

BOOK REVIEWS

JOHN YOUNG, *The Research Activities of the South Manchurian Railway Company, 1907-1945: A History and Bibliography*, New York, The East Asian Institute, Columbia University, 1966, 682 pp.

The South Manchurian Railway Company (hereinafter referred to as SMR), which had a life span of some forty years from its founding in 1906 to its demise in 1945, was established as a fundamental organization for the colonization of northeastern China—that is, Manchuria which was to be a “lifeline” for Japan. To promote colonization the Company engaged in the following activities: first, to manage the railways, harbors, and mines according to rights accorded by the Treaty of Portsmouth; second, to assume the administrative rights to the railway zone; third, to aim at opening up for development the agricultural, grazing, and forestry industries of Manchuria and Inner Mongolia; and fourth, to establish education, health, and cultural facilities. The southern line extended into the Kwantung Leased Territory, which was under the direct control of the Japanese government. The Kwantung Army and Kwantung Civil Government, which were in control of this area, were to supervise the defense of the railway and its railway zone. The Chinese Eastern Railway, which was operated jointly by China and Russia and had been constructed by Imperial Russia, linked with the SMR. Manchukuo which was set up after the Manchurian Incident, bought up the Chinese Eastern Railway from Soviet Russia, and then entrusted the entire management of the Manchurian lines, as well as various other railways which had been built by China in this region, to the SMR. When, in 1937, the war with China extended up into North China, the SMR, in the name of North China Railway Company, expanded its lines of transportation into mainland China and was relegated to the status of, literally, a military transport line.

It was under Shimpei Gotō, first President of the Company, that the bases for management and planning were created when the railway was founded. His thinking was original when compared with the old-fashioned colonization policies that constituted the line of march of imperialism of twentieth century Japan, or even of the world. The SMR continuously gained popular interest when it took the form of half public, half private ownership with capital in stocks worth 200 million yen being provided half by government issue and half by public subscription. The directors, including the president, were appointed by the government. From the point of view of form, the company as a profit-making organization was designed to stand apart from military control. After the Manchurian Incident, this situation provided the Kwantung Army with one motive for planning the reorganization of the Company.

In adapting to its environment and to its prospects for development in the future, the original SMR became, to an extraordinary extent, a policy-oriented enterprise—in that it gave more serious consideration than did the army to investment in, and machinery related to, research, information and propaganda. From the time of the founding of the Company, increasingly large sums of money were appropriated in the annual budgets for research facilities for the natural sciences and for plant and equipment related to cultural needs, such as museums, libraries, hospitals, schools, and the research department. From that time, the company held to Gotō's course of "cultural offensive" (*bunsōteki bubi*) and "scientific development" (*kagakuteki kaitaku*). In the 1940's, the budget of the over-all research division totalled 80 million yen, and the staff numbered 2,000; while, by the end of World War II, the staff of the Central Laboratory numbered 600, and represented an investment of 100 million yen. In assessing the research activities of the SMR, Dr. Young states:

The wide range of the Company's economic and political operations is relatively well known. Behind them was an activity even now little appreciated, which may well represent one of its most significant legacies: research on mainland Asia. (p. 3)

As far as the reviewer is aware, the documentary materials collected by the SMR were kept in the archives at Dairen during the 1940's, and amounted to about 50,000 items. But with the defeat, the majority of the materials which were in Manchuria were taken to Soviet Russia; the materials in Peking, Shanghai, etc., remained in China (many were taken to Taiwan); while an extensive number of materials pertaining to the organs of the SMR (including the East Asiatic Economic Investigation Bureau in Tokyo, etc.) were taken to America. The materials deposited in the National Diet Library in Tokyo constitute the portion chiefly in Western languages, but they are not, precisely speaking, documents relating to the SMR. Therefore, it has been impossible to have a clear understanding of the full scope of the materials of the SMR which are now in Japan. At present, the Institute of Asian Economic Affairs is preparing a catalogue of the documents relating to the SMR which are dispersed among various universities and research institutes throughout the country. The completion of this catalogue, and the number of materials remaining in Japan to be included therein, are matters which will deserve attention.

