The "Color" of Money: The Ruble, Competing Currencies, and Conceptions of Citizenship in Manchuria and the Russian Far East, 1890s–1920s

CHIA YIN HSU

Russian colonial expansion in the late 1890s into the Chinese territory of Manchuria transformed this remote frontier into a nexus of metropolises in the making. Thinly populated in the late 1890s, North Manchuria alone—less populous than South Manchuria—grew to a region with 12 million inhabitants by the early 1920s.[1] Seen as a part of the Russian Far East by many Russians, called the Northeast—of China, that is—by the Chinese, and regarded (or feared) as a target of Japanese expansion by many, Manchuria attracted settlers, migrants, and businesses from the Russian, Chinese, and incipient Japanese empires, as well as neighboring Mongolia and Korea. Spanning Manchuria like a spine, and serving as a tool of Russian expansion, the Chinese Eastern Railway (CER), which had been built by the Imperial Russian government, spurred the growth of two new cities and a Russian port city—Harbin, Dal'nii (Dairen after 1905), and Vladivostok, as well as such nearby Chinese Manchurian cities as Qiqihaer, Jilin, and Fengtian (Mukden). The railroad and the development it fostered thus helped dot this frontier, seen by Russians as hitherto "untouched by civilization," with cities and towns that were in turn bound to the railway line.[2]

Befitting the location of this network of cities at the real and imagined border of several imperial powers, the type of money used in Manchuria reflected Russian efforts to

My thanks to the two anonymous referees for their comments, to Thomas Luckett and Bill Sewell for their thoughts and questions, and especially to Ronald Suleski for his input and careful reading of a previous draft. Thanks are also due to Eve Levin for her editorial insight. The research for this article was supported by an award from the Urban China Research Network and by a Faculty Enhancement Grant from Portland State University.

[1] *North Manchuria and the Chinese Eastern Railway* (Harbin, 1924), 11, 36.

[2] Ibid., 36.

The Russian Review 73 (January 2014): 83–110

inscribe Manchuria as Russian, Chinese territorial claims, Japanese expansionist politics, and other attempts at influencing Manchuria's development. The currencies of Manchuria between the 1890s and the 1920s included various Russian rubles, Japanese yen, Mexican dollars, "English" dollars minted by British colonial banks, and an immense array of Chinese currencies.[3]

According to Georg Simmel, money is "colorless," an instrument of equivalence without intrinsic quality, or "color," that homogenized qualitative differences.[4] In the colonial and multiethnic setting of Manchuria, however, where multiple currencies circulated and competed for dominance, money could be seen as "colored" by qualitative differences that ranged from supposed national character and presumed national identity to perceptions of strengths and weaknesses expressed in fluctuating exchange rates. Simmel's depiction of money's colorlessness hinges on his view of the increasing abstraction of objects as they become commodified. According to his reformulation of Marx, this process of abstraction involved "the elimination of [an object's] use-value in favour of [its] exchange value in a society based on commodity production." Simmel finds, however, that this "metamorphosis" of objects toward abstraction is often incomplete, as "this development seems unable to reach its consummation," except in the case of money. "Only money," he observes, "in terms of its pure concept, has attained this final stage; it is nothing but the pure form of exchangeability." Yet, Simmel recognizes, not all money has achieved the pure form of its concept. If money "has other qualities that diminish and obscure" its "pure function"—as the expression of the relationship between "objects of demand," and of their exchangeability—then, "in so far as these qualities are effective, it is not money proper."[5] The distinction Simmel makes between "money proper," and money bearing qualities that are still effective, is that between money's colorlessness and what might be calls its "coloredness." This distinction is suffused with assumptions tying modernity to such transformations as rationalization, standardization, and homogenization. This article, following Mary Poovey's framework for interpreting money's evolution in Britain, does not apply to Manchuria the differentiation between modernity and premodernity implicit in Simmel's work. It focuses instead on using the notion of colorlessness as shorthand for an idealized modernity that guided perceptions and intentions dealing with currency matters in this region.

What Simmel sees as the distinction between "money proper" and money that has yet to become that, Poovey characterizes as the "problematic of representation" that entails a "slippage" in the relationship between "the representative of value and its [authenticating] ground," such as that between the paper note and the metal coin it represents, or that between the face value of the paper note and its exchange value.[6] Central to Poovey's understanding is not money's attainment of its pure concept, but the resolution of this problematic of

[3]Niv Horesh, "Between Legal and Illegal Tender: The Chartered Bank and Its Notes In and Around China, 1864–1939," *Modern China* 34 (April 2008): 276–98.

[4]Georg Simmel, *The Philosophy of Money*, ed. David Frisby, trans. Tom Bottomore and David Frisby (London, 1990), 259.

[5]Ibid., 123, 130.

[6]Mary Poovey, *Genres of the Credit Economy: Mediating Value in Eighteenth- and Nineteenth-Century Britain* (Chicago, 2008), 6, 62.

representation through "naturalization," a process whose endpoint was the "taken-for-grantedness" of equating the value of a particular money with that appearing on the face of the bill or coin representing it.[7] If Simmel sees the value of money as unchanging, Poovey shows that money's value was constantly subject to debate prior to its naturalization.[8] The early-modern debates Poovey studies distinguished between two modes of determining the "source of money's value," one based on "extrinsical" values, the other on "intrinsical" ones. An "extrinsical" value was conferred, for instance, by the image of a monarch imprinted on a coin—that is, by the sovereign's authority. "Intrinsical" value referred to the weight of the precious metal in a coin, perhaps, or an index of trade balance and exchange rate, which was thought to be dependent on international trade and "the consent of other Nations" rather than the will of a monarch.[9] As Poovey notes, in early-modern England, unlike in France, the government largely adhered to the idea of "intrinsick value," avoiding issuing fiat money, and eighteenth- and nineteenth-century English writing continued to decry as "errors" ideas that money could be based on "extrinsical" value.[10] How the value of money was established in Manchuria and in China proper bears some resemblance to the way, in England, money was thought to depend on its "intrinsical" value prior to the naturalization of money's worth as the face value it represents—in other words, prior to the full acceptance of a fiat money. An observer of the silver-based and multiple currencies of 1920s China suggested that the value of money there was determined by the trade and exchange between these currencies, and by the price of silver in the international market, rather than by government authority fixing the value of any of these currencies at a particular level. The relative worth of one type of currency to another, or "the relationship between various kinds of currency" in China, as this observer put it, "is determined by supply and demand, not by Government support."[11]

But "extrinsical" value was not entirely rejected in early modern England, as there was also a push to establish what Poovey calls an "*ideal* coin"—a standard whose value would be "dictated by law" rather than determined by the weight of an individual coin, or by the amount of metal it contained.[12] Such a coin would come closer to obtaining the condition of the "lack of qualities" that Simmel attributes to "money proper," for this coin would act as an equivalent between objects. One proponent of such a coin, without abandoning the principle of "intrinsical" value based on treating money as a commodity, emphasized the additional function that a standard coin could have as a means of establishing equivalence: "money is not only a measure [meaning a measurable good, like wheat or land], but also an equivalent, and as such passes from one [measurable good] to another." Poovey shows that this push for creating an ideal coin (that is, for standardization) is directed

[7]Ibid., 8, 48–49, 90.

[8]Simmel, *Philosophy of Money*, 119, 123, 125. For Simmel, when money is seen "in terms of its pure function," its value does not change—even as the relative value or prices of the objects, whose exchangeability money reflects, changes—since it is the "autonomous manifestation of the exchange relation" of objects. This unchanging value is a "condition of money" that is identical to its "lack of qualities," according to Simmel.

[9]Poovey, *Genres of the Credit Economy*, 64–66.

[10]Ibid., 58, 65.

[11]Dickson H. Leavens, "Chinese Money and Banking," *Annals of the American Academy of Political and Social Science* 152 (November 1930): 206, 209.

[12]Poovey, *Genres of the Credit Economy*, 70.

at "counteract[ing] the slippage between sign and referent."[13] The same push can also be seen as an effort to reduce the materiality of money. Often expressed in the discounting, fees, and premiums placed on money instruments, this materiality marks the incomplete abstraction of money as a tool of equivalence. For Simmel, what demonstrates money's immateriality, or its lack of qualities, is that one would ask of money only the question "How much," as money's "quality consists exclusively in its quantity." One would not ask, as Viviana A. Zelizer amends Simmel, "What and how?"[14] Following this vein of thinking, it can be said that money's materiality is confirmed when users ask "what kind of money" they are to use—a question that currency users in Manchuria constantly confronted. Here, the materiality of money was highlighted in the myriad of fees, premiums, and other costs attached to the use of various currencies, such that money transactions often entailed a substantial loss due to transaction costs.

If money moves in a "teleological series" toward pure concept, according to Simmel, Poovey reads in this movement toward abstraction the necessary underpinning of a process of naturalization.[15] Poovey's view captures an important aspect of what Russian policymakers and bankers thought about the ruble in Manchuria: for the ruble to be accepted, and perhaps even entrenched, some kind of naturalization process was needed. Their talk of the ruble acquiring "citizenship" in this region reflects this understanding. Drawing both on Poovey's problematic of representation, and on the language of citizenship, a meaning Poovey does not intend, it can be said that these Russians hoped for the ruble to become "naturalized" in Manchuria. Attempting to promote the ruble's "citizenship," many Russians recognized that in an environment of competing currencies, the ruble's viability required the voluntary participation of its potential consumers. And shaped by this recognition, Russians confronting Manchuria's currencies at times came to adopt a conception of social "citizenship" that carried over from their idea of currency "citizenship." Applied to currency consumers, this was a conception that disregarded "color"—in this case, the supposed intrinsic qualities marking such constructed differences as race and ethnicity—in favor of "colorlessness," that is, a vision of functional equivalence and equality based on participation as currency users. During the Russian Civil War, this vision of functional equivalence, which gave more weight to the response of the "native population," as currency consumers, than to Russian nationalist sentiments, led Russians in Manchuria to reject the circulation of civil-war rubles there.

The first part of this article traces Russian efforts, beginning in the 1890s, to insert the ruble into Manchuria's economy. Indicating Russians' adherence to the local practice of basing the valuation of money on exchange and trade, or "supply and demand," Russian policies and practices of this period were directed at winning over consumers, in order to increase the demand for the ruble in a context where currency users' preference reflected on the imperial rivalries in this region. The second part of the article follows the ultimately unsuccessful Russian effort during the Russian Civil War to install some Civil War-era rubles in Manchuria as, in effect, fiat money. The third part tracks the Soviet government's

[13]Simmel, *Philosophy of Money*, 123, 130; Poovey, *Genres of the Credit Economy*, 68, 71.

[14]Simmel, *Philosophy of Money*, 259; Viviana A. Zelizer, *The Social Meaning of Money* (New York, 1994), 1–2.

