

SOME RUSSIAN BANK NOTE ISSUES ASSOCIATED WITH THE CHINESE EASTERN RAILWAY

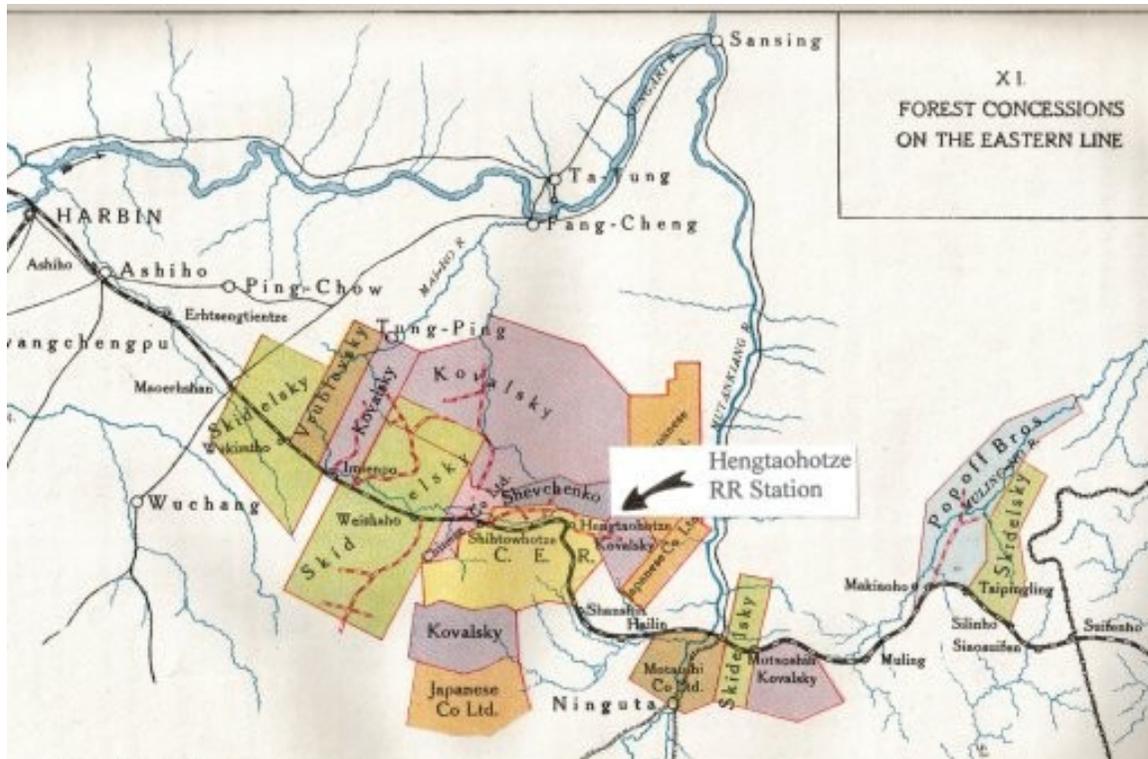
John E. Sandrock

Collectors occasionally encounter a set of Russian language bank notes dating from the Bolshevik Revolution, which have been overprinted with a Chinese hand-stamp. Are these notes Russian? Or are they Chinese? Who issued them and where, and for what purpose? The answers to these questions are all contained in the clues provided on the notes themselves.

As these notes are associated with some very interesting history, it is worth identifying them correctly and thereby setting things right. This set of 1, 3 and 5 rouble notes were issued by the Han Dao Hedzy Mutual Credit Society (Han'Daohedzskoe Obshchestvo Vzaimnago Kredita, in Russian). The notes go on to state that they were issued at the railroad station "Han Dao Hedzy". Ahah! But where is that, and on what railroad, you might reasonably ask. Since the notes themselves do not give us the name of the railroad, merely the words "railroad station", this presents a bit of a mystery.

My suspicions told me that a Russian bank note with Chinese hand-stamp had to come from somewhere in Manchuria, but where, and for what purpose? An extensive search for Han Dao Hedzy in old atlases proved futile. I was beginning to think that the place didn't exist! However, a little further research brought out the fact that the characters in the Chinese hand-stamp translated to "Heng Tao Ho Tzu". Now we were on to something! In due course I was able to locate a detailed map of the eastern section of the Chinese Eastern Railway and there it was - "Hengtaohotze" station - on the railroad between Harbin and Vladivostok. Now we were getting somewhere! But what on earth was a Russian language note doing in the center of Chinese administered Manchuria?