Dr. Young is at present Chairman of the Department of Asian and Pacific Languages at the University of Hawaii. He completed the present bibliography over a period of some eight years.

The present volume is composed of two parts. The first forty pages consist of a narration of the author's views of the performance, activities, and research of the SMR; he describes succinctly, on the basis of the materials he collected, the performance of the Company from the founding of the research division through the collapse of the SMR during the Soviet occupation. Part II is the bibliography itself; and consists of 6284 entries, consecutively ordered, broken down according to forty-six categories, such as company organization,

economic conditions, etc. Moreover, there are a glossary giving the names of the organizational bureaus and sections of the company, of the research organs, of the titles of the more important positions, and of relevant independent organs, etc; and a glossary listing important personages with the Japanese given in both *rōmaji* and *kanji*. In addition to the two glossaries, there are the author's Preface, and a Foreword by James W. Morley, Director of the Japan Foreign Relations Project of the East Asian Institute, Columbia University (publisher of the present volume).

According to the Foreword, Dr. Young, while lecturing at Georgetown University, turned his attention to the publications of the SMR which were piled up indiscriminately and in no order at the Library of Congress. With the support of the Ford Foundation, he attempted to evaluate and arrange the materials at the Library of Congress, and also examined SMR materials at ten universities in the United States, including those at the Hoover Institution at Stanford University. As far as this reviewer knows, the author came to Japan twice during the process of compiling his bibliography; the author graduated from the University of Tokyo and, immediately after Japan's defeat in the war, was employed as a member of the foreign service of the Republic of China by the Allied Forces in Japan. On one of his trips to Japan he stayed for a year, and ascertained the existence of documents of the SMR in the libraries of research institutes and universities throughout Japan. Materials were available largely at twenty-three places, including the Institute for China Studies, the National Diet Library, Hitotsubashi University, and the University of Tokyo, etc. At the same time, he compiled a catalogue and investigated materials relating to the activities of the research organs, working on the advice of individuals who had been connected with the railway.

The principal characteristics of this bibliography—its coherence of form and tangible expression of the author's personality—derive from the fact that Dr. Young worked consistently according to a unified plan for the duration of his research. In particular, the description in Part I shows a good grasp of the history of the research activities of the SMR, the spirit of Shimpei Gotō and Santarō Okamatsu, and the concept of the general research division under the chairmanship of Yōsuke Matsuoka during the period of the Sino-Japanese War. Up to now, it has been customary to discuss the research organs of the SMR by focusing attention on historical distinctions in terms of the Company's organization; but Dr. Young has structured his history of the Company's research activities according to historical distinctions based on evaluation of the published materials, giving particular consideration to the area of actual political activity. The author is concerned more with economic and political aspects than with those of the natural sciences and technology.

According to the author's periodization, the thirty years from the establishing of the SMR to the creation of the Research Department—that is, 1907–1938—form the first stage. He distinguishes the research objectives of this period in terms of three categories:

1. long-range studies of an economic, social, and cultural nature to parallel the long-term development of Manchuria on the basis of Japan's interests;
2. studies based on the development of natural science and technology, including physics, chemistry, geology, agriculture, botany, meteorology, hygiene, and bacteriology;
3. studies which would offer a statistical grasp of business matters, based on the Company's activities. The *Mantetsu tōkei geppō* (Monthly Statistics of the SMR) and the *Tōkei nempō* (Statistical Yearbook of the SMR), which were published continuously from the time of the founding of the SMR to its dissolution, are materials essential for research on the economies of China and Manchuria in particular; they treat such subjects as railways, harbors, mines, refineries, warehouses, hotels, and hospitals.

