

Russian Emigration and the Economic Development of Manchuria

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Abstract: The study pursues an effort to outline the role of emigrated Russian entrepreneurs in the economic development of Northeast China in 1920-1940s. The research is based both on the materials of periodicals published by Russian emigration and the results of contemporary historical studies. The researchers considerably expands on the role of the Russian administrators and specialists of the Chinese Eastern Railway in forging the economic basis of the region, provides statistical data which reveals how not only outstanding Russian economists and entrepreneurs but much broader population strata as well had contributed to the development of Manchurian economy.

Key words: White emigre, Manchuria, economy of North China, Bureau for Russian Emigrants in China (BREM), geographical distribution of economic activities of Russians in China, Chinese Eastern Railway

INTRODUCTION

In the beginning of the 20th century the economic involvement of Russians in the Northeastern part of China was generally comprised with the building of the Chinese Eastern Railway (hereinafter "CER"). By the year 1917 the population of the Chinese Eastern Railway Zone had been estimated at roughly 200,000. After the October Revolution and the Civil war Russian population of Manchuria had drastically increased bringing about the aggravation of economic regulation problems. The responsibility for the regulation of economic activities of Russians in the region had been taken on by the Bureau for Russian Emigrants in China (hereinafter "BREM").

In 1930s the BREM managed to facilitate the establishment of several commercial associations in Harbin, Dalian, Mukden, Tianjin such as "Russian transport", "The Society of Restaurant Owners", "The Union of Owners of Liquor Stores and Gastronomic Enterprises", "The Union of Contractors and Suppliers" and others.

Since, the beginning of the CER construction till the mid-1920s the financial services for Russian entrepreneurs had been provided by the Manchurian Department of Russo-Asiatic Bank. After the closure of the bank in 1926 the responsibility for deposit and loan services to a certain extent was taken on by the Russian Stock Exchange Committee. Later the initiative to establish a new financial institution for Russian entrepreneurs, launched in the beginning of 1940s had resulted in opening of the Industrial and Commercial Bank of Xinjiang in 1941.

MATERIALS AND METHODS

The survey is based on traditional historical method of investigation: the history of Russian emigration is reflected through published resources and archives.

The geographical distribution of economic activities of Russians in Manchuria was considerably affected by the sectoral differences. As for the commerce and industry they were rather monocentrically oriented toward Harbin, a major transportation hub where navigable Sungari River meets three mainlines of the CER. Harbin had become a significant industrial, commercial and export center of the region, not least due to thousands of Russian migrants moved into the city. Yet in 1913 the population of Harbin was 30,000 (including Russians) in 1925 it reached 200,000. In the beginning of 1940s Russian migrants invested 29.5 million United States dollars in various enterprises of Harbin and 73.7 million United States dollars in real property assets and commerce. Russian industrial and commercial capital was also broadly represented in Dalian and Mukden but not as extensively as in Harbin.

Agricultural activities of Russian migrants were mostly concentrated around the territory Barga where Cossacks had founded several stanitsas. In the end of the 1920s total population of Barga was about 23,000 with a significant Russian population in certain rural areas for instance, 34% for the valley of Argun river, 54% for the Railway Zone, 91% for the Three rivers area (the valley of Genhe River). Russian migrants cultivated wheat, Spring-planted rye, barley, buckwheat. The quality of the wheat grown by Russian farmers was remarkably high.

The demand for wheat was steadily growing: as a result in the second half of 1920s the area of wheat cultivation in Barga had increased by 50%. At the same time, Russian migrants had made a significant advance in animal husbandry, particularly due to pastoral farming system, keeping cattle in barns, instead the system of nomadic pastoralism which is traditional for central regions of continental Asia. One third of the herds that had been driven by Cossacks from Siberia and Transbaikalia consisted of valuable breeds; moreover, Russian farmers practiced cross-breeding with Mongol cattle in order to get more valuable breeds.

