

Resume of Political Development  
Sept. 18, 1931 to March 31, 1932

(17)

(43)

DOCUMENT FILE

NOTE

SEE 793.94/5229 FOR ~~EX.~~ #462

FROM Mukden (Myers) DATED Apr. 18, 1932  
TO NAME 1-1127 ...

REGARDING: resume of political developments in South Manchuria,  
between Sept. 18, 1931 and Mar. 31, 1932.

893.00 P. R. MUKDEN / 54

No. 402

AMERICAN CONSULATE GENERAL

Mukden, China, April 18, 1932.

CONFIDENTIAL

Resume of Political Developments  
September 18, 1931 to March 31, 1932.

THE HONORABLE  
THE SECRETARY OF STATE  
WASHINGTON, D. C.

1/-

I have the honor to enclose herewith a brief resume of political developments in South Manchuria between September 18, 1931 and March 31, 1932. It is thought that a review of this kind might prove of interest to the Department and the Legation and its perusal might be helpful to General McCoy, the American member of the League Commission of Inquiry. The resume is based on material on file at this Consulate General and was prepared by Vice Consul Monroe Hall.

A few observations may be of interest in this connection. In the first place, the rapidity with which the occupation of Mukden was effected and the extension of military occupation immediately to other cities in the railway zone and within a few days to Kirin city despite the absence of a menace from that quarter and the guarantees of the local officials that they would adequately protect Japanese nationals afford overwhelming evidence that the Japanese army was completely prepared

pared for this action and that the questions at issue were not merely local or transitory ones. Attention may also be drawn to the frequent military manoeuvres which the Japanese army staged in the environs of Mukden during the weeks preceding the occupation and to the presence of considerable artillery in Mukden at that time which unconfirmed reports stated had been brought from Korea and discharged during the dead of night only a few days prior to the outbreak. These circumstances may be adduced as evidence in support of the conclusion, reached at that time by close observers of political conditions in Manchuria, that Japan had decided to effect a settlement of the Manchurian problems and that the much emphasized railway incident, the Nakamura case and other recent incidents were exaggerated far beyond their proportions for the purpose of giving the Japanese military action an appearance of reasonableness and at the same time of cloaking its real purpose.

That the Chinese authorities had at least given the Japanese ample opportunity for resorting to drastic action for protecting their interests and treaty rights cannot be gainsaid. The Chinese obviously were blinded by the seeming success of their studied policy of procrastination and disregard of agreements and protests and in spite of ominous warnings persisted in these obstructive and aggravating tactics. The situation had reached such a pass according to a recent statement of a prominent Japanese official that Japan decided that it would have to move into Manchuria or  
withdraw

withdraw entirely.

It may be of interest to mention a few of the important events of the period covered by the resume which definitely mark the disclosure or unmasking of Japanese plans for accomplishing the domination of Manchuria. After the initial military occupation, the events that stand out are the airplane bombardment of Chin Hsien (Chinchow - old name) on October 8, the attack on the Heilungkiang forces on the Nenai river early in November and the subsequent occupation of Tsitsihar - these steps were not taken until Japanese propaganda had disclosed that Soviet Russia would not use military force for the protection of its sphere of influence -, the despatch of Japanese troops against Chin Hsien late in November which was so unexpectedly stopped and disavowed by the Japanese government, the long delayed expulsion of the Chinese troops from the Chin Hsien area and the elimination of Chinese rule in South Manchuria at the beginning of the year (Chin Hsien occupied on January 2, 1932) and the development of the movement for the creation of a new state which culminated on March 9, 1932, with the inauguration of P'u Yi (ex-Emperor Hsuan T'ung) as the Chief Executive of Manchoukuo at Changchun, the capital. It is worth while noting that Japanese interest in and connection with the independence movement which began to attract attention late in September has existed from the outset.

In the light of the developments outlined in the enclosure, the Japanese government's protestations that they have been in no way connected or concerned with the creation of the new state cannot be taken literally but  
may

may possibly be explained by the oriental complex for keeping the records clean for the sake of appearances. As a matter of fact, all reports of persons who have had any relations with the new government unanimously state that the government is Japanese, that is, that its Japanese members completely control and actuate every department and therefore it is obviously not Manchurian in the sense that the word denotes the native inhabitants of this land - a broader interpretation of the word to include Japanese and Koreans as well may explain the Japanese insistence upon its use.

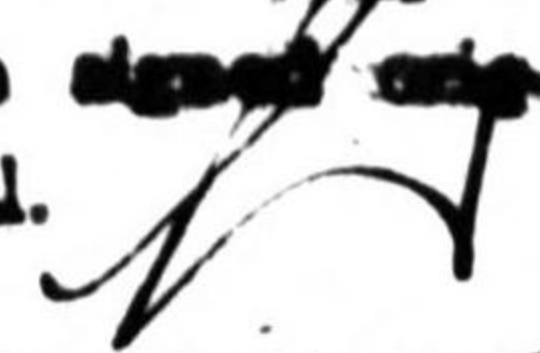
Yours respectfully,

M. S. Myers,  
American Consul General.

Enclosure: Resume of political developments in South Manchuria.

