

## The Japan Chronicle.

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### THE SOUTH MANCHURIAN RAILWAY.

#### PROTESTS AGAINST AMERICAN STEEL ORDERS.

The large orders recently given by the South Manchurian Railway Company for the supply of rails, locomotives and other railway material to the Mitsui Bussan Kaisha, which firm in turn placed contracts with American manufacturers, appear to have elicited many complaints from other foreign competitors. We learn from the *Asahi* that Sir Claude Macdonald, the British Ambassador in Tokyo, was the first to interrogate the South Manchurian Railway Company concerning its action. The Minister pointed out that the debentures of the company had been issued in London, while the materials required for the railway had been purchased from the United States with money raised in England. Sir Claude, it is stated, requested an explanation of preference being given to American manufacturers in the purchase of these goods.

The explanation of the South Manchurian Railway Company was that the conversion of the line into broad gauge must be completed within a period of three years, in accordance with the order of the Japanese Government. This fact did not allow of any delay in getting the materials required, and the Mitsui, it was contended, was the only firm in a position to execute the orders in the time given. The Mitsui Bussan Kaisha found that the hands of manufacturers generally were full, so that preference was given to firms in the United States as they were able to accept the orders. The South Manchurian Company did not discriminate in giving the order to the Mitsui. Nor were other countries discriminated against in favour of the United States.

The British authorities, according to the *Asahi*, were satisfied with this explanation.

A similar complaint was received from Germany, to which the directors of the South Manchurian Railway replied that the majority of Japanese engineers were trained in the English and American schools of engineering, and naturally became more acquainted with the use of English and American machinery. For this reason, more orders were given to Great Britain and the United States than to other coun-

tries. This answer was duly referred to the Berlin Government, and according to our information Prince Buelow issued instructions to the German Ambassador in Tokyo to endeavour to induce the Japanese Government to send as many engineers as possible to Germany for study. Such a visit of Japanese engineers would be welcomed by the proprietors of German factories, and all possible assistance and information would be given without reserve. As the result of this invitation, four or five engineers will shortly be sent to Germany by the South Manchurian Railway Company to study German machinery and processes. Great satisfaction is expressed in Japanese industrial circles that—as the result of this incident—the policy of the owners of German factories in observing strict secrecy towards Japanese engineers has been abandoned.