[15]Simmel, *Philosophy of Money*, 259.

post-Civil War effort to establish the chervonets, a ruble currency, as a kind of fiat money in the Soviet Far East. Soviet attempts to export the chervonets to Manchuria, to regain the place formerly occupied by the imperial ruble there, met with strong Chinese objection. Suggesting a shift in Chinese views concerning the source of money's value—from an emphasis on exchangeability to a new concern with the authority, ascribed to national sovereignty, to decide what a valid money is—these objections reflected a mixture of Chinese distrust of a money that was seen as not always exchangeable for another currency or for specie, and Chinese nationalism. Following this trajectory of money in Manchuria, the article shows that in the moments prior to money's "naturalization" and the acceptance of fiat money—when money still retained its materiality and "qualitative effects," not having yet attained its "pure concept"—the possibility remained for challenging the governmental issuers of money through what might be called a "monetary plebiscite," as consumers expressed a preference for one currency over another or refused to use a particular one.

THE RUBLE'S "VICTORY"

When the Chinese Eastern Railway opened to passengers and freight in 1903, it marked "the culminating moment of [the ruble's] victory" in Manchuria, according to a commemorative volume published by the Russian Finance Ministry. Presenting this victory as the resolution of "one of the most acute questions" during the railroad's construction—that of which "payment unit" to use in this region—the volume declared that this was the moment when the CER "dictated the fares to the [region's] population" in rubles, demonstrating that the Russian currency had overcome "the distrust of the population" and gained predominance over the local currencies.[16] The volume did not dwell on the fact that since the question of devising the "most suitable" currency for Manchuria was first raised in 1897, the railroad's planners—the Finance Ministry and the enterprises it founded to construct the railroad, the Russo-Chinese Bank and the CER Company—had at first dismissed the idea of using the ruble in the region.[17]

This decision was due in part to the fear of encouraging speculation against the ruble. At a Finance Ministry meeting in 1900, participants agreed that whatever type of ruble was used in Manchuria, be it the gold ruble coin, its subsidiary silver coin, or the ruble banknote, a "drainage" of gold from Russia to China would follow. If gold rubles were used, the meeting participants believed, it would obtain an exchange rate below the Mexican silver dollar—common in the Chinese port cities—because "in the eyes of the local Chinese population the [Mexican] dollar has a greater value than our ruble," despite the greater value of the gold contained in the ruble.[18] The lower rate of the ruble in China would thus

[16]*Kitaiskaia Vostochnaia zheleznaia doroga: Istoricheskii ocherk*, vol. 1, *(1896–1905)* (St. Petersburg, 1914), 1, 20–22. N. E. Ablova, *KVZhD i rossiiskaia emigratsiia v Kitae: Mezhdunarodnye i politicheskie aspekty istorii (pervaia polovina XX v.)* (Moscow, 2005), 56.

[17]Rossiiskii gosudarstvennyi istoricheskii arkhiv (RGIA), f. 323, op. 1, d. 1109, l. 25.

[18]Ibid., d. 1110, l. 57ob. The participants surmised that the Mexican dollar, worth 0.92 rubles by its metal content, could obtain 0.98 rubles by its exchange rate. Thus, for example, because of this differential between the ruble's actual gold value and its exchange value, for every hundred Mexican dollars exchanged for rubles in Manchuria, the Russian government would have to pay six more rubles in gold than what the dollars were worth in silver.

create an opportunity for speculation based on the discrepancy between the ruble's value in metal and its exchange rate. The silver ruble, the officials at the meeting anticipated, would also be discounted, acquiring an exchange rate pegged to its metal content rather than nominal value, as the ruble was "largely unknown" in China. In this case, "the same [silver] rubles" purchased in Manchuria at an exchange rate corresponding to their metal content "could then be presented to us for conversion to gold" at their nominal value, which "would entail significant losses for us, and, on top of that, would cause an outflow of gold from Russia to China." Regarding the ruble banknote, those opposing its use in Manchuria, including Finance Minister Sergei Witte, believed that circulating a fully redeemable gold-based banknote in a country with a silver-based currency "would be an extremely risky experiment."[19] The banknote, without a bottom value set by metal content, would presumably be even more susceptible to speculation than either the silver or the gold ruble coin.

Another consideration against the use of the ruble was that, because of its unfamiliarity, it might simply be rejected by its intended recipients: the Chinese workers and contractors hired by the CER. Equating a currency's acceptability to the Chinese with its familiarity, the Finance Ministry considered adopting the Chinese copper coins and silver ingots that were in wide circulation in Manchuria and China at this time. But this proposal was quickly ruled out because it was "unthinkable" that cashiers at the railway stations, "while giving out tickets and checking in baggage," should also be "cutting the silver into pieces by weight [to make change], as it is constantly being done in contemporary Chinese trade."[20]

A second proposal, again tailored to fit in with Chinese practices, looked to the dollar currencies used in the Chinese port cities. In these cities, an 1897 Finance Ministry report observed, the Mexican silver dollar was the most widespread; the Japanese yen, trading at par with the Mexican dollar, was gaining in importance; and the "English dollar," a silver dollar of the British colonial banks, was in use, as were various Chinese silver dollars that were fashioned after the Mexican dollar and minted by Chinese provincial governments since the 1880s. Studying these currencies, the ministry's officials and banking advisers found it "most practical" to introduce to Manchuria a new silver currency similar to the Chinese dollars.[21] As proposed in 1897 by the Russo-Chinese Bank's representative in Beijing, D. D. Pokotilov, this Russian money would be a silver coin made "especially for Russo-Chinese relations." The coin, bearing both Russian and Chinese inscriptions, would be "equal to the Mexican dollar" in value and similar to this dollar in form and size.[22] Although left unsaid in this proposal, it was no doubt understood that if it were accepted as an equivalent of the Mexican dollar, the Russian-Chinese coin could also replace it. In

[19]Ibid., l. 62. The Russian state adopted the gold standard in 1897. See Theodore Von Laue, *Sergei Witte and the Industrialization of Russia* (New York, 1974), 138.

[20]RGIA, f. 323, op. 1, d. 1109, ll. 25e-ob.–25zh.

[21]Ibid., ll. 25a-ob.–25b-ob., 25v-ob. As the study noted, Mexican dollars, earlier also known as Spanish dollars, had for centuries been the standard currency for foreign trade in Chinese ports. The various Chinese dollars, like the English dollar, resembled the Mexican dollar, but Chinese dollars had less silver than the Mexican, containing, for instance, 88.4 percent of the metal instead of 90 percent. For a sketch of the Mexican dollar in Asian trade see A. Piatt Andrew, "The End of the Mexican Dollar," *Quarterly Journal of Economics* 18 (May 1904): 321–23.

[22]For Pokotilov's position see David Wolff, *To the Harbin Station: The Liberal Alternative in Russian Manchuria, 1898–1914* (Stanford, 1999), 32; and RGIA, f. 323, op. 1, d. 1109, ll. 25zh–25zh-ob.

other words, such a coin would fuse attentiveness to the response of the Chinese recipients with the Russian government's financially inflected geopolitical interests.

These strategic interests fully informed the ministry's study, which observed that "*the English dollar has in recent years been winning over more and more ground ... in the East*," and added, in alarm, that "it has already succeeded in forcing out the Mexican dollar in Singapore and the neighboring English colonies."[23] How the Finance Ministry defined Russia's position in global commerce and local trade was indicated by the Russo-Chinese Bank, a bank that served as "an adjunct of the Russian treasury."[24] In 1897, when English banks began refusing to exchange Chinese dollars at par with the English dollar, the Russo-Chinese Bank came "to the rescue of the Chinese dollar." According to a Russian newspaper, the bank, "not recognizing the English dollar's right to monopoly, declared that it considered [Chinese and English] dollars to be equal in value, and would therefore accept [them both] at the same price." This rescue, the paper admitted, also advanced the Russian agenda to "exert [the bank's] influence in the sphere of Chinese currency circulation, where until now the English ruled almost monopolistically." Approvingly, the newspaper presumed that "our Russo-Chinese Bank is not at all to the liking of the English" (*daleko ne po serdtsu prishelsia anglichanam*), and that, thanks to the bank's presence in China, "[English] influence in the sphere of banking is beginning to decrease."[25] If the paper echoed Russian bankers' view in 1897, this view became less optimistic in the next years. They found that English influence in fact increased as a result of "persistent and systematic efforts ... [to] introduce the English dollar" to Chinese regions beyond the port cities. Writing to Witte in 1900, Russo-Chinese Bank President Adolf Iu. Rotshtein called for taking "the most practical means to paralyze [these] efforts" and advocated issuing "a Chinese dollar that would ... be kept in circulation, if only in North China, even at a sacrificial price."[26]

Attempts like Rotshtein's to cultivate Chinese receptiveness to a Russian currency no doubt led the Russo-Chinese Bank to support the parity, that is, the equality, of the Chinese and English dollars. In light of Poovey's interpretation, this Russian support might also be seen as working to resolve a "problematic of representation" posed by the differential exchange rates of the Chinese and English dollars that carried the same nominal value, by closing the gap between the value claimed by the Chinese dollar and that conferred to it by the English bank. Put in the context of international relations, the Russian move also signaled a willingness on the part of the Russian state to extend the recognition of this Chinese claim of equality with the English to the realm of citizenship in the international community.

Not all proponents of a new coin for Manchuria supported a currency imitating the Mexican dollar. Likewise keen on creating a currency the Chinese would accept, critics of the Russian-Chinese dollar emphasized ethnographic considerations, rather than monetary ones like exchange rate and parity. For them, it was precisely the "European character of

[23]RGIA, f. 323, op. 1, d. 1109, ll. 25b–25b-ob.

[24]Von Laue, *Sergei Witte*, 150.

[25]RGIA, f. 323, op. 1, d. 1109, l. 30. The unsigned and untitled article is from "Torgovaia Promysh.," presumably *Torgovaia promyshlennost'*, September 13. The year is probably 1897, as the article was placed with files dating from that year.