Russian migrants had reached a considerable success in the agriculture which can be apparently illustrated by the average growth of the household prosperity. As for the year 1929 an average household in Barga had 6 people cultivating 10 desyatinas of fertile lands, 7 horses, a herd of 26 cattle, a herd of 52 sheep and up to 15 heads of poultry.

Russian migrants had also brought out a butter industry, especially in Barga, where 17 butter factories had been built by the end of 1920s. The total net weight of butter dispatched to the other regions of China had been steadily and rapidly growing: Russian farmers sold 110 tons of butter in 1924, 150 tons in 1925, 180 tons in 1926 and 192 tons in 1927.

In the late 1920s and early 1930s a new wave of emigration from the USSR border regions had flown to Barga as a reaction against the collectivization and dekulakization. Yet by the end of 1938 the population of 19 Cossacks villages in the three rivers area was over 7,000; they cultivated 9,078 desyatinas of crop land, kept 5,642 horses and pastured 16,926 cattle. The amount of bread, meat and dairy produced was sufficient not only for internal consumption: the surplus of provision was regularly dispatched to Harbin and other settlements in the CER Zone (Sergeyev, 1992).

Pursuing a goal of territorial development the authorities of Manchukuo had arranged the resettlement process for Russian emigres to less habitable and populated lands such as Toogen area. Migrants were assigned in settlement groups and moved to new territories as soon as they had been checked on the reliability and passed through the registration procedure. A lot of public service buildings were built in newly settled territories such as schools, village reading rooms, medical service buildings. In 1940s the intensity of these processes had gradually decreased as long as the control over the territory was relinquished to the Japanese occupational authorities.

In 1936 Russian migrants established the Council on Agricultural Issues in affiliation with the BREM in order to help Russian farmers with seed reserves, fertilizers, forage, agricultural machinery and new agricultural technologies. Another objective of the Council was

organization of provision supplies for emigrants who lived in Harbin. Since, the end of the 1938 there was a shortage in flour and later with a whole provision supply caused by the military activities of Japan in China. Japanese interference had also seriously affected the normal work of hospitals, educational institutions and charity organizations for Russian migrants. In view of the considerable worsening of the humanitarian situation the BREM appealed to Japanese military mission with a request to provide an administrative support for solving the provision supply problem. In March, 1939 after a successful negotiation the provision supply for Russian organizations was partially restored.

RESULTS AND DISCUSSION

The CER established a rhythm for the whole economic activity in Manchuria. A lot of Russian migrants lived in the CER Zone and worked in the railway-related industries and services. Their working environment and living conditions were subjects to the scrutiny and control of the BREM. Many buildings and lodges were built in Harbin and alongside the railroad for those who worked in the railway service. The railway administration offered various bonuses and perks for the employees such a free accommodation, free medical services, free railway tickets, an opportunity to go for a family vacation to any region of China four times a year. Schools and kinder gardens received full-fledged financial support from the CER; a special train was waiting for the spectators of the theaters in Harbin in order to take them home. The status of workers in Soviet Russia was nothing compared to such a privileged position of the CER employees (Sergeyev, 1993).

The structure of the CER was comprised not only with industrial and commercial enterprises of Northeast China with thousands of Russian employees but also included the Land Department of the CER which was responsible for distribution of property ownership. N.L. Gondatti, the last Governor General of the Priamur krai an outstanding administrator and statesman who strived for the development of the Russian Far East and Manchuria was appointed as a head of the Land Department. He introduced the initiative that was generally referred to as "experimental fields" when the lots from the lands reserved by the CER were granted to Russian migrants in order to improve the agricultural engineering and techniques to maximize the crop yield. The Department provided hundreds workplaces for Russian farmers and agronomists who were occupied with experimental cultivation and seeding. Moreover, N.L. Gondatti made certain land lots granted to those refugees who did not manage to find any other way to make their living. He also granted land lots for all the

Orthodox churches of Harbin. The flow of Russian migrants to Harbin had not diminished therefore, the problem of free lands and place to live had become more and more crucial and urgent. Those new comers who did not have sufficient resources to buy the land were constrained to squat in poor swamp lands in Harbin vicinity which later became a detached Russian village called Nakhlovka (TN: a popular colloquial name for squatter settlements in Russia especially, before the Revolution of 1917 in Russian “nakhalniy” means “impudent”, “insolent”).