Original and four copies to Department.  
Two copies to Legation

800  
MMM:CC

A true copy of  
the signed original.  


Enclosure to Despatch No. 462 of M. S. Myers, American Consul General at Mukden, China, dated April 18, 1932 to Department of State on the subject "Resume of Political Developments September 18, 1931 to March 31, 1932".

MEMORANDUM

SUMMARY OF SALIENT POINTS PERTAINING TO THE SITUATION IN SOUTH MANCHURIA FROM SEPTEMBER 1931 THROUGH MARCH 1932.

(Compiled from the files of the American) Consulate General, Mukden.

Date of Report.	SUBJECT.
Sept. 10.	<u>REVIEW OF THE POLITICAL SITUATION IN SOUTH MANCHURIA DURING AUGUST, 1931.</u> <ol style="list-style-type: none"><li>1. Critical condition of Sino-Japanese relations in Manchuria.</li><li>2. The relationship of Manchuria to the rest of China becoming more intimate. Opposition of Japan to this tendency.</li><li>3. <u>Nakamura Case:</u> Strained relations between the Japanese Foreign Office and the Army. Nakamura case merely a pretext. Opinion that the Japanese army desired the failure of the negotiations in this case as strongly as the Foreign Office desired a peaceful settlement because the army was eager for action in Manchuria and settlement of the Nakamura case would have removed a strong pretext.</li><li>4. <u>Wanpaoshan Incident:</u> Reasons for the negotiations reaching an impasse.</li><li>5. Decrease in the sale of Japanese goods due to unfavorable gold yen exchange. Little progress made in Mukden in the anti-Japanese boycott.</li></ol>
Sept. 13	<u>NAKAMURA CASE.</u> <p>Report that the Japanese Consul General had convinced the Mukden authorities that if this case was not settled satisfactorily there would be critical consequences. Chinese Chief of Police left Mukden to join the group of investigators who were sent out on September 6.</p>
Sept. 19 1 A.M.	<u>OUTBREAK OF HOSTILITIES.</u> <p>Informed by the Japanese Consulate General that the S. M. R. was out north of Mukden by 400 Chinese troops from the Pei Ta Ying garrison. 150 Japanese troops engaging the Chinese.</p> <p>Informed by the Chinese Foreign Office that the Japanese had been requested unsuccessfully to cease firing.</p>

see

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Sept.19. (see the other reports on the outbreak of hostilities).

Japanese army occupied the commercial settlement and the Chinese city, Mukden, during the night of September 18-19.

Proclamation posted in Mukden, signed by General Honjo, setting forth the Kwantung Army's explanation of the outbreak of hostilities, and reassurances and warnings to the Chinese civilian population. The substance is that the Chinese army damaged the S. M. R. and attacked the Japanese guards, and that these actions were part of a studied plan and policy.

Sept.20. JAPANESE MILITARY OCCUPATION.

1. Changchun, Newchwang, Yingkow, Antung, Kwang Chen-tze occupied by the Japanese military during the morning of September 19.

2. Chinese troops in and near Mukden offered no resistance.

3. Explanation of the incident by the Japanese Consulate General.

4. Belief that the Japanese Consulate General did not know the plans of the military.

5. Difficulty of believing the Japanese explanation of the incident.

6. Impression that the Japanese Consular Officials in Mukden did not believe the statement by the military authorities that the incident was caused by Chinese aggression.

7. Just before the incident negotiations concerning the Nakamura case were progressing satisfactorily due to the conciliatory attitude adopted by the Chinese.

Sept.21. Japanese authorities would not state conditions under which a return to status quo ante would be made.

Japanese military occupation extended to Kirin. Heavy movement of troops northward from Mukden. The main body of the Japanese troops were at Changchun. Practically all of the Chinese soldiers had been moved down the Peiping-Mukden Railway to Chinchow and Shan-haikwan.

Chinese banks closed by the Japanese. Provisional Municipal Administration by Chinese under a Japanese officer (Doihara) established in Mukden.

Sept.22. Difficulty of finding Chinese willing to participate in the provisional administration under

Doihara



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Sept. 22.

Doihara. Japanese plan to have similar municipal governments established in Antung, Newchwang, Changchun, Ssu-pingkai and Kirin.

Occupation of the city of Kirin completed September 21. Chientao area was being occupied.

All Chinese shops and banks in Mukden remained closed. Japanese military deny that the railway east of Kirin city was occupied.

Japanese military reported that only one division reinforced by five Korean battalions was in Manchuria.

The Japanese stated that the occupation was practically complete and that it extended over the entire S. M. R. zone, and Chenghiatun, Kirin City, Kuangheng-tze which were occupied to protect resident Japanese.

Sept. 23.

CONSENSUS OF CHINESE AND LOCAL FOREIGNERS'  
OPINIONS CONCERNING THE OUTBREAK OF HOST-  
ILITIES.