[26]RGIA, f. 323, op. 1, d. 1110, ll. 24ob.–25ob.

the ... dollar currency," even if a Chinese one, that would hinder the proposed currency's "popular reception among the masses of the native population."[27] Matiunin, a "former commercial agent in Korea and Manchuria," for instance, asserted that "if our government considers it useful and advantageous to have a silver coin minted specially for Manchuria and Mongolia, then it would be more rational to adhere to the Chinese lan [tael], and not the dollar, and issue a currency in the value of one [lan] and half a lan"—that is, a currency denominated according to the customary unit for Chinese silver ingots, with one lan being the smallest of the ingots.[28] The Finance Ministry's 1897 study agreed, concluding that "in Manchuria, where the concern with the spread of the currency among the people should stand in the foreground, there are apparently justifications for adopting a currency [based on] the Chinese weight."[29]

That study further proposed that this new currency incorporate the chokh ("qian" in Chinese), a copper change coin for the silver lan, expecting that adapting to Chinese cultural habits would also be economically expedient. The "extreme divisibility" of the chokh would allow prices to be set with a precision of up to 1/9 to 1/10 of a kopek, the study asserted. Reflecting the cheapness of labor and living costs in China, and the "habit of the Chinese for exactness in accounting," the chokh's divisibility would help Russians "save significant sums" on wages paid to the Chinese. The coins would be "very advantageous for the [Chinese] people" as well—for they offered a "convenience to the Chinese that was external." By this, the study presumably meant that the coin provided a convenience that answered to the "conditions of their way of life (*byt*)"—a factor external to the strictly monetary concerns that Poovey's English writers might see as "intrinsical." Strung together one or two hundred at a time, the study noted, these coins "resolve the difficult task of keeping and carrying such a mass of coins" due to the "complete absence of pockets in Chinese clothes." As presented by the study, the chokh embodied the essential qualities of Chinese culture and Chinese character: "Refined (*vyrabotannyi*) by Chinese culture since the most ancient times and having entered, so to speak, into the flesh and blood of Chinese life, the chokh corresponds in the greatest possible way to the character of the Chinese and to his way of life."[30] Such a coin, the study predicted, would succeed in fulfilling Russian needs thanks to its Chinese, not European character—"as it would fully satisfy all the demands and tastes of the Chinese"—and therefore be "guaranteed acceptance not only in Manchuria, but also all China."[31]

As these various proposals were being debated, Witte instructed the CER's engineers to pay for construction work in Chinese money—silver iamby ("yuanbao" in Chinese) weighing fifty lan for large payments, chokhi for small ones—and to "avoid [the existing] dollars as much as possible when making payments in Manchuria" because of "political considerations."[32] In practice, due to the unwieldiness of iamby and the shortage of chokhi,

[27]Ibid., d. 1109, l. 25i.
[28]Ibid., l. 25z-ob.
[29]Ibid., l. 25i.
[30]Ibid., ll. 25i–25i-ob.
[31]Ibid., l. 25z-ob.
[32]Ibid., l. 25a.

the CER frequently used dollar currencies to conclude work contracts.[33] This situation no doubt constituted in part the context for Rotshtein's urgent call to stop the "spread of English dollars in Manchuria." In response, the Finance Ministry directed the Russo-Chinese Bank to take on the "struggle" to "force out the English and the Mexican dollars" by issuing its own dollar currency, confident that this currency—set to have the same metal content as the Mexican dollar—would soon "enjoy the trust of the local population," and eventually "acquire the name of a Chinese dollar."[34]

Despite the variety of plans proposed, in the end the voices that objected to creating "a currency alien to us" prevailed. By late 1900, along with silver dollars and the silver lan, the CER also made payments in rubles.[35] At the end of the year, raising the importance of the Russian currency, Witte ordered the railroad to settle all its accounts in paper rubles, and directed the Russo-Chinese Bank to accept payments in the ruble banknotes. Because the CER's initial efforts to circulate the ruble led quickly to the ruble's depreciation and to a run on dollars in Manchuria, Witte assigned the bank to oversee the minting of the so-called Jilin dollars.[36] The Jilin dollars were not the Chinese dollar currency issued by the Russo-Chinese Bank, but a coin minted, for a commission, by the Chinese local government of Jilin province in Manchuria, with silver supplied by the Russian Treasury. The purpose of minting these dollars was to facilitate the ruble's conversion into a local currency upon demand.[37]

Thus the ruble's "victory" over the local dollar currencies in 1902 was hard-won. The ruble was submitted to the same system of valuation applied to Chinese currencies—through calibrating their exchangeability—and its victory depended on the Russian Treasury's funds for ensuring the ruble's convertibility. The victory was also precarious, as the Russo-Japanese War showed. A few days after Japan declared war on Russia in February 1904, the ruble's exchange rate dropped 25 percent against the Jilin dollar and another local provincial currency, the Fengtian dollar.[38] To prevent the ruble's further fall, and perhaps "even improve" its exchange rate, CER Director Dmitri L. Khorvat convinced the company's board to grant his urgent request for 2,000 puds (72,220 lbs) of silver, the equivalent of 1.3m rubles, so that the provincial dollars could be minted to guarantee the "free exchange of rubles into dollars." A year later, in February 1905, the Finance Ministry announced the dispatch of 34,000 puds of silver to Manchuria for the minting of 22m Jilin dollars, after having just sent 6,000 puds.[39] If the price of silver was similar to that in 1904, these 40,000 puds (close to 1.5m lbs) would have cost the treasury about 26m rubles. Very likely, more shipments of silver were made, since there were other moments during the war that might well have undermined the ruble, including the devastating Russian defeat at Tsushima in May 1905.

[33]Ibid., d. 1110, l. 53ob.
[34]Ibid., ll. 53, 56–56ob.
[35]Ibid., ll. 58, 115.
[36]*KVzhd Istoricheskii Ocherk*, 19, 21.
[37]RGIA, f. 323, op. 1, d. 1110, ll. 136, 137.
[38]The Fengtian dollar was a currency issued by the provincial government of Fengtian, like Jilin a province in Manchuria.
[39]RGIA, f. 323, op. 1, d. 1110, ll. 158, 160–61, 174.

The Russian state's strategy of infusing large sums of money into Manchuria began not with the Russo-Japanese War, but at the inception of the CER project. Before the war, the CER had already incurred an annual deficit of 40m rubles, according to War Minister A. N. Kuropatkin.[40] After the war, the treasury continued its massive subsidies of the railroad and its ancillary projects, prompting critics to ask, "Where did [the railroad's] millions go?"[41] Others wondered whether maintaining the CER and a Russian presence in Manchuria was worth the trouble.[42] Supporters of the Manchurian venture, however, stressed what Witte called the "future potential" of the region. Witte envisioned that the CER's administrative center, Harbin, would grow into a "large Russian city in the very heart of Manchuria," which "will have an extraordinary significance for consolidating our economic, and with that our political predominance in this region."[43] An account published about a decade later by a prominent resident of this railroad city, P. S. Tishenko, justified Witte's hopes: "laid across the wilderness of Northern Manchuria," the railroad gave rise to "towns with commercial and industrial enterprises" and "enlivened" the most important "water artery" of the region, the Sungari River. "Everywhere was teeming with life," and "everything promised a grandiose scale of activity." The railroad itself, Tishenko continued, after having returned to a "fully satisfactory" level of commercial activity following the Russo-Japanese War, was by 1907 ready to transport Harbin's flour and Mongolia's meat to the Russian frontier territory of the Priamur—to "push out" American flour and Australian meat.[44] Another vindication of the Manchurian project came from Z. V. Slauta, a member of the Society of Russian Orientalists based in Harbin. Since 1908, Slauta noted in a report to the society, North Manchuria had become a major exporter of soybeans; by 1911 the volume of this export had grown three and a half times—from 7.4m to almost 27m puds (almost half a million tons)—while the region's grain trade in general, both for export and local sale, had increased "in a colossal manner" by 1912.[45]

Delivered in 1913, Slauta's report focused not on the grain trade itself, but on the severe monetary crisis in North Manchuria that was brought on partly by the rapid growth of grain export. Slauta investigated the recent depreciation of the Chinese currency used for this trade, the diao, which he called the "native (*tuzemnye*) credit bills." Taking its name from chokhi that were strung together to form a larger denomination of the coin, the diao was a silver-backed paper money issued by the Chinese provincial governments in Manchuria. The grain bought by Russian exporters was largely paid for in diao. Hardly reaching beyond the concession zone of the CER, according to Slauta, the ruble's circulation

[40]As cited in Andrew Malozemoff, *Russians Far Eastern Policy 1881–1904: With Special Emphasis on the Causes of the Russo-Japanese War* (Berkeley, 1958), 188–89. According to Malozemoff, the empire's total budget for 1903 was 1,296m rubles.

[41]St. Kharbinskii. *Chto takoe Kitaiskaia Vostochnaia zh. d. i kuda idut eia milliony?* (St. Petersburg, 1908).

[42]See, for example, S. D. Merkulov, "Vozmozhnyia sud'by Russkoi Torgovli na Dal'nem Vostoke," in *Trudy Obshchestva dlia sodeistviia Russkoi promyshlennosti i torgovle*, pt. 27 (St. Petersburg, 1904),

[43]Witte, cited in B. B. Glinskii, ed., *Prolog russko-iaponskoi voiny: Materialy iz arkhiva Grafa S. Iu. Vitte*, (Petrograd, 1916), 226–27, 232-33.

[44]P. S. Tishenko, *Kitaiskaia Vostochnaia zheleznaia doroga, 1903–1913gg* (Harbin, 1914), 78, 95–96.

[45]Z. V. Slauta, "Doklad deistvitel'nago chlena Obshchestva Russkikh Orientalistov Z. V. Slauta," in RGIA, f. 323, op. 1, d. 1110, ll. 218, 219ob. Between 1907 and 1912, according to Slauta, grain trade in the two provinces of North Manchuria, Heiliongjiang and Jilin, grew from 15m to over 50m puds.

was not helped by the grain trade, which worked toward expanding the use of the diao, as Russian exporters readily spent vast sums buying up the diao in advance of each harvest. Suggesting the greater significance of the diao in the region relative to the ruble, Slauta asserted that the diao's sharp drop in value inflicted heavy losses not only on Chinese grain sellers but also on Russian exporters, who invested heavily in this money.[46] Seeking a solution to the diao crisis that would favor the ruble, Slauta's report in fact also showed the extent to which the reach of the ruble in Manchuria was still limited and uncertain.

CIVIL WAR RUBLES IN MANCHURIA

The ruble's status improved substantially after the outbreak of World War I, when Manchuria became a major supplier to the Russian Empire. The CER's revenue increased as businessmen and war profiteers converged on the region, and in 1916, Harbin enjoyed its most prosperous year on record. The high volume of wartime procurement created a spike in the demand for rubles. Despite an empire-wide prohibition against exporting rubles, North Manchuria, and Harbin in particular, became an "embrasure" through which rubles flowed out of Russia.[47] According to A. I. Pogrebetskii, a banking specialist active in the Russian Far East and Harbin, money transfers "poured into Harbin" through the city's Russian banks. The rubles released by the transfers were quickly "swept off the market" by money-changers, many of them Chinese, and sold in Fujiadian, the Chinese town adjacent to Harbin, or further south toward China proper. Apart from the transfers, the region received additional rubles through the imperial government's subsidies to the region. The last such subsidy was 10m gold rubles in redeemable banknotes, sent from Petrograd in 1917. By the time these rubles reached Harbin, they were referred to as "romanovs," since the imperial regime had ceased to exist. This sum, Pogrebetskii noted, was "very insignificant" for meeting demand in Manchuria, given that the rubles absorbed daily by Fujiadian amounted to 2 million by June 1917.[48]

The escalating demand for rubles resulted, paradoxically, in both the currency's shortage and its falling exchange rate. If the ruble shortage could be explained by increased demand, its depreciation ran counter to this rise in demand. Pogrebetskii attributed the ruble's dropping rate to war, revolution, and Japanese manipulation, which worked together to bring down the ruble from near parity with the yen before 1917 to nine rubles for one yen by the end of that year.[49] Although at first not causally related, it is possible that shortage and depreciation, once they began to occur together, became locked in a causal cycle. The ruble's depreciation exacerbated the shortage because it prompted many to hold on to their rubles rather than sell them at an undesirable exchange rate. Such hoarding, in turn, made the ruble impractical to use, which in turn might have aggravated its depreciation, and so on in a self-feeding spiral. Harbin's Russian-run Stock Exchange accused foreign banks in

[46]Ibid., ll. 216, 219–219ob.

