Comment

Economic Development in Manchuria under Japanese Imperialism: A Dissenting View

Professor Bix's recent assessment of Manchurian economic development in the first three decades of this century ("Japanese Imperialism and the Manchurian Economy," *The China Quarterly*, No. 51 (July–September 1972), pp. 425–43) is a welcome revival of scholarly interest on the relationship between Chinese and foreign economic organizations and the performance of the Chinese economy under the influence of foreign interests. This comment extends the analysis of these general themes by citing evidence to argue that rural institutions like land tenure operated other than as Professor Bix described to develop Manchurian agriculture and, moreover, that specialisation in soy bean production did not accelerate the underdevelopment of Manchuria's traditional economy as he claims. Although other aspects of the article invite comment, I will only focus on the question of agricultural development in Professor Bix's illuminating essay because it relates directly to the salient issue raised in his paper: "the rise of a modern economy in Manchuria inevitably subjected the traditional one to a profound structural transformation."[1]

At the heart of Professor Bix's essay is the argument that a mechanism of economic exploitation operated in Manchuria after 1900 when foreign capital oriented Manchurian agriculture towards world trade. One element in this mechanism comprised land tenure and debt relationships in the village economy, and the other element was the unique commercial relationships between peasant, Chinese merchant, and Japanese businessmen arising from the soy bean trade. I will refer to a different body of evidence to argue that such a mechanism and its two elements did not exist, and that the commercialization of agriculture and more intensive use of Manchurian resources for purposes of trade gave the Chinese peasantry new opportunities to obtain economic security and realize occupational advancement. If this line of reasoning is correct, it would strongly suggest that instead of foreign imperialism, the fundamental problem of Manchurian economic development, like that elsewhere in China, was that a stable and unified government did not evolve in China

1. Bix, *CQ* 51, p. 427.

to maintain long-term unity and stability, introduce a new technology to agriculture, and promote the development of transport, mining, and industry.

Land Tenure and Socio-economic Mobility in Manchurian Villages

To prove the existence of an exploitative mechanism Professor Bix asserts, with some evidence for the late 1920s, that tenancy, absentee landlordism, and rural indebtedness increased during the period of early Japanese economic penetration of Manchuria. If by "increase" he means that the absolute number of tenants, landlords, and the indebted rose, we are in agreement, because population roughly doubled over this period. But if he means that this "increase" stemmed from the operation of some mechanism of agriculture development in which the relative share of peasants becoming tenants, landlords, and indebted rose – leading to polarization, the answer is probably not. If we possessed adequate information on land tenure conditions for 1907 and 1930 we could simply compare and confirm whether polarization had occurred. As these data do not exist, we must rely on the Japanese rural survey information collected during the 1930s to write the history of land tenure change backward in time.

During the Ch'ing period customary practices concerning land exchange, leasing and renting, and inheritance helped the peasantry to gain a foothold in agriculture and improve their social status and livelihood; these customs did not differ greatly throughout China and Taiwan.[2] Anyone wanting to clear new land and extend farming in frontier areas first had to obtain formal permission from a local official to reclaim land.[3] After being granted such permission, the new landowner (*keng-hu*) either began the task himself or invited others to migrate and farm. He usually advanced some capital to the settlers and collected rent. Initially, such an area was characterized by a few, large landholders and numerous tenants and/or labourers, but after some time, many households had saved enough to clear or buy land of their own. In the late nineteenth century the countryside of Feng-t'ien Province (south Manchuria) appears to have been characterized by high tenancy and the existence of numerous large landlords.[4]

2. See Ramon H. Myers, "Rural institutions and their influence upon agricultural development in modern China and Taiwan," *The Journal of the Institute of Chinese Studies of the Chinese University of Hong Kong*, 2:2 (1969), pp. 349–68.

3. A good description of land settlement customs in south Manchuria during the Ch'ing period can be found in Kantō totokufu rinji tochi chōsabu (Provisional Land Survey Department of the Government-General of Kwantung), *Kantōshū tochi kyūkan ippan* (*A Draft of Old Customs Concerning Land in Kwantung Prefecture*) (Dairen, 1915), pp. 214–21.

4. I have not exhaustively researched the records for late-nineteenth-century Feng-t'ien, but some evidence to show that large landlords rented roughly 90 per

By the mid-1930s the regional land distribution pattern in Manchuria was something like Table 1.