To fully appreciate the situation, one must remember that China at the beginning of the twentieth century was a country heavily under foreign influence. This was due, of course, to the Opium Wars and Boxer uprising against foreigners for which heavy concessions and indemnities were extracted from China by the Western Powers, including the United States and Japan. This was accomplished through what the Chinese referred to as "unequal treaties". As a result, China had been carved up into Western



Hengtaohotze station on the Chinese Eastern Railway

spheres of influence within which the "barbarian" West enjoyed special commercial and other privileges including extraterritoriality from Chinese law! In other words, foreign powers could - and did - do just about as they pleased. China, under the decadent Ch'ing dynasty, was too weak militarily to do anything about it. By the end of World War I things had gotten so bad that China was ripe for out-and-out colonial acquisition. The two powers that had the greatest stake in Manchuria at the time were Russia and Japan.

Imperialist expansion into Manchuria on the part of czarist Russia was focused on railroad building. Russia at that time was chiefly interested in binding her empire together by extending the Trans-Siberian Railroad. It was in Russia's interest to push this line through to the port of Vladivostok on the Pacific Ocean. To save five hundred miles of construction and thereby accelerate the process, Russia entered into an agreement with China to build the Chinese Eastern Railway for this purpose. Control of the line was to remain in Russian hands. Survey work on the line commenced in 1897, with the first sections opening to traffic in 1901.

The Japanese, meanwhile, had their own scheme. Japan's greatest problem was an overflowing population coupled with limited natural resources. Why not exploit Manchuria, an undeveloped yet potentially productive country? The Ch'ing dynasty Manchus had inadvertently played into this strategy centuries earlier by denying Manchuria to Chinese immigration. Manchuria had been held as a Manchu reserve of strength ever since the nomadic tribes had swept down from the north to invade China in 1644. As a result, the Japanese were relatively unopposed in their plans to develop Manchuria as a source of exportable foodstuffs and industrial raw material for the home islands. They also saw in Manchuria a ripe opportunity for colonization.

It wasn't long before Russia and Japan were vying for control in Manchuria. This diplomatic squabbling raged over possession of the Liaotung peninsula, Manchuria's strategic southern gateway. Through intrigue and a show of force Russia prevailed, acquiring a twenty-five year lease over the place. It wasn't long before the Russians had built a naval base at the tip of the peninsula, calling it Port Arthur. Russia continued its railroad construction extending the line from Harbin on the Chinese Eastern Railway to Port Arthur. South of Ch'ang Ch'ung the line became known as the South Manchurian Railway. Large numbers of Russian construction workers settled in around Harbin in the north, establishing an ethnically Russian center of settlement. As a result of the Russian defeat during the war of 1904-1905 Japan ultimately gained the upper hand in the south, however. The Russian sphere of influence was thereby pushed back into northern Manchuria. Japan's claim to its predominant position in South Manchuria and Inner Mongolia was affirmed by the famous twenty-one demands presented to China in 1915.