[47]A. I. Pogrebetskii, *Denezhnoe obrashchenie i denezhnye znaki Dal'nego Vostoka za period Voiny i Revoliutsii (1914–1924)* (Harbin, 1924), 316; R. K. I. Quested, *"Matey" Imperialists? The Tsarist Russians in Manchuria 1895–1917* (Hong Kong, 1982), 289.

[48]Pogrebetskii, *Denezhnoe obrashchenie*, vii, x, 314–16.

[49]Pogrebetskii, *Denezhnoe obrashchenie*, 314–16.

the city of worsening the situation by sweeping up rubles as well.[50] A CER survey of North Manchuria, published in 1924, named "Chinese merchants" as the major buyers of rubles—who "even now continue to hold large numbers of Russian credit roubles, hoping that sooner or later the time will come when these roubles will be exchanged for a more stable currency."[51]

The shortage of "romanovs," and later of the "kerensky" rubles issued by the Provisional Government, was followed by the proliferation of local ruble "surrogates," especially after the Bolshevik coup and the onset of Civil War cut Manchuria off from what Pogrebetskii called "reinforcement from the center." "Surrogates" were printed by local businesses and associations to enable common everyday transactions. Among them the most important were the ruble vouchers (*bony*) jointly issued by the CER and the Russo-Asiatic Bank, which were as carefully minted as well-established government banknotes. Nicknamed "khorvat bills" (*khorvatovki*) after the director of the railroad, these ruble surrogates were released in late 1918, and mostly withdrawn by early 1920, after having achieved their purpose of briefly increasing the supply of rubles.[52] The new ruble notes turning up in Manchuria also included treasury notes minted by Russian Civil War-era governments in Siberia and the Russian Far East. The most common of these notes were the "siberians" (*sibirskie*) of the Provisional All-Russian Government in Omsk, headed by Admiral A. V. Kolchak, and the Primorskii rubles of the Provisional Government of the Far East based in Vladivostok, a successor to the Omsk regime after Kolchak's fall.[53] Until all ruble currencies fell out of use in the spring of 1920, the "romanovs" had the highest value of these various banknotes, and the "kerenskys" were nearly as coveted.[54]

Called a "wartime" currency by a CER financial report, "siberians" were not backed by a reserve and suffered from excessive issue; they depreciated rapidly even before the Omsk government fell at the end of 1919.[55] Their exchange rate against the yen dropped from 12:1 in early 1919 to 100,000:1 in 1923.[56] Still less popular than the "siberians" were the Primorskii rubles, which appeared in Manchuria after the fall of Omsk. The Vladivostok government's directive to Manchuria's Russian banks that they rewrite in Primorskii rubles the "siberians" held in their depositors' accounts, at the rate of 1 Primorskii ruble to 200 "siberians," was widely challenged by the banks' Chinese, Japanese, and English clients.[57] The Russian-sponsored *Yuandongbao* (The Far Eastern paper), which likely expressed some Russians' views, criticized the Vladivostok government's effort to enact a "currency reform"

[50]The 1917 report of the Harbin Stock Exchange Committee, cited by Pogrebetskii, *Denezhnoe obrashchenie*, 318.

[51]*North Manchuria and the CER*, 325.

[52]Pogrebetskii, *Denezhnoe obrashchenie*, 314–16, 323–26, 336, 340–41.

[53]J. D. Smele, "White Gold: The Imperial Russian Gold Reserve in the Anti-Bolshevik East, 1918–? (An Unconcluded Chapter in the History of the Russian Civil War)," *Europe-Asia Studies* 46:8 (1994): 1322; Smele, *Civil War In Siberia: The Anti-Bolshevik Government of Admiral Kolchak, 1918–1920* (Cambridge, England, 1996), 105, 107; Pogrebetskii, *Denezhnoe obrashchenie*, 23–24, 342, 346. The "siberians" also were called "sib notes" (*sibznaki*).

[54]Pogrebetskii, *Denezhnoe obrashchenie*, 319, 321–23.

[55]Ibid., 333; Smele, "White Gold ," 1322. Despite coming into possession of a large portion of the imperial government's gold bullions, Kolchak "refused to touch the gold reserve," according to Smele.

[56]Pogrebetskii, *Denezhnoe obrashchenie*, 329, 355.

[57]Ibid., 342, 345–46.

in the CER concession. The paper questioned the government's "credibility" and, implicitly, its authority to dictate the value of money unilaterally, pointing out that, apart from providing no reserve fund for the newly created ruble, the Vladivostok government had not yet been recognized by other countries and was unable to "unify the Far East." Linking political authority back to monetary credibility, the paper asserted that the Vladivostok government's inability to enforce its exchange-rate mandate showed that its "plan" to extend its political influence to the concession zone territory would likewise be just a "bubble."[58] Another voice resisting the Vladivostok directive came from a depositor of Chinese citizenship who threatened to bring a suit against the Russian bank with which he dealt: "if [Vladivostok's monetary reform] law should be the reason for the damage of my interest, then the bank, as the holder of my money, will be held responsible toward me by the law of the Chinese Republic." The Chinese depositor, like *Yuandongbao*, questioned the legitimacy of applying to Manchuria a monetary reform authorized by a "so-called law ... issued by [an entity] in Vladivostok calling itself the provisional Primorskii government, which has not yet been recognized by any of the powers."[59]

The ruble crisis in 1917 sparked severe inflation in the CER concession zone, inflicting hardship on many Russians and "destroy[ing] the general flow of life" there. As the crisis endured, it also hindered the continued circulation of the ruble in North Manchuria, leading the CER and the Russo-Asiatic Bank to fear that the ruble would soon be "pushed out [of Manchuria] by other local currencies," especially the Japanese yen.[60] To save the ruble, the CER and other Russian business and administrative institutions in the concession zone attempted to raise the value of the ruble by fiat, using the railroad itself as a lever.

The CER, the Russo-Asiatic Bank, the Harbin Stock Exchange, and other Russian institutions actively promoted the use of the Siberian ruble when it was issued in early 1919. In April, the Harbin Stock Exchange set the conversion rate of "siberians" to Japanese yen at 11 rubles, 96 kopeks, close to those quoted for the "romanovs" (9:1) and "kerenskys" (10.64:1). Khorvat ordered the CER cashier to accept "siberians" at par with the "romanovs" and the "kerenskys," scoring a "significant public victory" for the Siberian currency, according to Pogrebetskii. Russian banks in North Manchuria soon followed in assisting this effort by using the Siberian money in their transactions.[61] In May, the railroad concession's military commander, General Pleshkov, announced a new regulation requiring the acceptance of "siberians" at their nominal value by "all Russian citizens" in the concession, making violation punishable by fines or imprisonment.[62]

This "intervention by the administrative authorities"—Pogrebetskii's description for setting the ruble's value by fiat, or by what Poovey's writers would call an "extrinsical" value—failed to prop up the "siberian."[63] In October, six months after declaring its

[58]"Habu biangeng lubu yi wanquan shibai yi" (Harbin's ruble reform has completely failed), *Yuandong bao* (1920.7.10), in *Haerbin Shizhi:* Yuandongbao *Zhaibian*, vol. 12 (Harbin, 1984), 38. For *Yuandong bao*'s purpose in serving Russian interest, as intended by its founders and editor, see Wolff, *To the Harbin Station*, 160–61.

[59]As cited by Pogrebetskii, *Denezhnoe obrashchenie*, 346.

[60]Pogrebetskii, *Denezhnoe obrashchenie*, 318, 320; Quested, *"Matey" Imperialists*, 291.

[61]Pogrebetskii, *Denezhnoe obrashchenie*, 323, 330.

[62]Ibid., 330.

[63]Ibid.

acceptance of the Siberian notes, the railroad reversed its decision. This reversal made clear that the support of Russians in Manchuria for the Omsk currency was not unconditional, or, as Poovey might say, had not yet been "naturalized." Faced with the choice of upholding something like a "Russian idea" represented by the Siberian ruble, or preserving the "citizenship" of the rubles that were still viable in the region, Manchuria's Russians opted for the latter.

The selection of the Siberian ruble as the railroad concession's fiat money was based on what Simmel would call its "color"—that is, the qualitative aspects of the money that still exerted an effect on its reception. Explaining the railroad's initial allegiance to the "siberian," the CER Board's August 1919 financial report stated that, "in our eyes," the Siberian ruble stood for "the political and economic future of Russia" and the "idea of an indivisible, great Russia." But the railroad's priority had to be to "provide itself a stable currency," and the "siberian" could not be such a currency: despite embodying an "internal virtue" for Russians, which for them was conferred by the idea of a great Russia, these notes did not acquire a similarly "inalienable internal virtue in the eyes of the natives (*inorodtsy*) and foreigners" in the region. The report attributed the Siberian ruble's lack of "inalienable virtue" in foreign eyes to two factors. One factor was monetary: the "siberians" were not meant for exchange. They were a "wartime" currency "intended for satisfying primarily military needs," and one that "hardly crosses the border [into the realm] of cash exchange for goods and services." The other factor was geographical: the "Far East"—meaning the Russian Far East and Manchuria, in whose "free market" the Siberian ruble must compete—was "tightly bound" to neighboring countries. The Siberian notes were, in short, a currency whose use was restricted to Omsk, and whose convertibility to other currencies in the region—what ought to be its "inalienable virtue"—was limited. Finding these rubles' rejection by the public so extensive that in the CER concession itself "siberians" had "completely lost [their] right of citizenship (*pravo grazhdanstva*)," the report saw no "realistic bases for expecting that our Siberian notes could win over ... many rights of citizenship in the Far East." Finally, suggesting its recognition that a money's value depended on trade and exchange, not administrative measures, the report worried that continuing to support the "siberians" would end with dragging down the "romanovs" and the "kerenskys": "following closely behind [the "siberians"], the old credit bills too will inevitably leave the stage" of the Manchurian market.[64]

The CER's Order No. 212, issued in October 1919 to announce the railroad's rejection of "siberians," can be seen as an effort to keep the ruble on this "stage" by removing the siberians from the concession zone. Jointly formulated by the CER, the Russo-Asiatic Bank, and the Russian envoy to Beijing appointed by the former imperial government, Order No. 212 was justified as a necessary response to the Siberian ruble's plunging exchange rate and the "refusal of the native population" to take the Siberian notes.[65] The order can also be read as renewed acknowledgement of the forces of "supply and demand" by which monetary value in China was set. In Manchuria, these forces came close to approximating

[64]Ibid., 332–33, quoting R. M. Zarin, "Den. znaki v polose otchuzhdeniia K. V. zh. d. i na D. Vostoke voobshche."

[65]Pogrebetskii, *Denezhnoe obrashchenie*, 333–34.

a monetary plebiscite against the Siberian notes, voiced by a broad public that included workers, contractors, and employees to whom the CER owed payment.