Table 1

Distribution of Land by Ownership According to Size Class of Farms for North, Central, and South Manchuria (c. 1935)

	Distribution of Land Ownership (per cent.)					
	South		*Central*		*North*	
Farm Size Class [a]	*Area*	*Households*	*Area*	*Households*	*Area*	*Households*
Large	40·4	4·2	3·2	0·2	50·0	2·9
Medium	35·9	14·8	69·0	16·7	37·9	11·2
Small	13·7	15·5	22·3	17·5	10·0	10·5
Very small	10·0	33·0	5·5	16·7	2·1	12·2
Without land	–	32·5	–	48·9	–	63·2
Total	100·0	100·0	100·0	100·0	100·0	100·0

Source: Hirano Shigeru, *Manshū no nōgyō keiei* (*Agricultural Management in Manchuria*) (Tokyo, 1941), p. 15.

a Farm size class differed by region. In the south large farms were either larger than 70 or 100 *shang*; medium size farms were larger than 20 or 50 *shang* but no bigger than 70 or 100; small farms exceeded 10 or 20 *shang* but not 70 or 100; very small farms were below 10 or 20 *shang*. In central Manchuria large farms exceeded 500 *shang*; medium farms ranged between 100–500 *shang*; small farms ranged between 30 and 100 *shang*; very small farms were below 30 *shang*. In the north large farms exceeded 100 *shang*; medium farms ranged between 20 and 100 *shang*; small farms ranged between 5 and 20 *shang*; very small farms were below 5 *shang*. The *shang* land unit was roughly equivalent to 10 *mou* or about 6 acres.

Hirano compiled Table 1 from surveys of the early 1930s. We observe that the south possessed a smaller percentage of households without land, indicating that more peasants had been integrated into agriculture as tenants, part-owners, or owners. The south also possessed a much higher percentage of very small farms, indicating that conditions very similar to that of Hopei and Shantung had been created in this region but not yet to the north. The shares of small, medium, and large households are fairly comparable for all regions indicating that similar class differentiation prevailed, but note that large farms owned a higher percentage of land in the south than in the other regions. In the south upward mobility had enabled more landless labourers to secure a footing

cent. of their land can be found in Li Wen-chih, *Chung-kuo chin-tai nung-yeh shih tzu-liao* (*Materials on the Agricultural History of Modern China*) (Peking, 1957), Vol. I, p. 682.

in agriculture and the more wealthy to acquire more land.[5] Longer village settlement and dependency on the market made it possible for a broad stratum of owner-cultivators and part-tenant farmers to replace the large estates and more numerous landless labourers and worker-tenants of previous years. The south, in the late nineteenth century, resembled central and north Manchuria of the 1930s in this respect. In time the central and northern districts would become like south and north China.

The process by which peasants first worked in villages as labourers, then rented land to farm as tenants, and then became part tenant and owner-cultivator, to achieve eventual cultivator status was made possible by the land tenure system. The system of reclaiming land and the flexible, open-ended character of tenant contracts (these were mainly oral, short term, and made little provision for landowners to invest in their tenants) enabled the poor to move about and conveniently participate in other occupations under conditions of acute resource scarcity and high risk. Is there any concrete evidence of upward social mobility in villages as suggested from the discussion pertaining to Table 1? In Table 2 I have compiled information from a 1934 village survey of Meng-chia village in Hu-lan County just north of Harbin to show a pattern of social mobility which appears to have been quite typical in the villages surveyed and very probably represented conditions in this northern region and elsewhere in Manchuria.

Some general conclusions from the above are: (i) peasants who had resided in Meng-chia for 10 years or longer held higher status and owned more wealth than peasants living there for less than that time; (ii) most households above the labourer status had improved their socio-economic ranking, whereas a few households from labourer status and below had declined in rank; (iii) households above tenant class made up about 75 per cent. of the total amount of indebtedness of all villagers. Recent arrivals to the village still worked as labourers, but the possibility remained open to them to rise in status as the middle and upper-class villagers had done earlier. Households with land and some wealth were more deeply in debt than the village poor, mainly because they could afford to borrow. During the course of the typical peasant household cycle, some families declined in status as observed by the few families below tenant status. This process intensified during periods of economic

5. Polarization conceivably occurred later in this process after a very high percentage of households had acquired land to farm. During periods of economic decline polarization invariably occurred between different strata of households, but this might have been only in the very short term after which the process was then reversed. What is being argued here is the transformation of a rural community comprised of a handful of large estate owners with the remainder working as labourers and/or tenants into a community with a larger share of families now having some land to farm. This is the dramatic transformation of south Manchuria between the 1880s and 1930s, and central and north Manchuria were merely duplicating this process – but after a time lag.