1. Japanese for many nights prior to September 18 had held nightly machine gun practice.
2. On the night of September 18 unusually heavy machine gun fire started shortly after 9 p.m.
3. Explosion near north camp at about 10:30 p.m.
4. From that time on rifle fire continued all night.
5. Japanese artillery fire started about midnight.
6. Trench mortar arsenal attacked shortly afterwards with hand grenades. Workmen and guards killed in their sleeping quarters.
7. By 5 a.m. entire city occupied by the Japanese military.
8. Chinese maintain they had orders for several days not to fire on the Japanese under any circumstances.
9. Apparent that Chinese offered little if any resistance.
10. Japanese story of the attack is dubious.
11. Further details.

S.M.R. FOREIGN OFFICE REPORTED THE MOVEMENT  
OF JAPANESE TROOPS TOWARD TUNHUA.

1. Other troop movements.

Japanese

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Sept. 23. Japanese reinforcements from Korea went through Mukden on September 22 for Changchun where the chief concentration of Japanese troops was taking place.

Japanese planes flew over Hsinmin and Tanshan and, it is reported, dropped bombs on the barracks at the latter place.

Sept. 24. JAPANESE ARMORED TRAIN AND TWO COMPANIES POSTED JUST EAST OF Hsinmin.

1. Position of other troops.

South bound train for Shanhaikwan loaded with refugees held up by bandits between Chuliuh and Hsinmin. Train reached Hsinmin without passengers. About 200 Japanese troops despatched to Hsinmin.

Banks in Mukden still closed and business at a standstill.

CONSUL VINCENT'S MEMORANDUM AFTER INSPECTING THE SCENE OF THE ALLEGED EXPLOSION WITH A JAPANESE ESCORT.

(See also Lieutenant Brown's report which includes a sketch of the scene and is from the military point of view).

1. Inspection of the scene was preceded by a summary of violations of Japan's treaty rights in Manchuria and of irritating incidents by Lieutenant-Colonel Shimamoto.

2. Lieutenant-Colonel Shimamoto's version of the details of the clash.

3. Reasons for the firm opinion in which Consul Vincent, Lieutenant Brown and Lieutenant Cranford concurred, that the Japanese version of the clash was not trustworthy.

Sept. 26 JAPANESE OCCUPATION OF SOUTH MANCHURIA.

(This despatch supplements previous reports)

1. Japanese battalion which occupied Tunhwa was withdrawn to Kirin.

2. Occupation by Japanese troops of Liaoyuan (Chengchiatun) Tungliao and Taonan.

3. Occupation of Tungliao terminated.

4. Japanese officers stated that 15,000 Japanese troops were in Manchuria. Some observers believe this figure to be too small.

5. Pretext for occupation was the alleged ex-

plosion

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losion on the S. M. R.

6. Chinese and Japanese versions of the clash are entirely different.

7. Japanese were obviously prepared for a clash. Evidence of preparations.

8. The time selected by the Japanese for the settlement of Manchurian issues was opportune.

Sept. 29. Provisional government formed by Chinese officials in Kirin.

Japanese press reported a movement for the independence of Manchuria and Mongolia.

Letters from observers on the spot describing the Japanese occupation of Kirin.

Removal of \$800,000 from the provincial depositories in Kirin to the Japanese Consulate.

Japanese Consul General, Kirin, stated that the acts of the Military were beyond his knowledge.

Sept. 30. RECENT INCIDENTS ON THE PEIPING-MUKDEN RAILWAY.

Japanese machine gun fire from an airplane flying over a train, killed several Chinese.

Japanese explain that the fire was directed against Chinese soldiers.

Misleading interview given to the press by Major Watari concerning the Peiping-Mukden Railway.

THE SITUATION ON SEPTEMBER 29.

1. Military situation appeared to be stabilized temporarily, but the political situation, outwardly at least, was more complex.

2. Bank of China and Bank of Communications in Mukden resumed business on September 28. Most of the native shops remained closed.

3. Personnel of the Chinese Peace Maintenance Committee in Mukden.

4. Propaganda in the Japanese-controlled press for the establishment of a new government.

5. Belief that Chang Hsueh-liang will not be permitted to return to Mukden.

6. Sidelights on the Japanese occupation, includ-

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Sept. 30.

ing interference with commerce and with the actions of Chinese officials.

Oct. 1. Japanese authorities gave much prominence to the alleged Chinese movement to form an independent Manchurian government.

Japanese forces from Yingkow entered Newchwang-cheng which had been attacked by bandits at 2 a.m. October 1.

Oct. 2. INDEPENDENCE MOVEMENT AT MUKDEN.

1. The movement was instigated and forced by the Japanese. Yuan Chin-k'ai stated that he had been urged by the Japanese to organize an independent government, and that he had refused. He considered it probable that the Japanese had approached other Chinese.

2. Japanese strongly opposed to the return of Chang Hsueh-liang.

3. Attitude of the Japanese toward the local official banks.

4. Opinion that the longer the re-establishment of Chinese authority in Mukden is delayed the more chance there will be to establish a puppet government.

Oct. 3. Yuan Chin k'ai and K'an Chao-hsu denied newspaper reports stating that they were connected with the movement to form a new government.

Oct. 5. IMMEDIATE EFFECTS OF THE JAPANESE MILITARY OCCUPATION UPON AMERICAN INTERESTS.