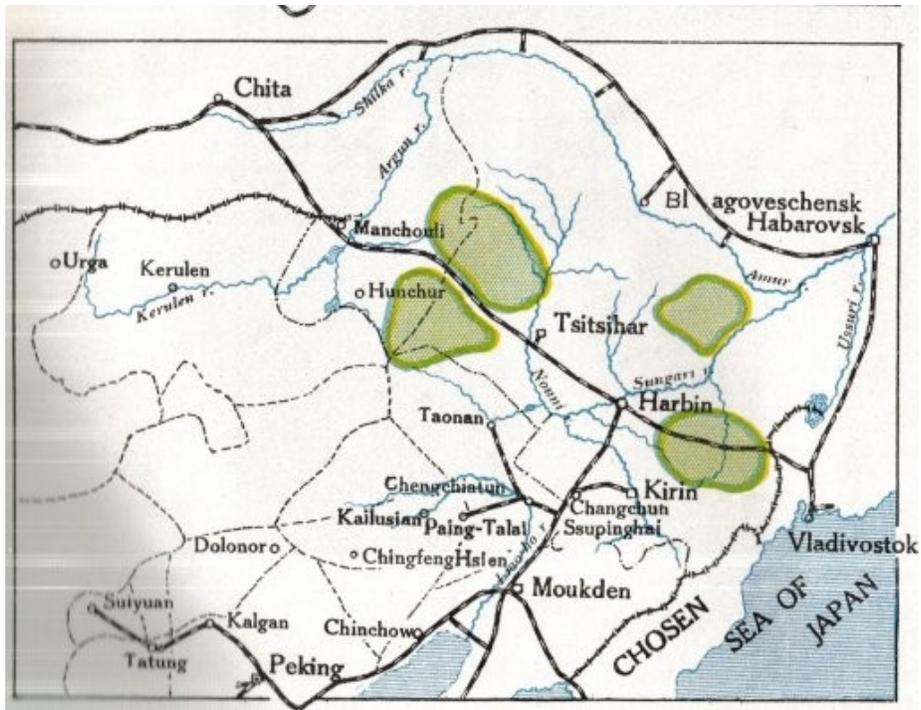
Then came the Russian revolution of 1917. As a result, a breakdown of orderly Russian administration occurred in eastern Siberia, which led to the dispatch of Allied troops to that region. This force consisted of troops from Great Britain, France, Japan and the United States. The Chinese Eastern Railway was then placed under the control of the Allied Commission to prevent further Japanese incursions into north Manchuria. After the Communists had gained the upper hand in Russia in 1919, a mass exodus of White Russians and those loyal to the Tzar took place. Many of these people sought a new life in the Far East, being drawn to the jobs produced by new industrial expansion in northern Manchuria. It was only

natural that these Russian immigrants should seek employment and settle along the already existing railroad lines, which crossed this primitive area.

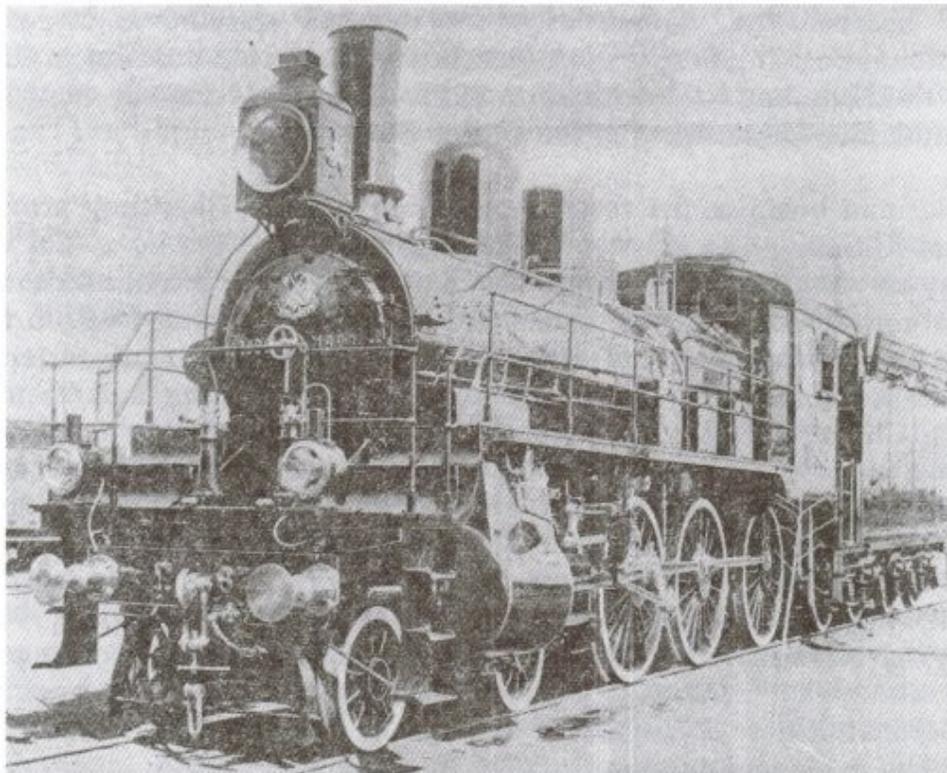
Life for the immigrants was hard. The principal areas of development in northern Manchuria included agricultural enterprises, mining, sheep, horse and cattle raising and forestry. It was the latter, however, which provided the quickest and highest rate of return on investment. Timber concessions, granted to Russian and Japanese companies by China, grew up along the railroad right-of-ways to handle this feverish rush of business. The forest resources of northern Manchuria consisted of cedar, spruce, aspen, fir, maple, elm, birch and oak trees, which covered 150,000 square miles, or forty percent of the areas' land surface. The first requirements were for the railroad itself, as the early locomotives were fueled by cordwood rather than coal. Coal burning locomotives were not introduced to the Chinese Eastern Railway until 1920. Many additional millions of board feet of lumber went into the construction of station depots and housing for the workers. Of the over eight million tons of firewood and forest materials turned out by the concessions from 1900 to 1911, eighty-two percent was consumed by the railway! It wasn't until 1912 that the lumbering industry had developed sufficiently for large lumbering enterprises to commence exporting finished products from Manchuria.