The next attempt to fix the value of a ruble currency was the Primorskii "currency reform," mentioned before. Russian banks in Manchuria at first sided with this "reform," announced in early June 1920, which consisted of revaluing within a two-to-three-week timeframe the Siberian rubles in the banks' deposit accounts as Primorskii rubles, at the ratio of 200:1.[66] But by late June, faced with the persistent and public outcry of their depositors and other ruble users, these banks were compelled to concede to a monetary plebiscite similar to the one faced by the CER in relation to the "siberians." The banks' backing away from the "automatic recalculation" of Siberian rubles contributed significantly to the "failure" of Vladivostok's currency measure, according to one of Harbin's Russian-language newspapers, and, according to another, amounted to "reduc[ing] the reform to null."[67] Despite the criticism directed at the reform's opponents by the Russian press, news of the sinking value of the Primorskii currency in Primor'e itself—arriving in Harbin "with every train, [every] passenger"—convinced many of Harbin's Russians that they were right to reject the reform.[68] In its report for 1920, the Stock Exchange Committee considered its "caution" regarding the Primorskii reform "completely justified." The report noted that since the currency never gained acceptance by the population in Primor'e, neither for accounting nor for payment, "the Vladivostok money soon left the scene even in Vladivostok itself."[69] The Vladivostok government was dissolved in December 1920, but its ruble, like the Siberian notes, "left the scene" of currency circulation before the government that issued it ceased to exist.[70] The Primorskii ruble's collapse was perhaps hastened by many of Manchuria's Russians who, despite political sympathies favoring Vladivostok, could not give their support to a paper currency that could neither be converted to specie, nor exchanged for other currencies.

RESCUING THE RUBLE: A LAST TRY

Following Omsk's fall, and shortly before the Vladivostok government attempted to extend its authority to North Manchuria through currency reform, the Chinese republican government, established in 1911, began a campaign to "recover" Chinese sovereignty by asserting the republic's military and administrative control over the CER concession. The official start of this campaign was marked by the abolition of the CER concession zone and the declaration of Chinese jurisdiction over the former concession, now renamed the Special Administrative Region of the Three Eastern Provinces (SAR).[71] Administratively a part of the Three Eastern Provinces—the Chinese name for Manchuria, which consisted of Fengtian,

[66]Ibid., 342–43.

[67]Ibid., 353, quoting *Novosti Zhizni*, July 2, 1920; and *Russkii golos*, July 7, 1920.

[68]Pogrebetskii, *Denezhnoe obrashchenie*, 349.

[69]Ibid., 344, quoting the report of the Harbin Stock Exchange Committee for 1920.

[70]Pogrebetskii, *Denezhnoe obrashchenie*, 24.

[71]Blaine R. Chiasson, *Administering the Colonizer: Manchuria's Russians under Chinese Rule, 1918–1929* (Vancouver, 2010), 48–50; Chia Yin Hsu, "Railroad Technocracy, Extraterritoriality, and Imperial *Lieux de Mémoire* in Russian Émigrés' Manchuria, 1920–1930s," *Ab Imperio* 4/2011 (2011): 69–70.

Jilin, and Heilongjiang provinces—the SAR came under the authority of the governor general of the Three Provinces, Zhang Zuolin, who was nominally subordinated to the central government of the Chinese republic based in Beijing.[72] Stretched across Jilin and Heilongjiang provinces, the SAR was overseen by Bao Guiqing, a supporter of Zhang Zuolin.[73] As Jilin's military governor, commander of a newly formed Chinese CER railway guard, and president of the new CER Board—restructured after Khorvat's forced resignation as the railway's director in early 1920—Bao Guiqing spearheaded the sovereignty recovery campaign.[74]

Aimed at removing Russian administrative and legal institutions from the SAR, the campaign ranged from reorganizing the CER in order to eliminate the railroad's previous function as a quasi-government, to installing a new Chinese-run court system that would help bring the former concession zone under Chinese jurisdiction.[75] In monetary matters, however, Chinese sovereignty claims did not at this time point to the replacement of ruble currencies by a Chinese currency. Many Chinese in the SAR had already given up using the ruble, however. For instance, in January 1920 the Chinese Chamber of Commerce in Harbin directed its members to abandon the ruble and adopt the Chinese silver dollars minted in China proper for payment and accounting. Encouraging the shift to a Chinese currency, the growing use of a recently strengthened Fengtian-issued silver dollar banknote made this currency also a possible alternative to the ruble.[76] Moving contrary to this trend, Bao acted to bolster the ruble by ordering the acceptance and, in addition, the equal valuation of "romanovs" and "kerenskys."

Bao Guiqing issued this order in April 1920 to discourage speculation on Russian banknotes and thereby, perhaps, stabilize the value of the ruble notes still in use. To rein in speculation by preventing premiums from being placed on the ruble notes based on their physical condition, the order required that both types of bills be accepted "regardless of the degree of wear." The order promised to punish "without mitigation" those found "guilty of continued selectiveness against the [romanov and kerensky] bills."[77] Bao Guiqing also sought to promote these rubles' circulation outside the SAR, recommending to the officials of Fengtian and Heilongjiang provinces that they "undertake all measures for the old [romanov and kerensky] banknotes to receive the full right of citizenship there."[78]

Meant to strengthen the "romanovs" and "kerenskys," Bao Guiqing's decree "proved to have the opposite effect," observed the Harbin Stock Exchange Committee, for it "not only did not improve the position of the Russian banknotes, but led to the complete refusal of the [concession zone's] population to accept these bills."[79] The decree encouraged rather

[72]Ronald Suleski, *Civil Government in Warlord China: Tradition, Modernization and Manchuria* (New York, 2002), 6–7.

[73]James H. Carter, *Creating a Chinese Harbin: Nationalism in an International City 1916–1932* (Ithaca, 2002), 71 n.14, 94; Sow-Theng Leong, *Sino-Soviet Diplomatic Relations, 1917–1926* (Honolulu, 1976), 24.

[74]Carter, *Creating a Chinese Harbin*, 94–95; Leong, *Sino-Soviet Diplomatic Relations*, 95–103.

[75]See Hsu, "Railroad Technocracy," 69–72.

[76]On the unit of account chosen by Harbin's chamber of commerce, see "Lun Manzhou zhi caizheng" (Commentary on Manchuria's finance), *Yuandong bao*, January 16, 1920, in *Haerbin Shizhi*, 5. On the Fengtian dollar see Suleski, *Civil Government in Warlord China*, 39, 46–49.

[77]Pogrebetskii, *Denezhnoe obrashchenie*, 360, quoting Bao Guiqing's order of April 17.

[78]Ibid.

[79]Ibid., 361, quoting the report of the Harbin Stock Exchange Committee of 1920.

than stemmed speculation, another Russian report observed, for "an immense quantity of torn credit bills" poured into Harbin's currency market shortly before the decree went into effect, prompting "money changers, Chinese and Japanese," to set vastly divergent rates for new and old bills in violation of the decree.[80] In effect, Bao's command worked to persuade the general population, whether Chinese, Japanese, or Russian, to reject all ruble notes, so as to avoid incurring losses due to shifting premiums. Mass arrests resulted, according to a Harbin paper, as "petty traders of vegetables and produce stubbornly refused by every means to take either the romanovs or [other Russian] bills, demanding payment in yen." Moreover, the same paper noted, an inflation "of an unseen scale" in the ruble price of goods took hold within days after the decree was enacted, as small shopkeepers and large store owners sought to make up for the losses expected from being forced to take old, lesser-valued bills by raising prices in "crazy leaps."[81]

These responses to the decree, as the Harbin Stock-Exchange Committee saw it, made ruble notes unusable for commercial transactions. In the same month the decree was issued, the committee asserted, "the Russian ruble itself turned into worthless paper, and ... trade in commodities ceased to be carried out with Russian paper rubles."[82] By early May, *Yuandongbao* noticed that Japanese and Chinese shops had turned to using the yen and the Chinese silver dollars, called dayang, and that the CER itself paid its mostly Chinese day laborers and temporary workers half in dayang, half in Russian bills. The Russian notes being "waste paper," the newspaper remarked, railway work was often held up by laborers unwilling to accept wages paid in rubles.[83]

The April decree having turned out to be a debacle, the CER under Bao Guiqing issued a new order announcing its acceptance of three types of Chinese silver dollar coins—the "Yuan Shikai," named after the first president of the Chinese republic; the late-Qing "dragon dollar" bearing Manchurian inscription; and a Hong Kong coin stamped with the image of "a woman holding a shield."[84] By declaring that coins and paper bills of a lower exchange rate than these "cash dollars" (*xianyang*) would be rejected, the new order also opened the way for replacing the ruble by a Chinese dollar as the dominant currency of the SAR. Despite efforts by Japanese officials and Japanese businesses to force down the value of Chinese dollars, and despite the lack of uniformity in the Chinese dollar currency that contemporary commentators saw as a serious hindrance to its circulation, the dayang did become the principle currency the CER used for receiving and making payments.[85] The gold ruble, having disappeared from the currency market, remained what Frank H. H. King would call an "imaginary" currency—as the unit of account of the CER.[86] But by the end of 1923 the gold ruble had lost that function as well, when the CER ceased to refer to the ruble

[80]Ibid., 361, quoting the telegraph agency "Rusta" report from Harbin of April 20, 1920.

[81]Ibid., quoting *Novosti zhizni*, April 24, 1920.

[82]Ibid., quoting the Harbin Stock Exchange Committee report of 1920.

[83]"Lubu shijia yuqu yuxia" (The ruble's market price heading increasingly downward), *Yuandong bao*, May 5, 1920, in *Haerbin Shizhi*, 35.

[84]"Zhongdong lu yiqiliu hao mingling" (Decree No. 176 of the Chinese Eastern Railway), *Yuandong bao*, May 13, 1920, in *Haerbin Shizhi*, 35; *North Manchuria and the CER*, 327.

[85]See Suleski, *Civil Government in Warlord China*, 42–44; *North Manchuria and the CER*, 327; and Pogrebetskii, *Denezhnoe obrashchenie*, 373.

[86]Frank H. H. King, *Money and Monetary Policy in China 1845–1895* (Cambridge, MA, 1965), 29, 82.

as its accounting unit. Thereafter, the gold ruble became merely a commodity whose value was established by the gold content in the coin and the price of gold—that is, by what in modern monetary terms would be called the coin's "intrinsic value."[87] In Simmel's terms, the coin's return to being attached to an intrinsic quality meant it ceased to be colorless, and thus also ceased to be money. The ruble, no longer a money, was now entirely defined by its materiality. The reversion of the gold ruble from currency to commodity finally spelled the end of a central aspect of the imperial regime's hold over North Manchuria, five years after the Russian Revolution, and one year after the consolidation of Bolshevik power in the Russian Far East.