1. Interference with personal liberty.

(a) Japanese soldiers with fixed bayonets patrolled the streets in front of the Consulate General.

(b) Labels or certificates of identity were required of Consular servants in order that they might pass through the streets unmolested by Japanese soldiers.

(c) Consular officials were stopped in the Chinese city by Japanese soldiers and made to identify themselves, (see also the Chamberlain incident of January 4.)

(d) Permission had to be obtained from the Japanese military for Americans to visit such places as the Mukden (Chinese) radio station, Chinese aviation field, arsenal, railway station, and other places.

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Oct. 5.

(e) The Japanese military had to be approached, through the Japanese Consulate General, concerning practically all matters which prior to September 19 came within the province of Chinese officials.

(f) No official notification was presented to the Consulate General of the establishment of control by the Japanese.

2. Interference with American companies and American trade.

(a) Requests from American firms for some form of identification for their Chinese employees in order to permit them to travel to and from their work without being molested by Japanese patrols.

(b) Letters from Andersen, Meyer & Company requesting the Consulate General to protect its interests in unpaid accounts in a number of Chinese government and semi-government concerns.

(c) Letter from Frazer Federal Incorporated concerning the company's substantial interest in the motor buses of a Chinese company which were seized by the Japanese, and requesting a protest to be made against the forced occupation of the company's office by Japanese soldiers, and the seizure without payment of gasoline on the company's premises.

(d) Interference with the Mukden Radio Station.

(e) Refusal by the Japanese of a request to inspect the American owned Waco airplane.

(f) Very adverse effect of the Japanese occupation on the business of the National City Bank of New York.

(g) Other cases of interference with the operations of American companies including the cases of the Standard Oil Company, and the Vacuum Oil Company.

3. Possibility that the Japanese banks will take over the remunerative task of financing South Manchuria and furnishing it with bank notes.

4. Effect of the general economic paralysation of South Manchuria on American business.

Oct. 6. Clash of Japanese detachment with Chinese near Tsupingkai.

Guerilla

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Oct. 6. Guerilla warfare in country districts north-east of Mukden.

Japanese reported outbreaks of anti-Korean feeling. 500 Korean farmers reported murdered. Troops sent to the northeast of Fushun to protect Koreans.

Oct. 7. At the time of the occupation of Mukden all Chinese government offices were seized and labelled "occupied by the Japanese Army".

Local foreign office kept open only for the handling of visa work, and each application for a visa reported to the Japanese gendarmery headquarters.

Japanese infantry numbering 300 men, plus field artillery left Mukden October 7, 2 a.m. for Hsinmin area to reinforce detachment there. Six airplanes departed at daybreak.

Japanese headquarters reported that Chinese forces straggling toward Chinchow were terrifying that district.

Oct. 8. The Peace Maintenance Committee issued a statement on October 7, denying that it had anything to do with setting up a new government, or with any move for independence.

TEN JAPANESE AIRPLANES BOMBED CHINCHOW AT NOON.

1. Thirty bombs were dropped, and there was machine gun fire from the planes. The Chinese did not fire at any time.

2. General Honjo's explanation of the bombing of Chinchow. His reasons appear flimsy and unconvincing.

3. Every act of the Japanese military revealed that their purpose was to overthrow Chang Hsueh-liang. Translation of leaflets dropped from the planes.

4. The bombing was a nullification of the Japanese protestation that their military actions were in self defence.

5. Casualties resulting from the bombing of Chinchow: 16 killed including one Russian.

Oct. 9. FURTHER DEVELOPMENTS IN THE SITUATION.

1. Situation at Mukden remained unchanged.

2. Outside of the railway zone and Chinese cities adjacent thereto, Japanese troops were at Hsinmin, Liao-yang and Kirin.

3. Japanese reported that there were only two

recent

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Oct 9.  
recent military operations.

(a) Against "bandit troops" north of Mukden.

(b) Against "bandit troops" northeast of Fushun.

4. Japanese troops outside of the railway zone officially reported to Lieutenant Brown to be 4,800  
Distribution of these troops.

Japanese control of Mukden practically complete. The complete withdrawal of Japanese troops before the establishment of an effective Chinese municipal administration and police force would jeopardize lives and property.

Since the Japanese occupation banditry increased greatly. Many Chinese soldiers and police fled from their posts and turned into bandits.

(a) Details of bandit operations.

Japanese censors established in the Chinese post office. Chinese telegraph and wireless station at Mukden closed since September 19.

Oct. 10. POLITICAL SITUATION IN SOUTH MANCHURIA.

1. The military actions undertaken by the Japanese were dictated by political considerations and had no relation to the railway incident.

2. General survey of the situation.

3. Japanese Consul General stated in private conversation that the independence movement could not succeed without Japanese support.

4. Japanese intrigues among the Mongols in the Liaoyuan and Taonan areas.

Oct. 12. Message from Mr. Chester Rowell which he requested Minister Johnson to transmit to President Hoover.

(a) Former Manchurian Government completely eradicated.

(b) Chinchow air raid was directed against Chang Hsueh-liang's government.

(c) Japanese army authorities were trying to form in Manchuria and inner Mongolia government under Japanese tutelage.