The period of the Research Section (1907-1932) witnessed the immediate realization of the plan of Gotō and Okamatsu (professor at the University of Kyoto): the geography and history of Manchuria were investigated, concentrating on studies of the law and local customs of Manchurian society. *Chōsa hōkoku* (Research Reports) and *Chōsa shiryō* (Research Materials) were also issued serially; and, periodically, *Chōsa jihō* (Current Research), which later was issued as *Mammō jūjū* (Conditions in Manchuria and Mongolia), which in turn became *Mantetsu chōsa geppō* (SMR Research Monthly). The Company established the East Asiatic Economic Investigation Bureau in Tokyo, where Manchuria, China, and Asia were researched from the point of view of world economy. The Central Laboratory and the Geological Research Institute were also set up in this period.

In 1927, the Company established the Interim Economic Research Committee (IERC), independent of the Research Section, due to the need for immediate and inclusive research on economic development. The IERC, with a committee membership of 130 (at the same time, the staff of the Research Section numbered only 89) enthusiastically carried out research on communications, ports, factories, electricity, business, finance, taxes, commodity prices, labor, resources, and social conditions.

Among the reports of the Research Section at this time were *Manshū nōka no seisan to shōhi* (The Production and Consumption of Manchurian Farmers). Thus, the first substantive examination of Chinese agriculture was performed by Japanese. From 1924, the SMR published its *Tōsanshō nōsanbutsu sakugara yosō* (Crop Estimations for the Three Eastern Provinces). This was basic research providing essential data for the planning of the railway transportation.

In 1932, the year after the Manchurian Incident, the Kwantung Army ordered the SMR to establish the Economic Research Association (ERA). The Kwantung Army itself, which was considering the reorganization of the SMR, was forced to call upon experts to draft research for stabilizing Manchuria after the 1931 Incident. This did not serve any immediate useful purpose for bureaucrats in Japan. Academic personnel were gathered from already existing bureaus within the Research Section, and the Research Section which

had up to now maintained the traditions of Shimpei Gotō was abolished.

Only the Research Materials Section remained with the General Executive Department and was assigned the function of compiling materials regarding company statistics and the immediate preparation of research materials for the Institute of Pacific Relations. The editing of the *Minami Manshū Tetsudō Kabushiki Kaisha daisanji jūnenshi* (A History of the Third Decade of the SMR) was also begun, and completed in 1938. However, due to the escalation of the Sino-Japanese War, this historical document was not publically distributed but was distributed only to an extremely limited part of the military; it has been virtually impossible to obtain this book down to the present day. Dr. Young microfilmed the document at the University of Tokyo Library and presented it to the Library of Congress.

The ERA issued the *Manshū keizai kensetsu daiikki sōgō keikakuan* (General Plan for the First Period of Building Manchuria's Economy) and further performed the service of preparing draft materials mainly for the creation of Manchukuo; it also compiled some 1,800 research reports and other materials. The *Manshū keizai nempō* (Economic Yearbook for Manchuria), the *Sobieto rempō jūjū* (Soviet Union Affairs; a monthly journal), and the *Sobieto rempō nenkan* (U.S.S.R. Yearbook) are highly valued. In 1936, the ERA's service to the construction of Manchukuo came to an end.

The lines of the entire Manchurian railway, amounting to 20,000 kilometers, were managed wholly by the Company. The SMR aimed at monopolizing Manchuria through increasing its capital to 800 million yen to be used for the purpose of developing the following subsidiary affiliates: Manchurian Petroleum, Manchurian Coal Mining, Manchurian Chemicals, Japanese-Manchurian Magnesium, Manchurian Gold Mining, Fushun Cement, Dōwa Automobile, Manchurian Lead Mining, Manchurian Sodium, and Manchurian Light Metals. The Research and Planning Departments of ERA were reorganized into the Industrial Department, which was to share with the Natural Sciences Department (eg., the Central Laboratory) the purpose of advancing control over the industry of Manchuria. However, the design for the reformation of the SMR which had been planned by the military was realized: the Department of Heavy Industry, comprised of the Shōwa Steel Works (formerly the Anshan Iron Works) and so forth, was detached from the SMR; and the Manchurian Industrial Development Corporation was set up by the Nissan Combine, thus destroying the dream of the SMR to monopolize all the industry of Manchuria.

