	9,820	19,701	—	214
China	651,690	188,391	734,312	999,482
Other Countries	—	—	—	—
Wool, Sheep's	288,837	1,170,464	756,104	1,447,097
Japan	23,377	41,315	25,612	7,968
Korea	—	78	—	146
China	168,734	356,358	581,434	730,407
Germany	—	—	802	—
U. S. A.	57,195	716,048	148,256	706,232
Other Countries	39,031	56,665	—	2,344
Cotton Yarn	8,202,956	6,999,467	6,136,108	5,623,860
Japan	5,321,714	5,442,837	5,105,300	2,336,514
Korea	275,519	459,680	387,011	279,479
British India	2,055,893	1,057,600	641,404	2,624,288
Other Countries	18,697	39,350	2,393	383,579
Iron, Pigs and Kentledge	15,069,524	10,446,543	10,380,305	10,329,457
Japan	13,312,338	9,745,193	9,596,223	9,486,597
Korea	225,170	116,502	141,584	176,198
China	1,341,361	476,348	489,403	631,809

FOREIGN TRADE

Articles and destinations.	1932	1933	1934	1935
Hongkong	40,236	21,350	18,452	16,145
Netherlands India	—	—	3,843	1,538
Germany	82,019	19,995	57,834	—
Netherlands	27,082	15,624	28,097	6,150
Italy	—	11,089	—	—
U. S. A.	33,066	32,492	21,260	—
Other Countries	8,252	6,950	23,609	11,020
Sulphate of Ammonium	1,569,638	1,756,591	1,717,696	6,051,084
Japan	899,338	999,819	853,668	4,827,182
Korea	56,341	149,616	143,582	380,139
China	15,949	6,514	183,637	302,307
Hongkong	96,347	88,540	298,147	282,420
Netherlands India	91,929	168,732	101,345	57,833
U. S. A.	406,369	343,370	134,850	172,957
Other Countries	3,365	—	2,467	28,246
Salt	7,554,616	3,582,315	5,438,114	4,663,349
Japan	3,321,095	2,818,318	4,746,239	4,283,809
Korea	1,172,731	541,587	691,469	188,062
China	3,060,790	157,622	406	294
Hongkong	—	64,788	—	—
Other Countries	—	—	—	191,184

Table 15. Principal Imports

Articles and destinations.	1932	1933	1934	1935
Cotton Piece Goods, Grey	18,947,912	27,093,560	18,844,444	24,626,491
Japan	9,987,358	17,750,900	14,631,566	22,484,981
Korea	120,122	437,669	563,492	1,225,403
China	8,549,722	8,853,838	3,632,936	914,340
Great Britain	8,094	12,116	2,182	867
Other Countries	282,611	38,037	14,268	900
Cotton Piece Goods, White or Dyed	15,348,198	28,132,679	25,820,155	25,250,604
Japan	14,980,380	26,860,010	24,936,803	24,715,352
Korea	53,368	80,374	167,470	158,491
China	99,458	1,072,085	553,460	278,414
Great Britain	141,966	78,985	105,132	72,628
Other Countries	73,026	41,225	57,290	25,719
Cotton Piece Goods, Printed ..	5,172,602	10,295,900	10,948,430	7,483,328
Japan	4,506,362	9,673,105	10,541,057	7,416,166
Korea	44,680	31,777	159,565	31,740
China	7,636	82,051	66,926	30,576
Russia	415,804	492,312	169,675	—
Great Britain	15,854	10,735	8,814	4,076
Other Countries	182,266	5,920	2,393	770
Cotton Piece Goods, Miscellaneous	2,546,266	3,782,616	12,439,547	2,979,484
Japan	1,018,438	3,641,307	10,978,325	2,911,035
Korea	48,804	34,224	404,976	15,741
China	1,458,530	82,886	969,010	34,341
Great Britain	10,390	9,815	30,958	9,385
Other Countries	10,104	14,384	56,278	8,982
Raw Cotton	16,717,268	11,046,028	12,283,717	9,406,593
Japan	2,548,854	4,860,876	438,588	95
Korea	33,996	27,652	21,451	59,623
China	1,594,152	911,866	507,320	1,097,845
British India	3,922,626	3,858,845	10,262,992	8,045,516
U. S. A.	8,562,172	1,380,789	1,038,005	203,514
Other Countries	55,468	—	15,361	—
Cotton Yarn	12,641,544	20,927,257	12,533,416	7,937,559
Japan	3,622,562	7,598,644	5,054,955	5,357,254
Korea	164,472	390,590	379,722	42,342
China	8,849,270	12,937,874	7,054,531	2,537,763
Other Countries	5,240	149	44,208	200