Cedar and spruce were the preferred trees for the sawmills where construction materials were produced. Trees reaching heights of 130 feet were cut from the virgin forest. Aspin was generally cut up for firewood and used in the manufacture of matchsticks. Maple was reserved for manufacturing because of its grain, while oak was used for railroad car trimmings and furniture. Unfortunately, reforestation being unknown at the time, the area was rapidly depleted. Lumber prospectors cut timber to a depth of ten miles on either side of the railroad track before moving on to build additional sidings into the forest.

Han Dao Hedze (or Heng Tao Ho Tzu if you prefer the Chinese) was a station located 130 miles east of Harbin on the main line of the Chinese Eastern Railway. The town was surrounded by Japanese and Russian companies, which had obtained forest concessions from the Chinese government (see map). Han Dao Hedze station was a center for sawmills, which supplied building materials for the railroad as well as large beams



Map showing the principal forest concessions along the Chinese Eastern Railway



Chinese Eastern Railway passenger locomotive, circa 1909. The railroad used this Type III locomotive (1-4-0) on its western runs.

and joists for shipment overseas.



Han Dao Mutual Credit Society voucher for 3 Russian roubles.

It was here at Han Dao Hedze station that the Mutual Credit Society was established. Its purpose was to lend credit to businesses and individuals in the surrounding area. Being located in such a remote forest region, it is likely that this was the only such institution between Harbin and the Russian border. The way the typical society, or association, worked was as follows. To facilitate commerce among suppliers, contractors and workers the railroad; being the owner of the land, gave the land to the association for the purpose of establishing a place where credit could be provided to the stations along the line. The railroad thus provided to the inhabitants banking facilities in the midst of this roaring and booming environment. Typically the larger of these "credit associations" provided a full range of services including the opening of accounts current, accepting deposits, granting loans, and remitting money to distant places. A full range of these activities would usually only be found in the larger cities. It is probable that a small station like Han Dao Hedze confined its banking to exchanging money and to making short term loans of from one to three months. These loans would typically be secured by movable property (in this case lumber and finished lumber products). It is most unusual that the institution at Han Dao Hedze saw fit to print their own bank notes!

Now, to the notes themselves. All are identical except for denomination and color. The heading reads "Han Dao Hedze Mutual Credit Society" followed by "1 rouble voucher", etc. The text states that the note is good for any purchase at the railroad station. Beneath this the name of the association is repeated along with the signatures of the society's President, Vice-President and Cashier. The circular red handstamp carries the station name in both Russian and Chinese. Colors of the notes are brown for the one rouble, green for three rouble and blue for the five rouble denomination following typical Russian tradition. Series letters follow the Russian alphabet with "A" reserved for one rouble, "b" for three, and "B" for the five rouble note. The left edges of all notes show signs of perforation, suggesting that at one time they were in booklet form, being torn from the book when placed into circulation. Two separate series exist for these notes, an issue of 1918 which is validated on the reverse, and an identical issue for 1919 which is not validated. No date appears on the notes themselves.

I also have in my collection a related specimen from those turbulent times. This note is printed on gray cardboard. It is in the amount of 10 kopek and states that "this voucher is good for food purchases". It was issued by the Food Committee of the Union of Workers and Foremen of the Chinese Eastern Railway. This terminology smacks of communist dogma, which is understandable, since the railway itself merely ran through Chinese territory originating and terminating on Russian soil, and after 1919, at all times remained under Soviet administration.



So, our little mystery is cleared up! Isn't it strange how a few scraps of paper can tell us so much about their past?