Oct. 14. Japanese airplanes in the neighborhood of

Koupang-tze

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Oct. 14.

Koupang-tze reported fired on by a Chinese troop train and responded by dropping bombs.

Japanese detachments frequently sent to the interior to disperse bandits.

Large expedition against bandits sent from Mukden October 14, to Hsinglungtien (on P-M railway) to disperse 5,000 bandits. Expedition consisted of 2 battalions infantry, one battalion artillery, one squadron of cavalry, one squadron of airplanes.

This expedition returned to Mukden October 15 after dispersing the bandits.

Oct. 15. Customs station on the bridgehead at Antung closed by the Japanese.

(a) This action will cause a great loss of revenue.

(b) Statement of the Commissioner of Customs at Antung.

Oct. 16. Ta Lin Chan on Liaoyuan - Tungliao railway occupied by 2,000 Mongols on October 13, Tungliao occupied October 14. Japanese force moved west on this line to attack the Mongol bandits.

ORGANIZATION OF THE PEACE MAINTENANCE  
COMMITTEE AT MUKDEN.

1. Purpose and work of the Committee.
2. Personnel of the Committee was pressed by the Japanese to assume the functions of government.
3. Essentially the Committee is the unofficial spokesman of the Chinese in dealing with the Japanese.
4. Similar Committees formed at Fushun, Newchwang, Tiehling, Changchun and Saupingkaï.
5. Regulations of the Committee.

Oct. 17. The Chinese Post Office remained the only Chinese administration at Mukden which had neither been closed nor put under Japanese control.

Banditry was extremely serious especially west of the Liao.

Probability that banditry would be used as a pretext for further military action.

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Oct. 20.

THE REOPENING UNDER JAPANESE SUPERVISION AND CONTROL OF THE BANK OF THE THREE EASTERN PROVINCES AND THE FRONTIER BANK IN MURDEN ON OCTOBER 15.

1. General Honjo's instruction to the Peace Maintenance Committee giving the regulations under which the banks were permitted to reopen.
2. Deleterious effect on American business of the restrictions on the banks.
3. Japanese advisers in the banks.
4. Railways and public utilities put under Japanese control.
5. Evidence that the Japanese were laying foundations for the financial and economic domination of South Manchuria.
6. Provincial regulations governing the reopening of the Bank of the Three Eastern Provinces and the Frontier Bank.

Oct. 21.

SELF GOVERNING SOCIETIES FORMED AT FUSHUN, FISHLING, LIAOYUAN, AND AT LEAST SIX OTHER PLACES.

1. The Executive Committees of the societies are provisionally functioning as administrators of their respective districts.
2. Japanese are reported to be advisers to the societies.

REORGANIZATION OF THE BUREAU OF FINANCE OF LIAONING PROVINCE.

1. Copy of the provisional regulations ostensibly by the Peace Maintenance Committee but the hand of the Japanese military is plainly visible.
2. Economic activities of the Japanese.
  - (a) Japanese control over the official banks.
  - (b) Probability that taxes formerly objected to by the Japanese will be dropped.
  - (c) Opinion that the regulations of the former government for preventing the expansion of Japanese interests will be withdrawn.

Oct. 22.

PEACE MAINTENANCE COMMITTEE HAS GRADUALLY ASSUMING THE FUNCTIONS OF THE PROVINCIAL GOVERNMENT.

1. Bureau of Industry opened.

Japanese

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Oct. 22. Japanese officially reported that a clash had occurred between 1,000 Chinese troops and two companies of railway guards about 8 miles south of Tienling on October 21. Chinese retreated westward. Japanese cavalry despatched to cut them off.

Japanese planes scouting over the Taonan-Angangki Railway were fired on by Chinese troops and in reply dropped bombs, Japanese stated that two bridges on this railway were destroyed recently by the Chinese, and that the necessity of protecting their interest in the railway was the reason for the bombing.

Letter from Mr. Chao Hsin-po stating that he had been appointed Mayor of Mukden on October 20.

1. Summary of provisional regulations governing the municipal office.
2. Japanese advisers.
3. Bureau of Police Force.

Oct. 23. SUMMARY OF RECENT DEVELOPMENTS.

1. Further information concerning the administration of Mukden municipality.
2. Appointments made subject to the approval of the Japanese military.
3. Japanese advisers attached to every Chinese office.
4. Opinion that the Japanese military were seizing every opportunity to punish the Northeastern forces.
5. Joint committee for the maintenance of peace and order of the Mongolian border officially announced its formation on October 12, at Taonan.

6. BRIDGE OVER THE NONNI RIVER SOUTH OF ANGANGKI DESTROYED BY HEILUNGKIANG TROOPS.

(see also the Telegraphic report of October 22)

7. Bandit activities:
  - (a) West of Liao river.
  - (b) Mongolian bandits.
8. Additional information.

Oct. 24. Traffic on the Liaoyuan-Tungliao railway suspended due to activities of Mongolian bandits.

Activities of Japanese subjects for the  
restoration

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Oct. 24.

restoration of a monarchical government in Manchuria. The effect of these activities will be to give the Japanese a plausible pretext for prolonged military occupation and for reinforcing their troops.