The result of the army's step-by-step movement, progressing via the formation of Manchukuo, may be seen in the advance into North China. The Sino-Japanese War broke out in earnest with the Lukouch'iao Incident in 1937.

The period that Dr. Young emphasizes most strongly in regard to the research activities of the SMR is that from 1938-1943: that is, the period of the Research Department, which had been reorganized from the Industrial Department. While the SMR, as the monopolistic bearer of the development

of the Manchurian economy, was being disbanded, the Industrial Department, with its staff and consolidated research materials, nurtured a tremendous potential energy. The latter was, therefore, certainly appropriate for the form of a general research department as envisioned by President Matsuoka. To insure the free utilization of the general research department, Matsuoka hired Seijirō Tanaka, who had been director at the time of Shimpei Gotō, and appointed him simultaneously consultant and chief of the Research Department. The Research Department of Matsuoka may have been patterned after Gotō's in scope, but in fact it ambitiously aimed at achieving domination over China and Asia, in a role subordinate to the military.

The area in which the editorial and research methods of the Research Department differed from those up to that time was in the systematized form of cooperative research and discussion. Unemployed Japanese experts in fields related to the social sciences were hired and allowed to participate in making decisions on research projects. When we look at the results of the Research Department in so far as number of papers is concerned, we may note that there were 287 in 1939, and 514 in 1940. Comprehensive papers covering the Japan-Manchuria-China bloc and the construction of Manchukuo were numerous. These papers necessarily became supporting materials for the concept of the Greater East Asia Co-Prospcrity Sphere, and the creation of the blueprint for this concept should be viewed as intentional. From these papers was born Matsuoka's dream of a transcontinental railway (Peking-Paotou-Gulf of Persia). An excerpt from a draft manuscript done in skilled calligraphy by Matsuoka, a reproduction of which appears on the frontispiece of this volume, reads as follows:

In short, our great organization, and each of the parts which make it up, has thirty-one years of experience in working with the Chinese people. Moreover, it has a deep-seated morale, a South Manchurian Railway Company spirit, which is based on the national spirit of Japan (we must never forget that the South Manchurian Railway Company is an organic body with a spirit). In addition, it has vast economic power and is today the only organization capable of acting as it wishes in north China. Obviously, such an organization, such an institution, as the South Manchurian Railway Company could not be built in a day.

1937

Yōsuke Matsuoka

It is conceivable that it was Matsuoka's opinion, as evidenced in this fragment, that after the expansion of the Japanese military into North China, the entrusting of the control of the lines of transportation in this area to the SMR was the most appropriate and efficacious course from the point of view of national policy. Being literally a draft manuscript, this excerpt is not an official paper; it is a document in which it is not difficult to perceive Matsuoka's aspirations.

Matsuoka planned the development of the field of the natural sciences; he vastly expanded the Central Laboratory, which had been continually increasing in size since its founding, to a large-scale organization in comparison with other research facilities such as the Geological Research Institute, the

Institute of Railroad Technology, the Agricultural Experiment Station, the Hygienic Institute, the Animal Diseases Laboratory, etc. He invited Dr. Tsuneya Marusawa, who was chairman of the engineering department at Osaka University, to be head of the Central Laboratory and consultant to the SMR, which meant that Marusawa was in charge of scientific technology for all of Manchuria. In comparison with the enormous scope of the Central Laboratory and its research expenditures, the other public and private research institutes in Japan at that time were pygmies. In 1945, the staff of the Central Laboratory numbered 600, of whom forty held doctors' degrees. The annual budget accounted for 100 million yen. The reports on organization and natural science and technology, constituting one part of the contributions of this organ, are included in pp. 565-571 of the present volume. Apart from the regular work of the various research institutes, investment in basic and applied physical research, in chemistry and in pilot plants reached a particularly high level. Within the area of physical research, the derivation of aluminium by the wet method, the direct reduction of magnesium, and the industrial use of protein were in the process of industrial experimentation.