THE SOVIET CHERVONETS AND CHINESE SOVEREIGNTY

In the Russian Far East, the conclusion of the Civil War in November 1922 followed the withdrawal of the Japanese intervention troops, the "'de facto masters' of Primor'e," and the fall of the last of the Japanese-supported anti-Bolshevik regimes in Vladivostok. This in turn was followed by the dissolution of the Soviet buffer state of the Far Eastern Republic (FER).[88] Along with the absorption into Soviet Russia of the Russian Far Eastern territories of Primor'e, Priamur'e, and Zabaikal'e came discussions of the "economic reunification of the Far East with the rest of the Soviet Russia" and the "unification of the currency system" in the region.[89] During the Civil War, the currencies used in the Russian Far East were marked by their "muddle and motley-ness" (*putanitsa i pestrota*), according to a 1924 study by K. P. Kursel' and A. A. Lukasiuk: "Romanovs," "kerenskys," "siberians," vouchers of local issue, and credit notes of the FER circulated simultaneously.[90]

The Soviet government's attempt to replace these currencies with a new Soviet ruble currency, the chervonets, proved effective. In the context of the Russian Far East, the chervonets amounted to a fiat money because of the currency's de facto non-convertibility to specie, its limited exchangeability to another currency, and its eventual dominance. But the success of this Soviet currency "unification" reform was accomplished through both submitting the chervonets to what market forces there was in the Russian Far East, and the careful manipulation of these forces to ensconce the new Soviet ruble. Soviet efforts to introduce the chervonets to Manchuria, by contrast, were countered by persistent Chinese opposition. Chinese objections to the chervonets highlighted not only the confrontation between "intrinsical" and "extrinsical" modes of valuation, but also a change in Chinese thinking toward favoring valuation by fiat, expressed in the form of a currency nationalism that attached to the value of money the idea of national dignity.

[87]Arthur Z. Arnold, *Banks, Credit, and Money in Soviet Russia* (New York, 1937), 176.

[88]Leong, *Sino-Soviet Diplomatic Relations*, 215–16, 220; Pogrebetskii, *Denezhnoe obrashchenie*, 24; John J. Stephan, *The Russian Far East: A History* (Stanford, 1994), 149, 153–54. This Vladivostok regime was the "Primorskii Krai" government led by M. K. Diterikhs as its "Supreme Ruler," not the Provisional Government of the Far East that issued the Primorskii rubles, which was absorbed into the FER in December 1920.

[89]K. P. Kursel' and A. A. Lukasiuk, *Denezhnoe obrashchenie na russkom Dal'nem Vostoke s 1918 po 1924 god.* (Chita, 1924), 17, 26. On the administrative division of the Russian Far East see Stephan, *Russian Far East*, 55–58; and Kimitaka Matsuzato, "The Creation of the Priamur Governor-Generalship in 1884 and the Reconfiguration of Asiatic Russia," *Russian Review* 71 (July 2012): 365–90.

[90]Stephan, *Russian Far East*, 148; Kursel' and Lukasiuk, *Denezhnoe obrashchenie*, 4.

The founding of the FER in May 1920 divided the Russian Far East roughly into two parts: the territories controlled by the pro-Bolshevik republic, and southern Primor'e, governed from Vladivostok.[91] In the FER, the so-called "buffer notes" (*bufferki*) issued by the republic were used along with "Soviet bills" (*sovznaki*), the treasury notes of the Bolshevik regime.[92] As in Manchuria, Russian paper currencies in both the FER and Primor'e had become worthless by the end of 1920. In response to the "collapse" of paper rubles, the FER government permitted the circulation of the imperial gold, silver, and copper coins. The legalization of the imperial ruble cash coin did not reestablished the metal coins as a currency, however, since the coins were not recognized according to their nominal value, but according to the value of their metal content, calculated in relation to the market price of gold. The coins were thus treated as a type of "commodity coin." Unlike the gold and silver rubles in Manchuria, which fell out of use, these cash coins—in particular the originally subsidiary silver ruble, due to the scarcity of the gold—became the main "instrument of circulation" in the FER.[93]

In Primor'e, thanks in part to the presence of Allied troops, foreign currencies were used far more than Russian paper notes, and the most commonly used currency was the Japanese yen note issued by the Bank of Chosen.[94] By mid-1921, according to Kursel' and Lukasiuk, "the yen had so acclimated to Primor'e" that it acted like a "local 'russified' currency, performing all the functions inherent to a national currency": it served as legal tender, and as both the measure and the storer of value. An early attempt in late 1922 to "Sovietize" Primor'e by banning the yen was unsuccessful.[95] Even "a major economic unit" such as the Ussuri Railway, the region's main line, was unable to follow this order, and the town of Nikolaevsk-on-Amur, at the northern tip of southern Primor'e, was "paralyzed" because its Russian, Korean, and Chinese inhabitants had no other kind of money.[96]

Deciding against installing Soviet money by command, and making what Kursel' and Lukasiuk described as an "extremely substantial retreat," Soviet officials in Moscow shifted away from "compulsory unification" and the "mechanical" imposition of the sovznak in favor of a "careful and methodical (*planomernoe*) implementation of unification." The result was a "compromise solution"—the currency decree of August 1923, announced at the center by the Central Committee of the Soviets (VTsIK) and the Council of People's Commissars (Sovnarkom), and confirmed in September by the Far Eastern Revolutionary Committee (Dal'revkom).[97] The decree called for the circulation of the sovznak along with the new ten-gold-ruble banknote released by the Soviet State Bank (Gosbank), the chervonets,

[91]Stephan, *Russian Far East*, 147.

[92]Kursel' and Lukasiuk, *Denezhnoe obrashchenie*, 7–8; Arnold, *Banks, Credit, and Money*, 78, 155; Alexis Goldenweiser, "Banking and Currency Reform in Russia," *Journal of Political Economy* 33 (April 1925): 237.

[93]Kursel' and Lukasiuk, *Denezhnoe obrashchenie*, 9, 11–13, 20.

[94]Ibid, 16; Stephan, *Russian Far East*, 128.

[95]Kursel' and Lukasiuk, *Denezhnoe obrashchenie*, 16–17, 26, 29.

[96]Ibid., 29–30; Stephan, *Russian Far East*, 142–44.

[97]Kursel' and Lukasiuk, *Denezhnoe obrashchenie*, 27–29.

while also permitting the continued use of the gold and silver ruble coins legalized by the now defunct FER.[98]

Created by the currency reform that began with NEP, the chervonets was guaranteed by a reserve fund, unlike the sovznak and other equally unsecured ruble paper notes permitted by the Soviet government after October 1917.[99] In European Russia, the chervonets circulated with the sovznak, comprising a system of "parallel currencies" that lasted nearly two years, until the withdrawal of the sovznak in June 1924.[100] The "parallel" system allowed the financial specialists at Gosbank and the People's Commissariat of Finance (Narkomfin) to conduct market interventions aimed at building up the value of the chervonets—such as letting commodity prices inflate against the sovznak, but not the chervonets, thereby maintaining the new ruble at a high foreign exchange rate. These interventions were costly; in early 1924, for example, Gosbank's deliberate sale of massive amounts of gold rubles and foreign currencies, to depress their exchange rate, exhausted almost one-third of the bank's net reserves.[101] But by the time the currency reform ended with the removal of the sovznak in mid-1924, Gosbank and Narkomfin had succeeded in establishing the chervonets as a "hard currency" carrying a stable exchange rate.[102]

Translated to the Soviet Far East, this currency reform began with requiring state and state-controlled organizations and businesses to adopt the chervonets, without prohibiting the circulation of the metal ruble coins, as currency policies did in European Russia and Siberia. The August 1923 decree forbade "state, cooperative, and communal" institutions and enterprises from using foreign currencies and required them to accept the chervonets as payment of taxes, fees, duties, and other monetary obligations due them. It also strengthened the value of chervonets relative to the silver ruble coin—by ordering the acceptance of chervonets at their nominal value, and that of the silver rubles according to an exchange rate set by the government. The next decree, issued in November 1923 by the VTsIK and Sovnarkom, instructed Gosbank to convert into chervontsy any sovznaki held by private persons and organizations, and directed the Narkomfin to provide credits and allocations only in chervontsy. In February 1924, marking a critical step toward establishing the chervonets as the official currency of the Far Eastern Oblast, the Dal'revkom set the "gold (chervonets) ruble" as the oblast's unit of account, and mandated that all accounting and valuation of commodities be conducted "exclusively in gold (chervonets) rubles."[103]

These regulations and decrees did not compel private persons and enterprises to use the chervonets. But apart from regulatory measures, Soviet endeavors included increasing

[98]Ibid., 26, 29; Goldenweiser, "Banking and Currency Reform," 237–38.

[99]Goldenweiser, "Banking and Currency Reform," 237–38; Arnold, *Banks, Credit, and Money*, 78, 147. The reserve was comprised of 25 percent metals and foreign currencies and 75 percent market commodities and liquid assets.

[100]Goldenweiser, "Banking and Currency Reform," 238; Yurii Goland, "Currency Regulation in the NEP Period," *Europe-Asia Studies* 46:8 (1994): 1253; Pierre L. Siklos, "Tales of Parallel Currencies: The Early Soviet Experience," in *Internation Monetary Systems in Historical Perspective*, ed. Jaime Reis (London, 1995), 231. Arnold called this a "bipaper" system (*Banks, Credit, and Money*, 175–76).

[101]This sum was 37.7m gold rubles, at a time when Gosbank's net reserve in gold and foreign currencies was around 130–140m rubles (Goland, "Currency Regulation," 1255).

[102]Ibid., 1252–55; Goldenweiser, "Banking and Currency Reform," 238, 241.

[103]Kursel' and Lukasiuk, *Denezhnoe obrashchenie*, 40, 43, 45, 46.

the flow of Soviet manufactured goods to the region, in order to promote the use of the currency by building up commercial ties, and to demonstrate its "purchasing power" through the pricing of the goods. These endeavors also involved monitoring and dictating the exchange rate between the chervonets and silver rubles and guaranteeing that the chervonets could indeed be converted to silver. By the end of 1923 these measures had combined to establish the chervonets as the primary medium of exchange in the region's urban areas, although it had "hardly penetrated" rural areas, according to Kursel' and Lukasiuk.[104] Reflecting this success, the demand for the chervonets at times led to shortages, and even to an occasional premium being placed on the currency. In the opinion of Kursel' and Lukasiuk, of all the measures taken by Soviet reformers, the decision to maintain the chervonets's exchangeability with the silver ruble acquired a "significance [that] cannot be underestimated" in strengthening the chervonets in a region "surrounded by countries with circulation in silver."[105] This was a view similar to that in the imperial period with regard to the Chinese silver currencies, that maintaining the ruble's convertibility was critical to its circulation in Manchuria. In both cases, the ruble was subjected to a different system of valuation—by exchange rate rather than by the authority of the state—in order to render it not only acceptable in Manchuria, but also capable of entering the Chinese currency market. Kursel' and Lukasiuk's assessment regarding exchangeability indeed suggests that Soviet monetary specialists were casting their sight beyond Soviet borders and hoping to establish the chervonets as a global "hard currency" in northeast Asia. Such an ambition would fit in with what Yurii Goland proposes, that the Soviet "architects of the monetary reform" aimed to make the chervonets a "world currency."[106] In fact, however, while the imperial government carefully maintained the convertibility of its ruble, the Soviet state imposed exchange rates on the chervonets calibrated to prohibit exchange, as Chinese complaints would show.