Oct. 26.

Copies of telegrams sent by Consul General Hanson and Second Secretary Salisbury from October 6 to October 20 while on their tour of investigation. These telegrams present a review of the hostilities since September 18, reports of interviews with Chinese and Japanese, and the reflections of the investigators on the situation.

The general tenor of the telegrams is that the Japanese military action was unwarranted.

Oct. 27.

Chang Hai-p'eng, Tupan of the Mongolian border, reported to have been supplied with arms and ammunition by the Japanese for his expedition against the Heilungkiang government.

A Japanese military train was despatched from Liaoyuan to the Nonni river for the purpose of surveying the damage done to the railway.

Oct. 29.

Attempt of the Japanese military authorities to interfere with the business of the National City Bank, Mukden branch.

(a) Protest made to the Japanese Consulate General.

(b) Memorandum by the Manager of the Bank.

(c) Incident settled by a reply from the Japanese Consul General interpreting the army's communication as merely an expression of desire.

Oct. 30.

Military movements around Liaoyuan.

(a) Bandit activities.

(b) Efforts of the Japanese to force a movement for independence, including efforts to effect a Manchu restoration.

Oct. 31.

According to reliable information a Japanese armed guard removed on October 31 \$670,000 of Salt Administration funds from the Bank of China, Newchwang, to the Provincial Bank at that place.

Nov. 2.

Additional unsuccessful efforts of the Japanese to induce Yuan Chin-k'ai to organize a provincial government at Mukden.

Serious fighting reported at Tailai between

Chang Hai-p'eng's

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Nov. 2. Chang Hai-p'eng's forces and those of Ma Chan-shan. Reports that Japanese troops were assisting Chang.

Japanese troops were despatched north of Chengchiatun along the Ssu-tao railway on October 28 to re-establish traffic.

Nov. 3. Ultimatum by General Honjo to the Chinese troops at Tsitsihar and Taonan demanding their withdrawal to a point 10 kilometres from the Nonni river to prevent interference with the Japanese gangs who, under the protection of Japanese troops, will repair the destroyed railway bridges.

Nov. 5. REPORT OF JAPANESE HEADQUARTERS CONCERNING THE FIGHTING WITH MA CHAN SHAN'S FORCES AT NONNI RIVER.

(a) Details of the engagement.

CLOSURE OF CHINESE ELECTRIC LIGHT AND POWER PLANTS BY THE JAPANESE.

1. Chinese plant at Antung was closed by order of the Japanese military on September 22.

2. The Mukden Electric Light Company is completely under the control of the Japanese.

3. Chinese plant at Changchun was closed by the Japanese.

4. The Newchwang plant is a Sino-Japanese enterprise and consequently has not been interfered with.

Additional information concerning the efforts of the Japanese to induce Yuan Chin-kai to organize a provincial government. Yuan reiterated his refusal.

Points submitted by the Peace Maintenance Committee to the Japanese military authorities for approval.

Nov. 7. Severe engagement at the Nonni river was concluded by the occupation of the Chinese positions by the Japanese and the withdrawal in good order of the Chinese forces to a new position 15 kilometres south of Anganki.

The Japanese force numbering 2,000 was reported to be strengthening their positions, and rushing repairs to the bridge.

Reported that Chinese reinforcements of approximately 2,000 are proceeding to the scene over the C. E. R.

Nov. 8. The Peace Maintenance Committee announced

that

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Nov. 8. that it was functioning as the provincial government but that it was not concerned with past or future questions and that it had no connection with Hanking or Chang Hsueh-liang.

Nov. 10. Japanese military reported an increase of banditry in regions adjacent to the S.M.R. due to the withdrawal of Japanese troops to the Nonni river area. Engagements with bandits occurred in the vicinity of Haicheng, Tiehling, Hsinmin and Saupingka.

Nov. 11. Translation of a pamphlet issued by Japanese soldiers to the populace of Kirin.

1. "Duration of occupation to be two or three years in order to liberate the people of the Northeast".

2. "Anyone hostile to our soldiers shall be considered an enemy and conquered even if they are a league of many powers".

Nov. 12. Rumor that an attempt will be made to make P'u Yi the sovereign of Manchuria.

The Japanese Consul General stated that the Japanese troops would not be withdrawn by November 16.

MEMORANDUM OF CONVERSATIONS WITH CONSUL  
GENERAL HAYASHI AND VICE CONSUL MIURA  
CONCERNING THE MANCHURIAN SITUATION.

Comment on the memorandum.

1. Two most salient points at that time in the Manchurian situation.

(a) Military activities in the northwest along the Tao-An Railway.

(b) The efforts to establish with Japanese assistance an independent government of Manchuria and Mongolia.

2. Opinion that the Japanese military have as their irreducible minimum object the reduction of Manchuria to the status of a protectorate of Japan in fact if not in name.

3. Consul General Hayashi had urged his government to have a committee of investigation visit Manchuria.

4. Situation in the Nonni river area.

Nov. 13. KWANTUNG ARMY HEADQUARTERS REPORTED THAT THE  
SITUATION ON THE NONNI RIVER WAS BECOMING  
VERY DANGEROUS.

