

stage their plans were blocked by the Ch'ing Authorities, the Chinese gentry and wholesale native silk storekeepers. However, in 1895 when the foreign powers obtained official rights to industrialization, the circumstances dramatically changed. Once the Ch'ing Authorities started to encourage native capitalists to establish filatures in order to secure new financial resources and to keep foreign powers from monopolising production, merchants and landowners in Shanghai and Wuhsi hastened to open filatures and wholesale cotton stores.

Nevertheless, the Ch'ing Authorities never considered that the silk spinning industry run by native capitalists which had just begun to prosper in Shanghai would be important in terms of national financial policy and did not try to foster it by providing financial aid. As a result capitalists in Shanghai or wholesale cocoon storekeepers in Wuhsi gradually became financially dependent on the foreign powers, which provided a great deal of finance to buy cocoons. This reorganization of the sericulture by foreign powers resulted in the establishment of a new system of oppression in a multiplex structure in which foreign powers, along with the Ch'ing Authorities, native capitalists in Shanghai, local landowners and wholesale cocoon storekeepers, exploited silk raising farmers.

The Insolvency of the *Tung-shêng-hê* 東盛和,
One of the Greatest Stores in Newchwang

by Masanao KURAHASHI

In November 6, 1907, the *Tung-shêng-hê* store, based in Newchwang, an important trade port in the Northeast of China, managed by Yeh Liang-ch'ing 葉亮卿 went bankrupt. This store was engaged in several kinds of business: wholesaling, finance, oil-milling, marine-transportation, tobacco processing, real estate, ect. The *Tung-shêng-hê* was one of the leading stores in Newchwang with trade bases in Tientsin, Shanghai, and Canton. This case of insolvency had far reaching effects and caused economic panic in both the local Newchwang economic bloc and other areas as well. The insolvency of the *Tung-shêng-hê* store was, above all things, the most shocking incident that Newchwang had ever experienced, and in effect the

economic panic in Newchwang was to trigger off a train of local economic panics from 1907 to 1911 all over China.

Despite the great importance of this bankruptcy case, it has been given very little attention by scholars. This paper attempts to examine this incident by dealing with the following problems: The management-conditions of the *Tung-shêng-hê* store, the details of its insolvency, and the relationship between the insolvency and local economic panic.

As background to the incident attention is drawn to the currency system called *Kuo-lu-yin* 過戶銀 (a transfer money). *Kuo-lu-yin* was credit money circulating around Newchwang that was convenient, but also extremely dangerous. By misusing the *Kuo-lu-yin* the *Tung-shêng-hê* was able to prolong its bankruptcy (otherwise it would have collapsed much earlier). As a result of this delayed bankruptcy the *Tung-shêng-hê* suffered great losses. The insolvency of *Tung-shêng-hê* did not directly lead to local economic panic in the Newchwang economic bloc. In examining this local economic panic *Kuo-lu-yin* must be taken account. The bankruptcy of the *Tung-shêng-hê* was brought about through the *Kuo-lu-yin* currency system and local economic panic only arose after the currency problem amplified.