The majority of enterprises with the participation of Russian capital was concentrated in Harbin. Russians took leading positions in certain sectors of Manchurian economy such as sugar production, forestry, mining, food and alcohol manufacturing. Russian entrepreneurs owned several flour-milling factories and mills, brickyards, breweries, tanneries, soap factories, a confectionery, a mineral and fruit drinks factory, a pasta factory, a firearms cartridge factory and an electric station. In 1922-1928 there were approximately 1,200 industrial and commercial enterprises in Harbin by the year 1940 their number had increased up to 1,800. The percentage of enterprises owned by Russians ranged from 10-15% (Kochubey and Pecheritsa, 1998).

Russian entrepreneurs put a lot of efforts in applying the experience they gained for the years of financial and economic activity in Russia. For instance, basing on the experience of the work of the Russian Stock Exchange Committees in 1913-1918 they had managed to organize the Stock Exchange Committee in Harbin with an individual membership of the most successful Russian entrepreneurs such as Kovalevskiy, Kabalkin, Skidelskiy, Brinner, etc.

Nicolay D. Buyanovskiy an outstanding banker and politician, took a position of the head of the Stock Exchange Committee in Harbin and stayed in office for many years. Contemporaries characterized him as a naturally talented person. Peasant by origin he successfully achieved high social status. He was literate, intelligent and competent, knowledgeable in finances and banking; Buyanovskiy was proficient in several foreign languages even though, he had not received neither higher nor secondary education. N.D. Buyanovskiy had been the head of the Stock Exchange Committee in Omsk since 1913 till 1918. He successfully engaged the entrepreneurs of Omsk with the Provisional Siberian Government as soon as it had been established shortly afterwards he was appointed as a finance minister. After the government of Kolchak was dissolved Buyanovskiy had to depart to Irkutsk and later to the Russian Far East; finally, he emigrated from Russia to China. Since 1920 he had been working in Harbin and Shanghai as an inspector general of the Far Eastern Department of Russo-Asiatic Bank. He regularly visited Harbin which Russian-like

image and daily life seemed to be quite attractive for him. Chinese local authorities expressed equivocal attitudes toward the bank however, personal skills, acquaintances and contacts of Buyanovskiy helped him to draw the sympathy of Chinese administration as well as the disposable capitals of Russian migrants in Manchuria. In 1920s all the industrial and commercial activities of Russian migrants in Northeast China were concentrated mostly around the Russo-Asiatic Bank by virtue of his efforts and personal achievements. In the end of the 1920s after the closure of the bank N.D. Buyanovskiy was invited for the position of an advisor to the State Bank of China. At the same time, he actively participated in the establishment of Franco-Asiatic Bank and later became an associate director of its department in Harbin where he, eventually, got the chair of director. He was very enthusiastic, open-minded and unbiased; he did not seek for personal profit or interest but gave himself up for others both at work and during his public activity.

As a head of the Stock Exchange Committee in Harbin N.D. Buyanovskiy had launched several initiatives aimed at facilitating and improving the economic activity of Russian migrants. He had elaborated and introduced a comprehensive plan for the work of the Committee which involved the following tasks:

- A broader coverage of the current state of business affairs for Russian entrepreneurs in local periodical publications
- Reducing the burden of taxation for migrants-entrepreneurs
- Improving the legal status of Russian migrants in China
- Facilitating the further development of industrial and commercial activities of Russian migrants
- Diversifying the existing loan system for Russian entrepreneurs
- Granting the Russian migrants the right to be represented in tax offices and municipal administrations of Manchuria
- An extensive promotion of the Committee and ensuring its credibility