Table 2

Socio-economic Mobility and Residency in Meng-chia Village, Hu-lan County, North Manchuria, 1934

		Original Socio-economic Status (Number)				*Period Lived in Village (Years)*			
Socio-economic Class Status (1934)	*No. of Households*	*Labourer*	*Labourer-Tenant*	*Tenant*	*Owner-Cultivator*	*0–9*	*10–19*	*20–above*	*Household Debt (yen)*
Landlord	1				1			1	375
Landlord-owner-cultivator	2				2			2	730
Landlord-owner cultivator-tenant	1				1			1	758
Landlord-owner cultivator-labourer	1		1			1			115
Owner-cultivator	3	1			2			3	379
Owner-cultivator-tenant	3			2	1		1	2	1,251
Owner-cultivator tenant-labourer	1	1				1			30
Owner-cultivator-labourer	2	1		1				2	189
Tenant	6	3	1	1	1	6			902
Tenant-labourer	7	5		2		4	1	2	55
Labourer	20	15		3	2	10	3	7	206
Miscellaneous	3	1		1	1	2		1	6
No occupation	1	1						1	51
Total	51								

Source: Kokumuin jigyōbu rinji sangyō chōsa kyoku (Provisional Industrial Department of the Enterprise Bureau of the Department of State), *Kōtoku gannendo nōson jittai chōsa* (*A Survey of Village Conditions in 1934*) (Hsin kyo, 1936), Vol. I, pp. 448–53 and 502–17.

decline and political instability in which more families than usual would sell their land and suffer a decline in status. As long as farm prices rose and the commercialization of agriculture continued unabated, traditional rural institutions like land tenure made possible the strong upward mobility pattern observed in this north Manchurian village, others like it in this area, and for the south in general, rather than permitting one stratum of peasants to exploit another.[6]

Profits, Specialization and Economic Development

A key finding to emerge from Professor Bix's study is that the "poverty experienced by the vast majority of Manchurian peasants was premised on agricultural specialization of a single cash export crop, which meant it was implicit in the model of development that Japan imposed on Manchuria before 1931."[7] The implicit idea is also expressed that huge profits were obtained by the Japanese because of their dominant position in the export trade. According to Professor Bix, while some Chinese middlemen and a small stratum of peasants also shared in these profits, the soy bean trade and its management by foreigners merely fostered the underdevelopment of Manchuria's economic development. Might it not be argued instead that too rapid a population growth accounted for rural poverty and, without resources being specialized in soy bean production for foreign trade, *per capita* real income in this region might have been even lower? To support this conjecture I will present an alternative description of Manchuria's economic development process and then argue that (i) foreign capitalist profits could have been justified as appropriate earnings for entrepreneurship; (ii) specialization in agriculture such as the soy bean did not prevent peasants from easily shifting to other crops nor did this practice retard agricultural development; (iii) the basic problem at the root of the region's underdevelopment, like that of mainland China as well, was the absence of technological improvement in agriculture.

In the 1890s Manchuria was a frontier area with abundant resources. The construction of railways and harbours made it possible for these under-utilized resources to produce primary products for export. As a

6. These institutions certainly made for a very complex pattern of land holding over the long run. Evidence from the 1934 survey for a village in K'o-shan county north-west of Harbin shows that 1,620 *shang* of land owned by two families in 1913 had been resold countless times during the next 20 years so that by 1934 this same amount of land had become divided into small parcels of different sizes owned by 54 households. The remarkable table showing the complex exchange of land on an annual basis can be found in Jigyōbu rinji sangyō chōsakyoku, *Tochi kankei narabi ni kank ōhen* (*A Volume on Land Relationships and Customs*) (Hsinkyo, 1937), pp. 157–8. I have never seen any comparable historical document like it in the historiography of Chinese agrarian history.