The chervonets began to appear in Manchuria—or the Three Eastern Provinces—in August 1923. In the SAR, formerly the CER concession zone, currency buyers began to seek out the chervonets in early 1924, a phenomenon Kursel' and Lukasiuk saw as a consequence of the relatively high exchange rate commanded by the imperial-era gold ruble in Harbin, "the only foreign currency center that to this time is still officially quoting" the ruble coin.[107] Chinese officials, supported by Chinese business organizations and the Chinese press, responded to the chervonets quite differently than Bao Guiqing did to the "romanovs" and "kerenskys." In September, Zhu Qinglan, chief administrator of the SAR since 1923, urgently called for banning the chervonets "to prevent the penetration of this money."[108] In November the Binjiang Chamber of Commerce, which oversaw areas outside

[104]Ibid., 40, 45–46. Possibly, the yen remained in use where the chervonets did not "penetrate," although Kursel' and Lukasiuk predicted the "approaching natural death of the yen in the Primor'e," noting that about 15–20m yen circulated in the region in early 1923, and that by early 1924, the volume of yen was reduced to 3–5m (ibid., 31).

[105]Ibid., 46.

[106]Goland, "Currency Regulation," 1259.

[107]Pogrebetskii, *Denezhnoe obrashchenie*, 378–79; Kursel' and Lukasiuk, *Denezhnoe obrashchenie*, 37, 47.

[108]Pogrebetskii, *Denezhnoe obrashchenie*, 379, quoting Zhu's telegram to Zhang Zuolin and to the foreign minister. On Zhu's rank see Carter, *Creating a Chinese Harbin*, 137.

the SAR, and the Harbin Chamber of Commerce, which directed Chinese businesses inside the SAR, instructed their members to not accept the chervonets "under any circumstances." The chambers' instructions were soon backed by an SAR police decree imposing steep fines on violators.[109] A year later, Chinese officials re-issued the ban in response to what seemed to them a renewed Soviet attempt to introduce the Soviet currency in the SAR: after gaining treaty rights to run the CER, the Soviets set the railroad's cargo fares in chervontsy. The Harbin Chamber of Commerce, again supporting the ban, declared that it would take every possible measure to ensure that "not one note of this currency passed through the hands of Chinese merchants."[110]

Justifications for banning the chervonets often referred to Chinese sovereignty, suggesting that Manchuria's Chinese elites were turning away from the valuation of money by exchange rate toward that by the political authority of the state—in line with the increasing hold of Chinese nationalist visions that promoted national unification and state centralization. In a telegram sent in the autumn of 1923 to the Chinese foreign minister in Beijing and to Zhang Zuolin, the chief commander of the Three Eastern Provinces in Fengtian (Mukden), Zhu Qinglan asked the Foreign Ministry to "begin energetic negotiations" with Russian envoys to discuss "non-intervention in our monetary order, directing the necessary attention to the sovereignty of China." An official memorandum on the affair, cited by a Chinese newspaper, insisted that "this matter concerns the rights of sovereignty regarding monetary order."[111] *Binjiang shibao*, a Harbin newspaper, opining on the need to reject the chervonets throughout the CER railway line, asserted that since the railroad was in Chinese territory, the Russian government had "no administrative right" to decide on currency questions pertaining to the railroad and the former concession.[112]

Another set of objections to the chervonets pointed to the financial risk associated with ruble banknotes. Zhu Qinglan emphasized the "very great losses" suffered by "our population and the merchants" because of this money. When prohibiting the chervonets, the governor of Qiqihaer, head of Heilongjian province, referred to the "huge" damage earlier Russian paper notes had caused "Chinese citizens." The SAR's police department declared, in Pogrebetskii's words, that many "Chinese merchants had been completed ruined" by ruble notes.[113] Similar concerns were voiced outside the government. Warning against the chervonets in October 1923, an article in *Binjiang shibao* spoke of the "deep pains and immense injuries" that the old ruble notes inflicted on the people of the region.[114] In early 1924 another Chinese paper, combining ideas about sovereignty with worries about risk, called on the "appropriate authorities [to] take strict measures" to keep the new ruble

[109]Pogrebetskii, *Denezhnoe obrashchenie*, 381.

[110]"Jujue Sulian xinbi" (Refuse the new Soviet currency), *Binjiang shibao*, November, 19, 1924; "E bi buneng xingshi" (The new Russian currency should not be circulated), *Binjiang shibao*, November 25, 1924.

[111]Pogrebetskii, *Denezhnoe obrashchenie*, 379, 380, quoting Zhu's telegram to Zhang Zuolin and *Dun-Sian-shen-sha-bao*, November, 21, 1923, respectively.

[112]"Zhuyi Weibu e zhibi" (Beware of Vladivostok Russian paper currency), *Binjiang shibao*, October 25, 1923. For the chervonets's "penetration" into China by way of the CER see Pogrebetskii, *Denezhnoe obrashchenie*, 378–79.

[113]Pogrebetskii, 379, quoting Zhu's telegram to Zhang Zuolin. The instruction of the governor of Qiqihaer was quoted in *Chen'-guan-bao*, which was in turn quoted by Pogrebetskii (ibid., 380–81).

[114]"Zhuyi Weibu e zhibi."

banknotes from "flowing into our China," in order to prevent the ruble from "disturb[ing] ... our currency market" and "bring[ing] us harm again."[115]

Yet a third consideration concerned the convertibility of the chervonets to specie. In his telegram to Beijing and Fengtian, Zhu Qinglan had characterized the chervonets as a money that "does not have any guarantee or [enjoy any] trust." Zhu's warning, as elaborated by a Russian paper drawing on Japanese sources, asserted that "there is not any gold reserve or valuables guaranteeing that Gosbank could pay for these banknotes in gold on demand." Echoing Zhu's assertion in early 1924, another Chinese official, the intendant of the Jilin and Binjiang circuits, complained to a Soviet envoy that the chervonets was a "paper money that is not guaranteed."[116] An article in *Binjiang shibao*, meanwhile, insisted that it remained unclear "whether this kind of new banknote can be redeemed for specie (*duixian*)."[117]

Many Russians thought the Chinese ban on the chervonets unreasonable.[118] Pogrebetskii called the talk of the chervonets's lack of guarantee "distant from reality" and wondered why such claims were made "even in Chinese administrative circles, which, it would seem, had the possibility of receiving more trustworthy material." Concurring with the Soviet envoy to whom the complaint of the circuit intendant of Jilin and Binjiang was addressed, Pogrebetskii surmised that the Chinese determination to block the chervonets—a currency that was "fully guaranteed and quoted in the world market"—concealed "under the guise of defending the interests of the Chi[nese] people (*narod*) ... an entirely different motive."[119] By "different," Pogrebetskii presumably meant "political."

Russian sources interpreted the Chinese view as a concern with the chervonets's lack of "guarantee," but the *Binjiang shibao* commentary shows that the Chinese were more concerned with the paper note's convertibility to specie. The chervonets was "fully secured" by a reserve fund that covered the amount of the currency in circulation. Of this amount, 25 percent or more was guaranteed by precious metals and foreign currencies, and the remainder by commercial papers and bills. Regarding the currency's convertibility to gold, the Soviet decree announcing the chervonets stated that "the date upon which convertibility might begin" would be determined later.[120] Asking whether the chervonets was ever truly convertible, Vincent Barnett notes that although the chervonets was amply supported by a gold and foreign-currency reserve, it never enjoyed "direct convertibility into gold at par." Since the state never issued a decree setting the date for honoring the currency's convertibility, Barnett suggests, calling the chervonets "gold-backed," as NEP-era Soviet economists were wont to do, was "slightly misleading" and possibly entailed a "slight deception" on the part of Soviet authorities.[121] Barnett's conclusion seems applicable to the Soviet Far East as

[115]Pogrebetskii, *Denezhnoe obrashchenie*, 383, quoting *Dun-shan-Bao* (Harbin), January 19, 1924.

[116]Pogrebetskii, *Denezhnoe obrashchenie*, 379–80, 381–82, quoting Zhu's telegram to Zhang Zuolin and *Kopeika* (Harbin), November 24, 1923, respectively.

[117]"Zhuyi Weibu e zhibi."

[118]For Russian protests against the ban, expressed in Harbin's Russian newspapers and elsewhere, see Pogrebetskii, *Denezhnoe obrashchenie*, 381–84.

[119]Ibid., 380, 382.

[120]Arnold, *Banks, Credit, and Money*, 147–48.

[121]Vincent Barnett, "As Good as Gold? A Note on the Chervonets," *Europe-Asia Studies* 46:4 (1994): 663, 665–66, 668. Although Gosbank engaged in buying back chervontsy with gold and foreign currency, Barnett sees this kind of purchase as part of a banking operation carried out for the purpose maintaining the chervonets's exchange rate at a desirable level, not as an example of the currency's convertibility (ibid., 665–66).

well. Although Narkomfin and Dal'revkom allowed the chervonets and silver coins to circulate simultaneously in the region, they did so not to maintain the principle of convertibility, but as a strategy to ensure the chervonets's exchangeability into silver, at a rate fixed by the state, rather than at par with gold.

Chervonets notes were thus "fully secured," but "not convertible."[122] Pogrebetskii's assertion that the currency was "fully guaranteed" must have rested on the fact that the notes were covered, and on the Soviet decree promising convertibility. By contrast, Chinese understanding of this term might have emphasized the redeemability of the currency at that very moment. It is unclear whether Chinese officials and others who shared their view saw a distinction between these two understandings of "guarantee" and recognized that the chervonets was not convertible on demand. Perhaps, as Pogrebetskii thought, they were ill-informed about the reserve backing the Soviet notes. But perhaps the Chinese were also aware that there were no reports of Gosbank redeeming the currency.

The Chinese insistence on the redeembility of a currency suggests that, in the frontier region of Manchuria and the Russian Far East at least, people often did not regard any currency as fiat money, but as a holder of value that had to constantly prove its worth—much like stockholders who invest in firms and retain their shares as long as they believe the firm is safeguarding their investment, but are able to sell their shares and recapture their investment whenever they wish to withdraw. Framed by their perspective as currency users, the Chinese critics of the chervonets tended to assess the currency's credibility based on its redeemability. A newspaper editorial published in early 1923 reminded its readers that the "credibility" of the imperial ruble banknotes was acquired thanks to a painstakingly consistent effort to "pay cash for all [banknotes], whether real or forged." But, the editorial proposed, to hope that the old ruble notes would now "revive," meaning be again redeemable, would be a "fantasy" as unlikely as believing that Russia itself, which used to pay for these notes, would "revive."[123] Eight months later, agreeing with this outlook, the *Binjiang shibao* article that doubted the redeemability of the chervonets for cash further asserted that, chastened by past experience, the Chinese had come to find the credibility of any Russian banknotes "extremely thin and weak."[124]

Chinese commentators sometimes linked this notion of credibility to their perception of the Soviet government's indifference to economic hardship, and to their view of the Soviet currency as a tool of wealth extraction, rather than a holder of value or investment. Gauging the confidence inspired by the new Russian state, a *Binjiang shibao* article from mid-1924 declared that the people of the Soviet Far East were "not yet convinced of [its] credibility," since the Soviet government was unable to remove "gold and silver cash coins"—meaning imperial gold and silver ruble coins—from circulation in this region. The article faulted the Soviet government for "destroy[ing] the credibility of the metal coins for the purpose of ... promot[ing] its paper note policy" by frequently shifting the official exchange rates, and it pointed in particular to the financial distress endured by the

[122]Arnold, *Banks, Credit, and Money*, 148.

[123]"Qiantie jinxi zhi rong ai lu" (Documenting the glory and decline of ruble banknotes now and then), *Binjiang shibao*, February 27, 1923.