1. Troop movements.

Impressions

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Nov. 13. 2. Impressions of an American newspaper correspondent after his inspection of the Japanese position on the Nonni.

Nov. 15. Army headquarters which had reported quiet on the Nonni front during the past three days, broken only by minor outpost engagements was forced by newspapermen who had seen contrary despatches to admit that there had been Japanese attacks with heavy artillery since November 12.

Nov. 16. Policy of the Japanese military headquarters in reference to seized materials.

INTERVIEW WITH PRINCE KUNG.

1. He stated that the Japanese ronin had tried to persuade him to form a Manchurian Monarchy.

2. He refused; but he would like to see a Manchurian republic established.

3. He stated that the ronin were urging P'u Yi to become Emperor and he is afraid that P'u Yi, being weak, may succumb to the persuasion.

Nov. 17. Japanese demonstration at Mukden in opposition to the attitude of the League of Nations, and to manifest wholehearted support of a strong policy in Manchuria.

Nov. 18. KWANTUNG ARMY HEADQUARTERS ANNOUNCED THAT A JAPANESE OFFENSIVE COMMENCED ON THE NONNI FRONT AT DAWN ON NOVEMBER 18.

Japanese military reported that after the fighting near Tahsing, Ma Chan Shan concentrated strong forces at and around Anganki. He failed to reply to the Japanese proposals and advanced and pressed the Japanese right flank and rear, and in this way endangered the Nonni river bridges near Kiang Chou. Also, after the small front-line clashes of the preceding few days Ma undertook an enveloping offensive. Consequently the Japanese for self-defence launched an offensive.

Japanese press reported that a mixed brigade and planes ordered to Manchuria left Japan proper on the 14th and 16th respectively.

Japanese reservists were called to the colors for guard duty in the railway zone to replace troops which have been sent to the front.

The Japanese officials announced that Japanese troops after sharp fighting reached the C. E. R. on November 18 at 1 p.m.

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Nov. 18.

THE JAPANESE FINALLY INDUCED THE PEACE  
MAINTENANCE COMMITTEE UNDER YUAN CHIN-  
K'AI TO ORGANIZE A PROVINCIAL GOVERNMENT.

1. The Japanese met more difficulty than they had anticipated in establishing independent governments in Manchuria.

2. Activities of P'u Yi.

3. Additional information pertaining to the military and political situations.

Nov. 19.

JAPANESE HEADQUARTERS OFFICIALLY ANNOUNCED  
THAT TSITSIHAR STATION HAD BEEN OCCUPIED  
BY THE JAPANESE FORCES AT ABOUT NOON ON  
NOVEMBER 19.

1. The Chinese were retreating in disorder about 20 kilometres north of Tsitsihar.

2. Russia had taken no action as a result of the Tsitsihar engagement.

3. Reinforcements consisting of a mixed brigade, estimated strength 5,000 were scheduled to arrive in Mukden from Japan on November 20.

Nov. 21.

JAPANESE HEADQUARTERS REPORTED:

1. Three trains of Chinese troops passed Shan-haikwan moving northward.

2. The main concentration of Chinese troops along the Peiping-Mukden Railway was reported to be at Koupangtze.

Japanese replacement brigade was detained in Mukden in readiness it is believed for an offensive towards Chinchow, the probable objective of the next Japanese attack.

Nov. 23.

SEIZURE OF SALT ADMINISTRATION FUNDS.

The Banks and Salt Offices were informed by the Japanese military that no withdrawals of salt funds were to be made without the approval of the military authorities.

Transfer of the salt funds in the Bank of China, Newchwang, to the Bank of the Three Eastern Provinces at the insistence of the Japanese.

Memorandum by the Special Deputy of the Chief Inspector of Salt Revenue, Shanghai, entitled, "The Salt Revenue of Manchuria".

Additional information.

Minor

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Nov. 24. Minor engagement 4 miles northeast of Chüliu-  
ho. Infantry company from Mukden sent as a reinforcement.

Nov. 25. REPORTED THAT A JAPANESE DRIVE AGAINST CHIN-  
CHOW WAS IMMINENT COULD BE INFERRED FROM  
EVERY CIRCUMSTANCE.

The purpose of the drive would be to end the influence of Chang Hsueh-liang and the National Government north of the wall. The eradication of their influence would greatly facilitate the endeavors of the Japanese toward establishing independent governments in Manchuria.

The independence movements have not been spontaneous.

The increased activity of bandits and the inability of the local governments to maintain order were advanced by the Japanese as the reasons for continuing their military occupation. But the local governments were kept weak by Japanese restrictions.

Nov. 27. KWANTUNG ARMY HEADQUARTERS COMMUNIQUE OF  
NOVEMBER 27.

"Due to the serious fighting in Tientsin the Kwantung army decided to take the necessary measures".

One hundred twenty cars loaded with Japanese troops and military equipment including tanks and artillery left Mukden early in the morning of November 27 over the Peiping-Mukden railway in the direction of Chinchow.

Lieutenant-Colonel Molloy reported three battalions from Kirin and Ssapingkai, with one battalion from Chengchun following, were enroute as reinforcements.