FOREIGN TRADE

Articles and destinations.	1932	1933	1934	1935
Gunny Bags	26,464,682	16,991,772	16,133,998	14,640,550
Japan	5,038,826	3,556,773	4,947,095	3,616,535
Korea	306,494	265,895	366,573	136,295
China	1,547,150	395,373	518,368	110,205
Hongkong	4,119,996	2,820,378	724,720	240,947
British India	15,354,626	9,717,846	9,565,796	10,586,530
Other Countries	97,590	235,507	11,446	38
Woollen Piece Goods	5,908,799	7,831,441	9,579,386	11,342,804
Japan	3,484,144	5,791,220	7,692,846	9,284,903
Korea	—	54,538	95,963	31,949
China	67,997	98,512	18,633	14,613
Great Britain	1,593,286	1,022,814	986,687	830,671
France	—	—	19,276	30,598
Germany	578,771	377,281	164,689	232,771
Poland	—	80,297	529,939	695,776
Italy	—	190,463	13,394	24,942
U. S. of America	33,582	138,925	32,351	128,731
Other Countries	151,021	77,391	44,884	67,850
Silk Piece Goods	4,550,774	8,128,007	10,942,415	19,709,051
Japan	2,277,422	4,262,068	9,471,408	19,260,801
Korea	2,950	43,435	48,666	41,715
China	2,187,954	3,730,809	1,384,090	370,972
Great Britain	18,460	37,215	13,455	10,549
France	32,156	19,218	4,826	7,390
Germany	19,494	15,746	5,012	11,975
Italy	1,050	15,640	—	—
Other Countries	11,288	3,876	14,958	5,649
Iron and Steel	21,862,948	39,996,734	58,227,008	51,539,998
Japan	17,483,648	30,782,969	46,792,958	42,164,226
Korea	50,000	1,006,384	1,425,291	381,183
China	197,288	339,590	416,328	37,516
Great Britain	656,226	665,505	1,045,223	1,077,665
Germany	1,944,668	4,336,060	5,609,314	5,203,321
Belgium	722,114	943,076	494,346	1,237,435
Netherlands	—	225,408	237,794	125,707
Denmark	17,376	177,920	14,789	17,612
Norway	—	—	45,665	—
U. S. A.	101,006	1,302,984	2,078,013	1,243,065
Other Countries	690,622	186,838	67,287	52,268
Machinery and Tools	6,006,204	9,543,611	28,056,386	34,612,607
Japan	4,057,734	7,647,381	21,466,738	25,653,223
Korea	59,170	266,831	204,528	165,851
China	78,204	551,024	697,171	795,766
Great Britain	660,518	186,587	1,762,635	2,276,884
France	14,566	98,521	40,781	11,842
Germany	462,804	326,552	1,990,775	2,922,199
Sweden	61,630	151,093	330,322	665,523
Italy	344	200	257,035	815
U. S. A.	564,238	283,620	1,129,559	1,701,178
Other Countries	46,996	31,802	176,842	419,326
Vehicles and Vessels	5,385,782	22,698,784	30,945,763	39,844,471
Japan	3,326,738	17,608,848	25,689,679	35,923,351
Korea	57,162	557,202	1,478,984	746,966
China	19,408	21,013	86,852	21,618
Great Britain	85,044	31,165	18,464	86,463
Germany	200,274	80,175	304,955	232,882
Belgium	15,286	76,838	—	—
U. S. A.	1,626,132	4,305,401	3,294,979	2,618,218
Other Countries	55,738	18,142	61,850	215,023
Tea	2,810,434	3,312,404	3,023,190	3,136,013
Japan	324,670	546,093	859,348	1,218,045
Korea	3,350	4,022	6,078	3,107
China	2,421,232	2,681,166	2,083,698	1,832,499
British India	4,304	77,620	66,469	76,486