Dr. Young, in an overview of the research of the SMR at this time, estimates that there was a staff of more than 300 who presented research reports, and that the number of items amounted to more than 6,200. The author states that "The extant studies... represent one of the great stores of knowledge on twentieth century Asia—a store which it is hoped this bibliography will help to unlock." (p. 3)

The principal characteristics of the Research Department of this period were the extrication of the Research Department from the policy of focusing upon individual scholars, a policy which had been seen in the research sections of the SMR until then; and the creation of a formula for coordinated research. The center for research and investigation of this period was located in the research section of the main office in Dairen. The various branch research offices of the SMR—the Tokyo branch group, which employed scholars in the fields of economics and politics and non-regular personnel; the research office of the Shanghai branch, which dispatched personnel to Hongkong, Canton, and Hankow; the research section of the Peking branch, which included Tientsin, Tsingtao, Kalgan, and Paotou; the research section of the Mukden General Offices; the North Manchurian economic research institute in Harbin; the Hsinking research office—were systematized into a cooperative body.

The major themes considered by the cooperative research of the research department from 1939 to 1943 include the following:

a. Project on inflation in the Japan-Manchuria-China bloc, 1940-1941:

Inflation began around 1939, and advanced in Japan, Manchuria, and the various parts of China occupied by the Japanese Army. The progress of inflation accelerated with the confusion attendant upon the state of the war. The Tokyo group was the center of research activity; general meetings were frequently held, and intermediate reports accumulated.

b. Project on the reorganization of the wartime economy, 1941-1942:

Memoranda containing opinions on unification related to the wartime economies in Japan, Manchuria, and China were prepared by the Tokyo group, but with the outbreak of the Pacific War, and the tremendous change in circumstances, research was halted.

c. Project to determine the availability of strategic resources for Japan in the Japan-Manchuria-China bloc, 1939-1941.

d. Project on the location of industry, 1939-1943:

This was conducted primarily by the Hsinking Research Office, but the Dairen, Mukden, and Tokyo branches also participated.

e. Project to review the general war potential of China, 1939-1941:

This was executed primarily by the research office of the Shanghai branch, and produced epoch-making achievements. On the scientific judgments regarding the politics and economy of the interior of China (some of which were arrived at by Chinese including Mao Tse-tung's work, "On Protracted War"), the Shanghai office twice held meetings which brought together the staffs of the Dairen, Peking, Tokyo, and Hsinking branches. They came to the conclusion that the fighting strength and power to resist of the Chinese should not be scorned. The results were reported to the General Commander of Nanking, to such important personages of the army and navy as the general staff at Tokyo, and to relevant government personnel. However, as the defeat in the war drew near, those who had done research on these items were held in contempt by the Kwantung military police. The result was the Incident of the Research Department of the SMR, in which in 1943, 38 outstanding employees of the Research Department were imprisoned as "legally camouflaged communists" on charges of violation of the Peace Preservation Law. At the same time, the Company purged 30 employees from the Research Department.

In the third section of the present volume, Dr. Young narrates the decline and dissolution of the SMR. He records that the Japanese Military brought about the dissolution of the SMR's Research Department without waiting for the end of the war. (*Takeo Itō*)

STAFFAN BURENSTAM LINDER, *Trade and Trade Policy for Development*, New York, Washington, London, Frederick A. Praeger, 1967, xi+179 pp.

According to Professor Linder's reasoning, *developing countries*, which lack the ability to transform their domestic resources into the goods essential for their economic development, have *import minimum*—minimum input import—in order to realize the full use and growth of their productive capacities. At the same time, these countries have *export maximum* due to the unfavorable demand conditions for their exportable goods. For most developing countries, the former has a tendency to exceed the latter. This is *the theory of foreign exchange gap* developed in this book as a new approach toward the trade