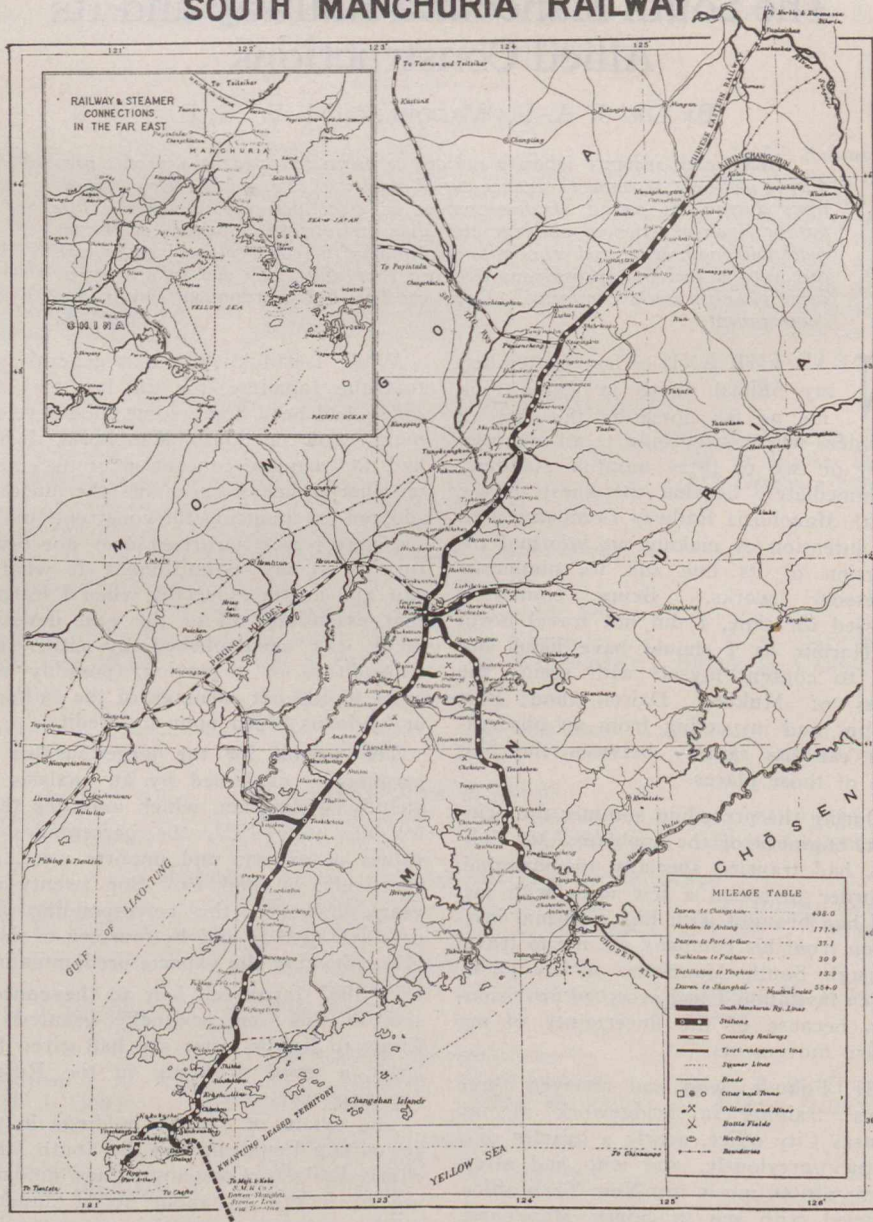


### SOUTH MANCHURIA RAILWAY



Beside the lease of territory, the property turned over by Russia to Japan consisted of the railway between Port Arthur and Changun, with light rails, heavy grades, and no rolling stock; the badly damaged town of Port Arthur; a mere nucleus of the City of Dairen with a

half-constructed, shallow harbor; and four very small towns along the railway line.

Not being desirous of officially operating a railway in a foreign country, the Japanese Government, without delay, turned over its entire holdings in Man-