FOREIGN TRADE

Articles and destinations.	1932	1933	1934	1935
Other Countries	56,878	3,503	7,597	5,876
Rice and Paddy	1,889,460	4,079,819	7,476,455	11,567,240
Japan	689,348	628,820	1,203,683	1,329,219
Korea	540,834	1,737,766	1,296,023	2,801,924
China	212,874	647,874	1,392,518	662,569
Hongkong	283,366	514,518	542,999	446,171
British India	96,962	25,595	1,534,101	1,993,865
French Indo-China	60,076	524,778	1,463,834	4,145,313
Other Countries	6,000	468	43,297	188,179
Wheat Flour	32,259,468	58,678,946	57,058,521	53,988,584
Japan	19,403,662	32,571,472	27,126,749	32,765,733
Korea	527,806	1,298,801	1,510,455	695,226
China	10,065,510	18,023,906	6,575,373	571,531
French Indo-China	—	110,924	—	—
U. S. A.	404,344	809,641	1,357,414	53,799
Canada	27,000	70,586	2	—
Australia	1,823,936	5,793,616	20,488,022	19,884,183
Other Countries	7,210	16,028,768	11,318,566	12,973,926
Sugar	15,654,716	—	506	18,112
Japan	9,836,034	10,172,871	7,612,006	9,175,592
Korea	3,783,106	3,793,409	2,118,304	2,590,581
China	85,750	92,224	274,530	67,565
Hongkong	1,636,314	1,230,243	935,134	583,062
Netherlands India	134,566	622,524	287,557	517,832
Other Countries	178,956	354,579	91,035	39,294
Cigarettes	3,651,238	1,733,718	2,677,899	1,933,940
Japan	108,868	140,410	442,852	341,506
China	2,576,652	741,382	1,526,803	730,034
Russia	115,886	73,269	47,202	1,890
Hongkong	111,448	187,108	20,880	409
Great Britain	692,140	533,941	577,137	748,172
U. S. A.	10,918	43,803	44,390	58,300
Other Countries	35,326	13,805	18,635	53,629
Leaf Tobacco	5,818,934	9,502,854	8,558,080	6,067,286
Japan	575,788	1,105,495	549,118	411,400
Korea	—	94,129	3,705	—
China	2,669,086	2,196,710	4,394,832	3,249,526
Hongkong	—	32,452	27,475	—
Netherlands India	—	—	—	348,020
Great Britain	—	37,365	20,093	835
U. S. A.	2,484,982	6,027,830	3,549,413	1,841,160
Other Countries	89,078	8,873	13,444	216,345
Gasoline, Naphtha & Benzine,				
Mineral	3,705,158	9,009,428	9,864,769	5,375,045
Japan	375,368	684,853	309,103	744,298
Korea	12,452	59,689	69,050	20,750
China	902	280	4,826	300
Russia	1,210,108	825,026	469,236	14,777
Netherlands India	—	1,518,698	1,592,870	1,679,545
British North Borneo	1,069,278	1,458,636	691,323	5,400
U. S. A.	1,037,050	4,457,566	6,728,851	2,909,336
Other Countries	—	4,680	10	639
Kerosene Oil	4,644,538	7,582,478	11,620,857	2,227,900
Japan	738,468	948,380	538,963	306,214
Korea	109,242	100,635	55,826	21,756
China	339,886	156,559	747	153
Russia	2,227,554	1,483,287	761,682	8,297
Straits Settlements	—	—	501,382	—
Netherlands India	—	—	3,798,266	263,574
British North Borneo	316,308	19,100	63,141	1,438
U. S. A.	913,080	4,239,158	5,880,850	1,626,463
Other Countries	—	635,359	20,000	—
Paper	7,651,094	10,012,077	12,139,498	12,959,291
Japan	4,338,912	6,296,728	9,192,778	10,589,272

Articles and destinations.	1932	1933	1934	1935
Korea	149,848	296,794	327,598	381,494
China	2,462,180	2,959,526	2,075,205	1,219,945
Great Britain	194,038	86,164	56,464	74,513
Germany	163,170	98,207	148,012	269,711
Sweden	44,080	27,004	176,620	187,724
Netherlands	39,496	25,588	4,294	22,361
U. S. A.	142,232	188,215	99,919	77,429
Other Countries	117,138	34,451	58,608	136,842
Timber and Wood	3,718,026	9,637,643	17,499,097	14,310,189
Japan	1,194,164	4,124,008	7,635,704	6,515,101
Korea	1,531,852	3,681,558	4,145,155	3,622,296
China	10,948	141,330	305,795	157,605
Russia	718,368	915,873	246,740	458,324
Hongkong	3,330	55,516	37,649	30,650
Philippines	400	19,350	—	—
U. S. A.	145,704	669,108	4,936,908	3,232,626
Canada	2,968	25,457	115,200	102,095
Other Countries	15,292	5,443	75,946	141,492
Cement	1,004,766	6,328,133	7,900,636	3,543,465
Japan	566,364	3,538,260	5,388,944	2,929,129
Korea	328,730	2,540,318	2,414,027	611,132
China	108,934	103,620	97,403	2,994
Russia	—	145,928	250	—
Other Countries	—	103,627	12	210

Invisible Exports and Imports

According to an announcement made on September 25 1936 by the Department of Finance, Hsinking, the international accounts of Manchoukuo, including the Kwantung Leased Territory, for the calendar year of 1935 resulted in an excess of receipts over payments to the amount of MY87,962,000.