7. Bix, *CQ* 51, p. 443.

result of very rapid export-led growth, between 1908 and 1930 Manchuria experienced a favourable trade balance on current account for every year except four.[8] Foreign investment initiated this export boom, the influx of Chinese labour and extension of cultivated land sustained the boom, and the growth of fixed capital in the export industry guaranteed the vitality of the export sector's development. Roughly 75 per cent. of this new capital stock was owned by the Japanese. Their supply of fixed capital had increased tremendously over the period and had been produced mainly from the reinvestment of profits earned from the export trade and not from any long-term capital transfer from Japan.[9] The reason that this high reinvestment rate could take place was that profits in the export trade remained extremely high. These high profits can be explained on the grounds that "the supply price of exports (the 'farm gate' price) was very low relative to the world market price, both expressed in local currency."[10] Given rapidly expanding world demand for Manchurian soy beans and their derivatives, the large price disparity between Dairen and foreign markets for these products, and the favourable currency exchange rate for exporters, there was a very high profit margin to be competed for by Japanese, Chinese, and foreign exporters irrespective of their size and dominance in the market. Finally, the local supply price of exports was very low because of Manchuria's rich natural resources, the simple techniques used in farming, and the cheapness of labour to transfer and process this crop for export. This is the process by which trade and foreign capital served as an engine for regional economic development.

Japanese businessmen did not capture the lion's share of high profits in the soy bean export trade because of their monopoly power, but because they possessed more accurate information of foreign market demand, they knew how and when to make profitable deliveries, and they maintained the required quality control over product to ensure growth of foreign demand.[11] At the same time, Chinese middlemen also

8. South Manchuria Railway Company, *Report on Progress in Manchuria, 1907–1928* (Dairen, 1929), pp. 103–4.

9. There is scarcely any evidence that long term capital steadily flowed from Japan to Manchuria on an annual basis to finance an import surplus from Japan or anywhere else before 1931. For information on the value and type of foreign capital according to use in Manchuria, see the neglected classic by Amano Motonosuke, "Manshū keizai no hattatsu" ("The development of the Manchurian economy"), *Mantetsu Chōsa Geppō*, 12:7 (July 1932), pp. 1–98.

10. P. J. Drake, "Natural resources versus foreign borrowing in economic development," *The Economic Journal*, 82:327 (September 1972), p. 955. This assertion is advanced as a tentative hypothesis to be confirmed or rejected after more price and exchange rate data are collected and analysed. If this assertion was proved erroneous, the task would then be to show that the profit margin between prices received by the peasantry and paid by exporters was sufficiently high and had been captured by exporters to permit a high reinvestment of profits.

11. This same proposition might be applied to all foreign enterprise in China during this period involved in the export trade. Part of the successful increase of

purchased and exported soy beans to mainland China and elsewhere to compete with Japanese business interests.[12] The many, competing Chinese merchants absorbed the remaining profit margin between the price paid by the exporters and the price received by peasants. Furthermore, the soy bean market structure appears to have been highly competitive as no particular merchant fixed price independent of other buyers; middleman entry into this market was relatively easy; the number of merchants was extremely great; soy bean prices fluctuated enormously, especially on an annual basis, and these fluctuations were so erratic as to suggest the impossibility for persistent monopsonistic and monopolistic power to exist in the market. Finally, as the soy bean was produced by the peasantry on private land, the rent paid for using this region's natural resources was not high, and it seems unlikely that Chinese and Japanese businessmen earned quasi rents.

Manchuria was the only region in China which exported foodgrains over this period and did not become dependent upon foodgrain imports.[13] Furthermore, there is scant evidence that specialization in soy bean production by farmers reduced the amount of cultivated area for foodgrains even though Professor Bix claims that "the total area of land under cultivation of such major food crops as kaoliang, millet and corn decreased from 60 to 45 per cent. between 1910 and 1933."[14] Total cultivated area increased about 70 per cent. over this period, and in absolute terms so too did the sown area for foodgrains.[15] As some villages specialized more of their resources in soy bean production, others did the same for foodgrains. Finally, the 1934 village survey studies show that when the soy bean price fell after 1931 villagers began increasing the sown area for corn, millet, wheat, and kaoliang and reducing that of soy bean.[16] This sudden shift in land use suggests a fairly high elasticity of supply of foodgrains with respect to price change.

exports of primary materials from China was due to the innovating activities and energy displayed by foreign businessmen. If they made abnormally high profits in the short run, and many did, these usually constituted windfall gains to capable entrepreneurship. This argument was made many years ago, but it seems to have been forgotten. See G. C. Allen and Audrey G. Donnithorne, *Western Enterprise in Far Eastern Economic Development, China and Japan* (New York, 1954).