[124]"Zhuyi Weibu e zhibi."

"Chinese and Russian merchants" engaged in cross-border trade. Constantly shifting official exchange rates, the author remarked, made accounting records "endlessly complicated" and subjected merchants to losses that were both "hidden [and] quite gigantic."[125] More stridently, another newspaper article characterized the Soviet official exchange rates as a method "for taking the wealth of the people by trickery and for ever deeper exploitation." This treatment, "already cruel and vicious to the extreme" for Russians, was even worse when it came to the Chinese living in Russia's Far Eastern provinces, since their suffering most likely would not end until "the marrow is sucked out of their bones and they are forced into starvation." Perhaps aiming to push for this agenda in a much-anticipated upcoming Soviet-Chinese conference, the reporter concluded by asking whether the Chinese government intended to raise the issue with the Soviet government and question a policy that "put Chinese residents ... in fear, and caused them great injury."[126]

In fact, responding to the expectations surrounding the approaching Soviet-Chinese conference, *Binjiang shibao* published a "prognosis on the future of Russian banknotes," which tempered the hostile view of the Soviet government expounded in the previous article. Addressing the question of compensation for Chinese losses due to the pre-Soviet banknotes, the prognosis offered a hopeful outlook, evoking the notion of responsibility: "The present Russian government, as the successor to the previous Russian government, would of course have to be responsible for the various obligations of the previous government." No doubt reflecting Chinese anticipation of payment for these ruble notes by the Soviet government—which reveals an understanding of the banknotes as promissory documents for a financial obligation—the market price of the old ruble banknotes started to climb, as the prognosis observed. The writer cautioned, however, that only the notes of the imperial government, the so-called "romanovs" would fall "within the scope of the responsibility of the new Russian government," and not the "kerenskys." On how the "romanovs" would be compensated, the writer signed off on an optimistic note, asserting that this would "certainly be a question in the coming meetings."[127]

The negotiations ended without a resolution of the issue. Soon thereafter the Chinese noticed a resurgence of Soviet efforts to introduce the chervonets to the SAR and Manchuria. News spread that "an important person on the Russian side of the Chinese Eastern Railway"—which had, as a result of the Chinese-Soviet conference, come under predominantly Soviet management—"proposed that the new Soviet currency be used for all the [railroad's] cargo transport."[128] The Harbin Chamber of Commerce forwarded the news to the leading officials of the region, and requested that Zhu Qinglan prohibit the acceptance of this currency.[129] Next came talk that "a certain Soviet bank has recently

[125]"Su e yuzhan yuandong zhibi quan" (Soviet Russia intends to expand the rights of paper notes to the Far East), *Binjiang shibao*, May 25, 1924.

[126]"Su e qianfa" (Soviet Russian monetary policy), *Binjiang shibao*, June 12, 1924. The Sino-Soviet conference in Manchuria was to take place in September, primarily to address the status of the CER. See Bruce A. Elleman, "The Soviet Union's Secret Diplomacy Concerning the Chinese Eastern Railway, 1924–1925," *Journal of Asian Studies* 53 (May 1994): 459–86.

[127]"Qiangtie qiantu guance" (Prognosis on the future of Russian banknotes), *Binjiang shibao*, June 14, 1924.

[128]See, for example, Leong, *Sino-Soviet Diplomatic Relations*, 275.

[129]"Jujue Sulian xinbi."

received a large shipment of [chervontsy], which it intends to sell on the street." *Binjiang shibao* reported that "an influential figure of our country's financial circles" had conveyed a warning, couched as advice, to the Soviet bank: because "our Chinese merchants and people had previously suffered from the poison of ruble notes," if the Soviet bank persisted in its plan, "there may be harmful effects to your honorable bank, as the merchants and people see in the release of this new currency the intention to harm [them]." The bank was urged to "think thrice" before releasing the chervontsy to the market, in order to avoid a possible boycott of the bank and the perception that it was merely "seeking an opening crack for bringing in" the Soviet currency.[130]

Even before these reports appeared in print, the Harbin Chamber of Commerce started preparations for blocking the currency. The chamber called on "all merchants to refuse" the chervonets, organized its board members into teams for conducting house-to-house investigations to ensure compliance, and announced a fine of ten times the value of any chervontsy found in a violator's possession.[131] The chamber justified its determination by pointing out that "the poison of the previous rubles notes had caused broken homes and deaths" among "our merchants and people." Since "the rubles notes of the past are the first [train] cars of [the rubles] today"—that is, since the previous ruble banknotes already foretold the fate of the present ones—the chamber argued that "if our nation's people continue to circulate this new currency" without knowing how to avoid this "trap," it would be due to their "lack of brains"; and if, after "enduring repeated exploitation," they were still unable to "pull back," it would be due to a "self-inflicted degradation of their dignity." Insisting on a "unanimous refusal" of the chervonets, and "fearing that those who are not deeply knowledgeable or farsighted would forget the great harm [of the ruble notes] for the sake of small profits," the chamber justified its door-to-door check, and enjoined "all merchants to obey unanimously" the ban it imposed.[132]

Between the fall of 1923 and late 1924 the decision of Chinese officials and the Chinese "public sphere" in Manchuria to reject the chervonets was often framed by visions of national sovereignty and conceptions of national dignity. At the same time, the view that a currency's value ought to reside in its exchangeability and redeemability remained widespread. Indicating the strength of these views, efforts to ban the chervonets seemed to have become more determined after hopes had subsided that the Soviet government would compensate bearers of imperial-era paper rubles. The Chinese push to remove the chervonets was not initially motivated by the idea of promoting a unitary currency system. One Chinese commentator who objected to the chervonets' presence in Manchuria, for example, suggested that the circulation of multiple types of currency was proper to a border region.[133] The commentator meant the Soviet Far East, but the same reasoning—referring to the complexity of the cross-border trade in this frontier area—might well have applied to Manchuria. Nevertheless, it was also around this same time that Chinese discussions of "currency reform"

[130]"E bi buneng xingshi."

[131]"Shanghui diaocha e xin zhibi" (Chamber of Commerce investigates the new Russian paper currency), *Binjiang shibao*, November 6, 1924.

[132]"Jinyong e xinbi" (Prohibition on using the new Russian currency), *Binjiang shibao*, November 6, 1924.

[133]"Su e yuzhan yuandong zhibi quan."

and "currency unification" frequently surfaced, directed mainly at simplifying and bringing some semblance of order to the vast variety of Chinese currencies in Manchuria.[134] In this context, the Chinese experience of dealing with the chervonets perhaps also brought to these discussions echoes of the Soviet conception of "unification" as the elimination of foreign monies in its territory.

CONCLUSION

Russian colonial rule in North Manchuria often established segregatory and discriminatory measures to govern and manage the peoples under its control.[135] Often these measures were intertwined with colonial competition for land and resources. But the competition explored in this article—expressed through a monetary economy founded on multiple currencies, many of which represented one or another of the imperial powers vying for dominance in the region—promoted interactions different from the exclusionary and overtly inegalitarian practices common under colonial rule.

In the first years of the Russian advance into Manchuria, currency competition there cultivated a relationship between the region's Russian administrators and Chinese population that was akin to courtship on the part of the administrators. My reading of this relationship is suggested by Simmel's version of the *doux commerce* thesis. For Simmel, competition compels "the wooer ... to go out to the wooed," to "win over" those third parties over whom the competitors are fighting, either through persuasion or by trying to "divine" their "innermost wishes."[136] Hoping to gain acceptance for a Russian-supported currency in the region, Russian bankers sought to win over those through whom money would circulate—migrant laborers, ordinary bank depositors, and businesses—regardless of race, national identity, and other supposedly intrinsic qualities. The issuer of a currency could itself become the target of courtship fostered by this kind of competition. Seeking to obtain political influence and Chinese sympathy for the Russian presence in Manchuria, the Russo-Chinese Bank proclaimed its recognition of the Chinese dollar's equivalence to the English, thereby also recognizing what might be called the "innermost wish" of the wooed—Chinese equality with the English, at least in terms of currency value. The socializing effect of competition, as Simmel saw it, was that it "sharpens the businessman's sensitivity to the tendencies of the public."[137] In the final years of the ruble's use as a currency in Manchuria,

[134]See, for example, "Bizhi butongyi zhi kunnan" (Difficulties of a currency system that is not unified), *Yuandong bao*, January 29, 1920, in *Haerbin Shizhi*, 30; "Dongsansheng qianfa tongyi yishuo" (Proposal for currency unification in the Three Eastern Provinces), *Binjiang shibao*, February 7, 1922; Yi, "Tongyi Sansheng bizhi wenti" (The question of currency unification in the Three Provinces), *Binjiang shibao*, September 8, 1923; "Zhengdun Jisheng qianfa" (Reforming the currency system of Jilin province), *Binjiang shibao*, June 5, 1924; and "San yinhang shixing tongyi" (The three [provincial] banks are undergoing unification), *Binjiang shibao*, June 14, 1924.

[135]For Russian efforts to install demographic and spatial segregation see Hsu, "Frontier Urban and Imperial Dreams: The Chinese Eastern Railroad and the Creation of a Russian Global City, 1890–1917," in *Russia in Motion: Cultures of Human Mobility since 1850*, ed. John Randolph and Eugene M. Avrutin (Urbana, 2012), 50–53.

[136]Simmel, quoted in Albert O. Hirschman, "Rival Interpretations of Market Society: Civilizing, Destructive, or Feeble?" *Journal of Economic Literature* 20 (December 1982): 1472 (see pp. 1464–66 for *doux commerce*).

[137]Simmel, quoted in Hirschman, "Rival Interpretations," 1472.

this "sensitivity to the tendencies of the public," along with a Russian vision of currency and social "citizenship," inclined many Russians to reject nationalism in currency matters. But this was the state of affairs when money, not having yet become "money proper," behaved more like a commodity—that is, when money's materiality was still operative, its abstraction incomplete, and the naturalization of the value of money unfinished.

I suggest that the concurrent circulation of multiple currencies in Manchurian pointed not to the absence of modernity—with modernity signaled by the appearance of a single, uniform currency—but to an alternate condition of modernity defined more by accepting multiplicity and enabling convertibility than by promoting uniformity. That Manchuria prior to the mid-1920s portended such an alternative is made more legible by both Soviet and Chinese attempts, in their turn, to render their currencies "colorless." After 1924, Soviet currency reformers, to promote the new chervonets, moved to eradicate the entrenched practice of using the Japanese yen in the Russian Far East, successfully eliminating it from a good part of the region. Chinese officials of the Three Eastern Provinces, embracing a new currency nationalism, banned the chervonets, from Manchuria. Both the Soviet and Chinese measures of this period worked to delineate sharply the Russian-Chinese boundary separating the Russian Far East and Manchuria, which had been, prior to that time, substantially more fluid with regard to currency flow. The alternate modernity suggested by Manchuria before 1924, in contrast to that envisioned by Soviet and Chinese reformers, was one that emphasized not uniformity, but exchange and conversion between currencies. In other words, prior to 1924 the consuming public in this vast region could engage in an ongoing "monetary plebiscite," rejecting one currency in favor of another.