The details of the 1935 visible and invisible foreign trade compared with 1934 are as follows:—

Table 16. Visible and Invisible Foreign Trade for 1935 Compared with 1934

Items	Visible Foreign Trade		Invisible Foreign Trade	
	1935 (in MY1,000)	1934	1935	1934
Visible exports	421,078	448,427	421,078	448,427
Visible imports	604,149	593,562	604,149	593,562
Import excess	183,071	145,135	183,071	145,135
I. Assets (Invisible exports or inward accounts):				
(a) Ordinary receipts:				
Interest and dividends and foreign securities ...	4,378	2,654	4,378	2,654
Interest on overseas deposits and loans to foreign countries	4,658	5,148	4,658	5,148
Net profit from overseas enterprises	663	564	663	564
Receipts in connection with shipping	19,333	18,505	19,333	18,505

Others

Total

(b) Extraordinary receipts:

Foreign capital invested in Manchoukuo

Collection of capital invested abroad

Total

Grand total

II. Liabilities (Invisible imports or outward accounts):

(a) Ordinary payments:

Interest and dividends on Manchoukuo securities possessed by foreign nationals ...

Interest on foreign loans and deposits

Net profit from foreign enterprises in Manchoukuo

Funds taken out by emigrants and returning immigrants, immigrants' remittances .

Others

Total

(b) Extraordinary payments:

Investment abroad of Manchoukuo capital .

Collection of foreign capital invested in Manchoukuo

Others

Total

Grand total

III. Balance:

Invisible export excess .

Total amount of visible and invisible exports. 1,044,069

Total amount of visible and invisible imports. 956,107 802,918
Excess of receipts 87,962 95,449

Table 17. 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
1935	5,523	8,924,566	5,534	9,118,980

Table 18. Vessels Entered and Cleared (1935)

Flags	Entered		Cleared	
	No.	Tons	No.	Tons
Manchoukuo ..	384	227,159	363	207,259
Kwantung ...	1,184	1,703,616	1,249	1,838,988
Japanese	2,041	3,903,364	2,004	3,922,346
Chinese	1,236	937,332	1,240	976,655
Russian	—	—	—	—
British	382	992,425	376	990,669
French	2	4,768	2	4,768
German	87	381,144	88	384,534
Dutch	26	117,117	27	121,166
Danish	21	92,894	24	105,846
Swedish	14	53,561	14	54,357
Norwegian ...	75	236,497	73	228,411
Italian	11	38,276	11	38,276
Greek	14	43,716	16	50,687
American	45	188,844	46	191,165
Panamanian .	—	—	—	—
Hungarian ...	—	—	—	—
Yugoslavian .	1	3,853	1	3,853
Total	5,523	8,924,566	5,534	9,118,980

License System Applied to Wheat, Flour, Wool

On August 15, 1936 an emergency Foreign Trade Control Law providing for the so-called licensing system applicable to imports of foreign wheat, wheat flour, wool and rice was formally promulgated by the Government of Manchoukuo by Imperial Ordinance No. 135. The law took effect simultaneously with its promulgation and is to remain in force tentatively for one year.

Regulations governing the procedure for the importation of these four commodities was also announced by Imperial Ordinance No. 136.

The enactment of this important law which was duly approved by the State Council on August 10, enables Manchoukuo to join forces with Japan in the latter's trade war with Australia by curbing imports of wheat, wheat flour and wool from the Antipodes and also to control imports of rice from French Indo-

China. It is announced that trade between Manchoukuo and French Indo-China is one-sided in the latter's favour.

The law empowers the Government, if necessary, for an adjustment of general commodity prices or for the protection of domestic industry, to restrict or totally prohibit the importation or exportation of wheat, wheat flour, wool and rice. For this purpose, these items may be subjected to the levy of ad valorem surtaxes up to 100 per cent. in addition to ordinary import or export duties stipulated in the Customs Tariff Law. The law comprises seven articles, an unofficial translation of which follows:

Article 1: In any of the cases mentioned hereunder, the Government shall designate commodities which, within a period of time determined by Imperial Ordinance, may be subjected to surtaxes equal to or less than the prices thereof in addition to import or export duties as stipulated in the Customs Tariff Law or which may be exempted from import or export duties or whose exportation or importation may be restricted or prohibited:—

- When it is necessary to adjust or protect the country's foreign trade against the measures which other nations have taken or are going to take.
- When the urgent need to protect important domestic industries has arisen.
- When it is necessary to adjust the prices of commodities which are daily necessities to the nation.

Article 2: By orders issued, the Government shall have the right to collect reports on matters relating to the restrictions and prohibitions which the Government may order in accordance with the foregoing article or the right to examine their books and other documents relevant thereto.

Article 3: Persons importing or attempting to import commodities in violation of the restrictions and prohibitions as enumerated in Article 1 shall be sentenced to imprisonment for less than two years or to fines less than 5,000 yuan.

Article 4: Persons failing to submit reports in defiance of the orders issued in accordance with the stipulations of Article 2, submitting false reports, declining to have their books and other documents examined or obstructing such examinations by entering false figures on their books or by presenting other incorrect information shall be sentenced to imprisonment for less than six months or to fines less than 1,000 yuan. Persons who have given false information