12. Saitō Yukiō, "Jihengo ni okeru ryōson no henka" ("The transformation of the grain wholesalers after the Manchurian incident"), *Mantetsu Chōsa Geppō*, 16:3 (March 1937), Pt. 1, pp. 2–14; see also 16:4 (April 1937), Pt. 2, pp. 39–40.

13. For evidence of wheat exports see "Manshū ni okeru komugi no shukkai sūryō" ("The quantity of wheat exports in Manchuria"), *Chōsa Jihō*, 4:3 (March 1924), pp. 1–5. For foodgrain exports in general see Herbert Feis, "The international trade of Manchuria," *International Conciliations* (1931), pp. 244–5.

14. Bix, p. 431.

15. *Amano Motonosuke*, p. 37. Between 1908 and 1950 the index showing expansion of cultivated area rose approximately 70 per cent.

16. This can be seen in all of the 1934 village studies in the sections pertaining to individual crop cultivated area according to household for the years 1933 to 1934. See *Kōtoku gannendo nōson jittai chōsa*, 3 volumes.

The available crop statistical evidence reveals that yields did not rise but stagnated between 1927 and 1940.[17] Yields might have risen before that time because of specialization and increasing returns to labour, but the development pattern strongly indicates that farm production increased primarily because of the increase of land and labour, not from any rise in their respective productivities. A recent study also convincingly supports this conjecture by demonstrating that no technological change occurred in Manchurian agriculture between 1914 and 1945.[18] Although the Chinese and Japanese had established research stations and farmer associations in the region before 1924, they apparently had done little to introduce a new farming knowledge and new inputs such as improved seeds and fertilizers to farmers.[19] In spite of an early head start in research station and farmer association work, why was there so little evidence of any significant technological change in Chinese agriculture? The key to increasing agricultural productivity obviously lay in promoting technological change. The Japanese had demonstrated their great success in introducing technology to increase the rate of farm production above the population growth rate in Taiwan, and to some extent, for the Liaotung Peninsula as well,[20] but no similar breakthrough in Manchuria seems to have occurred. Perhaps the sheer size of the region and its farm population made it difficult for a rapid and widespread adoption of new farming technology to be observed.

To conclude, then, while Japanese foreign investment and enterprise in Manchuria clearly set the stage for tragic political developments in this region, it can still be argued with the evidence available so far that foreign influence served as the major catalyst for developing this region and providing new opportunities for the Chinese peasantry to improve their living standards.[21] The earnings obtained by the Japanese business-

17. Tung-pei wu-tzu tiao-chieh wei-yuan-hui yen-chiu-tsu ch'u-pan-che (comp.), *Tung-pei ching-chi hsiao-tsung-shu liang-chung* (*Two Small Compendiums on the Economy of the Northeast*) (Taipei, 1971), Vol. I, p. 33.

18. Nai-Ruenn Chen, "Agricultural productivity in a newly settled region: the case of Manchuria," *Economic Development and Cultural Change*, 21:1 (October 1972), pp. 87–95.

19. For information on the shabby performance of these farmer associations and the reasons for this, see Morihisa Masanobu, "Hōtenshōka no nōkai no genjō" ("Current conditions of farmer associations in Feng-t'ien Province") *Mantetsu Chōsa Geppō*, 13:2 (February 1933). For an excellent account describing the history, organization, and activities of agricultural research stations in Manchuria see Mantetsu Chōsabu, *Nōji shisetsu oyobi nōji gyōseki* (*The Facilities for Agricultural Work and their Accomplishments*) (Dairen, 1937). The major achievements with respect to improving new seed varieties appears to have only begun to take place in the very late 1920s. This conceivably explains the absence of technological change in agriculture before 1931.

20. See Ramon H. Myers and Thomas R. Ulie, "Foreign influence and agricultural development in northeast China: a case study of the Liaotung Peninsula, 1906–42," *The Journal of Asian Studies*, 31:2 (February 1972), pp. 329–49.