These political activities provoked the anticipated anxiety among the members of pro-Japanese government of Manchukuo. Unable neither to escape political harassment nor to shift the burden of a migrant status as a second-rate resident N.D. Buyanovskiy eventually was crippled in vain efforts to fight for justice. His health was also gradually aggravated by a heart disease coupled with protracted respiratory disease; a keen susceptibility to blooming discrimination and solitude in those rugged times made him fall in his last stand. Russian population of Harbin received the news about death of N.D. Buyanivskiy with a great sorrow. All the Russian and

Manchurian newspapers published front-page obituaries. At the visitation A.V. Bablikov, the vice-president of the Stock Exchange Committee in Harbin, said: "We are standing near the grave astounded and anguished by this bereavement. It feels like a sudden collapse of the building, the building that seemed to be solid and stable, a shelter for many of us".

The trading house "I. Ya. Churin and Co." was a leading Russian commercial enterprise in Manchuria which also allocated its assets in industrial production. The company had opened several factories including a sausage factory, a paint and varnish factory, a tea factory, a distillery, a tailoring factory as well as mechanical workshops and an automobile department where approximately 1,000 clerks were recruited for the administrative positions. The level of mechanization in the industrial production of Churin's enterprises was the highest in Manchuria, the average salary was several times higher comparing to other companies in the region (Fialkovskiy, 1996). The work in the stores and factories of Churin's company was generally regarded as prestigious not only among Russian migrants but also among local residents. In 1930s there were three major Churin's department stores in Harbin designed in European style with a wide brightly lightened halls and sections. The supplies of these stores could satisfy various demands of the Harbin citizens. A plenty of different departments were selling manufactured production, fancy goods, perfume, shoes, pret-a-porter clothing (both men's and women's) and hats, grocery, liquors, ironmongery items, building materials and instruments, dishes and cutlery, household goods, jewelry, stationery, books, toys, musical instruments, photographic equipment, etc. In 1926 the company opened a wholesale department which contracted with the representatives of more than 13 Chinese factories and manufacturing plants.

In 1927 the company opened the Agricultural department which was selling tractors, ploughs, harrows and other agricultural vehicles, machinery and equipment imported from leading manufacturers in the USA and Europe

The stores of the Churin's company were opened along side the whole CER and the company itself was one of the biggest contractors of the railway administration.

One of the former department stores of the company is still popular in Harbin nowadays. The original exterior of the Churin's department store remained intact and looks identical to the exterior image of the GUM, a main department store in Vladivostok.

CONCLUSION

Overall, Russian migrants significantly contributed to the economic development of the Northern China and Manchuria in particular. The government of Manchuria pursued a prudent and reasonable policy toward Russian migrants, accepting them on equal basis with other citizens; even though, the situation was gradually changing. In March, 1932, the streets of Harbin were decorated with big broadsheets which depicted four representatives of Manchuria a Chinese, a Korean, a Japanese and a Russian with their arms around each other walking toward "the bright future". But, less than in a day the figure of a Russian man was painted red on all the broadsheets around the city. Russian population of the city regarded this incident not only as the evidence of anti-Russian political intrigues and sentiments in Northeast China but also as a gloomy mystic prophecy.

In 1930s as the relation between the USSR and Japan on the Far East had seriously deteriorated the pro-Japanese government of Manchukuo had altered the policy toward the Russian migrants impeding their business activities and discriminating their social and legal status. Besides, the government of the Soviet Russia began to claim from the Chinese government to extradite Russian migrants and weakened government of Manchuria surrendered to these claims. As a result, Chinese officials totally unfamiliar with the international legal principle of political asylum extradited white émigrés to special Soviet law-enforcement agencies. Russian migrants were not able to protect their violated rights as long as their petitions and requests addressed to the Chinese government and international organizations were unanimously declined.

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