

The Function and Features of the Dairen Exchange regarding
the Trade of Soybeans before the Manchurian Incident

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The export of soybeans from Northeast China increased at the beginning of the 20th century, especially from Dairen where exports surpassed one million tons in 1927. This paper analyzes the function of the Dairen Exchange in the soybean trade, and throws light upon the reason why export of soybeans from Dairen increased.

The Dairen Exchange is a Government institution, under the control of the Governor General of Kwantung, established with a vision of systematizing the soybean trade in 1913. From the result of analyzing, it becomes clear that the Dairen Exchange closed trading when the market price of soybeans fluctuated drastically and managed to prevent the losses made by such fluctuation in the market price by raising the future market. According to these facts, this article points out that the workings of the Dairen Exchange supported an increase in soybean exports. But Dairen Exchange did not supervise the entire transactions of soybeans in the Dairen market. Due to the defects in the trading system, a lot of spot trading was done outside the Exchange. The Company of Mitsui and a company managed by the Official Bank, Liang-ch'ien, also traded a large quantity of soybeans independently.

The Dairen Exchange merely functioned as a supervising organization. It neither tried to increase the quantity of soybean dealings by itself, nor intervene in the soybean market. That is to say, though the Dairen Exchange was a Japanese colonial institution under the control of the Governor General of Kwantung, it did not offer advantages only to the Japanese merchants.