21. The problem of how imperialism influenced China's modernization has rarely invited the dispassionate analysis of the scholar, foreign or Chinese. The issue,

men can probably be explained solely on grounds of an appropriate income return to entrepreneurship rather than monopoly power. Other factors of production received what they were worth according to their contribution in productive activities. Expanding trade enabled the peasantry to specialize in soy bean production and earn more income. This process accommodated more immigrants from north China to agriculture than if specialization and trade had been restricted. Existing regional poverty can be explained on grounds of an excessive population growth and the exceedingly slow introduction of any new farming technology to agriculturalists during the period of the 1920s.

RAMON H. MYERS

Herbert Bix replies:

Ramon Myers misrepresents my arguments as to the causes of economic growth and stagnation in pre-1931 Manchuria. Whereas I indicate a multiplicity of causes – subordination to imperialist economic domination, mobilization of unused factors of production, Chinese provincial land re-organization schemes, Japanese encouragement of agricultural over-specialization for the world market, among others – he reduces them all to a "mechanism of exploitation," so that he can then argue that no such "mechanism" exists. This transformation of my arguments into a mechanical "mechanism" is indeed the one he uses in his book, *The Chinese Peasant Economy*, to scrutinize "growth models using the dual economy concept."

Instead of confronting and trying to disprove my data on *pre*-1931 Manchurian economic conditions, Myers evades it and draws uncritically on Japanese rural surveys conducted by employees of the South Manchurian Railway Company (SMR) *after* 1931, the period when the Kwantung Army was waging war in the countryside to stabilize its puppet state of Manchukuo and the SMR was obliged to function as its appendage. Not once does he question the optimistic picture of peasant living conditions drawn from such SMR studies. Not once does he bother to ask whether Chinese peasants living near the railway zone,

it seems to me, still remains that of examining foreign influence in China by social and political analysis to determine ultimately when the economic benefits of foreign trade, capital investment, and enterprise vanished and instead produced conditions detrimental to social stability and political unity. The emergence of foreign communities in cities and the purchase of real estate by foreigners require this kind of study in order to trace the pernicious influence foreigners had upon this society. These issues, as yet, have not been examined, and there are abundant primary records to undertake this task. See the survey reports on urban estate agent transactions collected in Mantetsu chōsaka, *Chū-Shi fudōsan kankō chōsa shiryō* (*Materials on the Survey of Traditional Customs Concerning Immoveable Property in Central China*) (Shanghai, 1941–2).

where they were highly vulnerable to intimidation by Japanese military and police authorities, would candidly volunteer accurate information to Japanese interviewers who followed in the baggage train of the army. This seems, to put it mildly, to be putting undue weight on the work of the SMR.

Characteristically, Myers postulates a typical Chinese peasant who is "integrated into agriculture" (an "integrated" personality), possesses an "open-ended" tenant contract (job tenure), moves about freely and enjoys "strong upward mobility." He states, "I have compiled information from a 1934 village survey of Meng-chia village in Hu-lan County just north of Harbin to show a pattern of social mobility which appears to have been quite typical in the villages surveyed and very likely represented conditions in this northern region and elsewhere." But he offers no evidence from village studies in central and southern Manchuria to show that peasant conditions in the north near Harbin were typical at that time of all Manchuria or even of northern Manchuria. Indeed, he seems to be as selective in his use of SMR data as he is naive in believing it. It is thus not at all reassuring to turn to the source for his "general conclusions" on the "typical peasant household cycle" (note 6) and learn that "evidence from the 1934 survey for a village in K'o-shan County northwest of Harbin shows that 1,620 *shang* of land owned by two families in 1913 had been resold countless times during the next 20 years. . . . I have never seen any comparable historical document like it in the historiography of Chinese agrarian history." If the author has never seen anything "comparable" in all "Chinese agrarian history," how can he claim that his data from villages near Harbin, northern terminus of the Chinese Eastern Railway, is typical of village conditions throughout Manchuria, a territory approximately as large as France, Germany and Switzerland combined?

As a matter of fact, actual conditions in north Manchurian villages were not as promising as Myers imagines. *The History of Forty Years of Manchurian Development*, Vol. 1 (Tokyo, 1964), gives a composite picture of the typical north Manchurian household in the mid-1930s which is quite the opposite of his. First, it should be stressed that in north Manchuria, where large landed estates were the rule and the growing season was short, the core work of agricultural production was done by migrant day-labourers who worked an average of 80 days a year. These day-labourers may have been upwardly mobile but the conditions of their existence were extremely insecure. Most were very poor and lived a wretched hand-to-mouth existence. Next in importance to the hired day-labourer was the tenant labourer. More than half the cultivated land in the north was tenanted land. The short growing season, tenant contracts that were, as a rule, renewed annually, high tenant fees, the burden of having to shoulder most village expenses and the largest portion of district taxes, plus indebtedness to money-lenders – all worked to make his existence equally insecure and onerous. Moreover, most of the burden of road and military airport construction in the

Manchukuo period fell on this tenant stratum of society. Only by ignoring the real content and conditions of peasant existence is it possible to believe, as Myers does, that " traditional rural institutions " did not permit " one stratum of peasants to exploit another."

The separation of complex social and economic processes into separate entities which are then treated as autonomous phenomena and never reintegrated in analysis – which forms the very essence of Myers' approach to Chinese peasant economy – is a serious distortion of historical reality. Not by accident does he respond to my essay using such terms as " land tenure," " socioeconomic mobility," " profits," " specialization " and " economic development." One finds the same approach in his book: separate dissertations on " labour," " capital and technology," " land utilization and commercial development," " living standards " and then " summary." This approach may be useful for cataloguing information and theories; it can also disguise a value preference for imperialism with the aura of scientific neutrality; but it cannot shed light on the role of imperialism in China, and it tends to emasculate history.

This can be seen in Myers' procedure for justifying " foreign capitalist profits " as " appropriate earnings for entrepreneurship." He incorrectly postulates an undifferentiated " export boom " for almost the whole period from 1908 to 1930, when in fact booms occurred in only certain periods; he says that Manchuria's " under-utilized resources," once activated by foreign entrepreneurship, produced primary products for exports, when in fact " resources " do not " produce " anything; only men do. He then proceeds to deal with the economic factor in isolation from other factors which related to it. Yet if Japan had not exercised hegemonal control over South Manchuria through the application of parallel political-economic-legal tactics, backed by military force, it is doubtful whether Japanese " entrepreneurs " would ever have displaced Chinese in the bean trade or any other activity. Any serious account of Japanese activities in Manchuria must take into account not only such facts as the modernization of the SMR and the port of Dairen, but also Japan's diversion of the bean trade southward through Dairen rather than Yingkow, its secret agreements with Czarist Russia (1907, 1910, 1912) to divide Manchuria into political and economic spheres of influence, and the veto rights it exercised over any new Chinese railway construction in the Hsinmintun-Fakumen and Chinchow-Aigun incidents of 1907 and 1909, etc. For 23 years from 1905 to 1928, Japanese governments supported Japanese capitalism in South Manchuria by working first through Chinese provincial administrations and then through a single strong man, Chang Tso-lin. Their tactics were the *fait accompli*, the veiled threat, the re-interpretation of treaties and the exploitation of Chinese weakness. During this time, conditions in rural South Manchuria went from bad to worse. Local Chinese police, civil officials and landlords intensified their exploitation of a peasantry which was already bearing the special burdens of the late Ch'ing reforms. To raise money

for military expenses to meet the threat of the Japanese, new taxes of all kinds were levied between 1905 and 1915. In addition to proliferating surcharges on commerce and numerous items of private property, Chinese provincial governments in Manchuria floated new bonds and when they failed to raise enough money, their provincial banks over-issued non-convertible paper currency. In 1915 Japan presented China with the Twenty-One Demands, most of which Yuan Shih-kai was forced to accept. These, of course, represented an important deepening of Japan's commitment to its position in Manchuria. Thereafter the political and economic development of Manchuria began on a vast scale. But for big landowners, warlords, and large Japanese enterprises such as the SMR, not for the Chinese peasants who comprised most of the population. After 1915, with the ascendancy of Chang Tso-lin, the Japanese began exercising a much more active guardianship in Manchurian affairs. In a sense, their regional domination and Chang's matured together – the co-operation of one being, at times, the condition for the other's existence. Both foreign imperialism and Chinese warlordism then played their role in turning Manchuria into a semi-colony in which native Chinese capital was subordinated to Japanese commerce and industry and underdevelopment was perpetuated.

For other aspects of Myers' reply to which I have not responded here I would refer the interested reader to Joseph Esherick's essay, " Harvard on China: the Apologetics of Imperialism," in the *Bulletin of Concerned Asian Scholars*, December 1972.