Four hundred reservists in Mukden called to the colors for local guard duty.

Many airplanes departed during the morning of November 27 from their Mukden base in a westerly direction.

Japanese headquarters reported that an armored train preceding Japanese forces over the Peiping-Mukden railway met and captured a Chinese train east of Tahushan.

Estimated strength of Japanese forces in the Chinchow drive, 13 battalions.

Nov. 30. Headquarters announced that the Japanese forces despatched toward Chinchow had been substantially withdrawn to the east of the Liao river.

Headquarters



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Nov. 30. Headquarters also reported that the Chinese forces east of Chinchow were being augmented.

The Peiping-Mukden railway and telegraph lines were cut in several places on November 29.

Headquarters reported that 3,000 Heilungkiang troops were marching on Tsitsihar. Because of the threat to the safety of the 500 Japanese troops still at Tsitsihar headquarters despatched two battalions of reinforcements from Mukden in the morning of December 1.

Dec. 2. SOME ASPECTS OF THE JAPANESE OCCUPATIONS.

1. Japanese public utility service was replacing the Chinese.

(a) Extension of the Japanese water, gas, and telephone services in Mukden.

2. The Fengtien Mining Administration (Chinese) was closed by the Japanese on or about November 11.

3. Fuchow-wan Coal Mines (Chinese) near the Leased Territory, were taken over by the Japanese.

4. Penhsihu Coal and Iron Mines, a Sino-Japanese enterprise, now controlled solely by the Japanese.

5. Japanese were taking advantage of conditions in Manchuria to advance their interests in derogation if not violation of the "open door".

Dec. 3. Japanese headquarters reported the continued activity of Chinese forces around Tsitsihar, and the continued movement of Chinese forces in the Chinchow area. Also that four bridges between Hsinmin and Tahu-shan on the Peiping-Mukden Railway had been blown up by the Chinese.

Peiping-Mukden Railway authorities were unable to confirm the heavy movement of Chinese troops north from Shanhaikwan which was reported by Japanese headquarters.

Dec. 5. The Japanese spokesman stated that the infiltration of Chinese troops into the Faku district continued.

(a) Reasons for believing that the purpose of the northeastward movement of the Chinese troops was not to undertake an offensive against the Japanese.

RECENT ACTIVITIES OF THE PEACE MAINTENANCE COMMITTEE.

1. Yuan Chin-k'ai had incurred the disfavor of the Japanese by his frank statements.

Circumstances

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Dec. 5. 2. Circumstances of an American news correspondent's interview with Yuan Chin-k'ai.

DISPOSITION AND NUMBER OF JAPANESE TROOPS  
IN MANCHURIA.

The military admitted having slightly less than 20,000 men in Manchuria.

Osupingkai-Taonan and the Taonan-Angangki Railways were being operated as a unit under the S.M.R.

Dec. 6. Two detachments of troops were sent a short distance north from Hsinmin to the district west of the Liao where bandits were causing disturbances.

(a) Other troop movements.

INTERVIEW GRANTED BY GENERAL HONJO TO THE  
CORRESPONDENT OF THE NEW YORK HERALD TRIBUNE.

1. No intention of attacking Chinese troops at Chinchow unless offensive measures were undertaken by Chinese regulars, Chinese plain clothes soldiers, or bandits instigated by Chinese troops.

2. Necessity of protecting railway zone.

3. Discussion of proposed neutral zone.

4. Number and disposition of Japanese troops in Manchuria.

5. Japanese casualties since September 18.

Dec. 8. Japanese headquarters emphasized the increasing menace of the Chinese troops and irregulars west of the S.M.R. zone.

Headquarters attributed the increased activity of Chinese soldiers in Tungliao and Chengchiatun to the Chinese government.

Dec. 9. The local press reported that pending the complete organization of an independent government in Manchuria, the Kwantung Army would exercise supervisory control and protect the new state from Chinese aggression.

Dec. 10. UNOFFICIAL INDICATIONS OF THE DESIRES AND  
PLANS OF JAPANESE ARMY HEADQUARTERS CON-  
CERNING THE INDEPENDENCE MOVEMENT.

1. Indications that the Manchuria-Mongolia independence movement was progressing rapidly from the theoretical to the practical state.

2. Self-government body established at Yingkow.

Opinion

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Dec. 10. 3. Opinion that the withdrawal of Japanese support would result in the collapse of the movement for independence.

4. Only Sino-Japanese negotiations or outside pressure would forestall the complete realization of the independence movement.

Dec. 11. JAPANESE ADVISERS IN CHINESE ORGANIZATIONS IN SOUTH MANCHURIA.

1. Enumeration of the Chinese Government, public utility and commercial organizations in South Manchuria in which there were Japanese advisers, supervisors or managers.

2. Opinion that the Chinese in the present administration are neither representative nor able, and that they are dependent on the Japanese.

Dec. 12. Japanese headquarters reported increased bandit activity near Hsinmin and Yingkow; the concentration of aircraft and artillery at Chinchow; and the removal of the Chinese Third Cavalry Brigade to Tung-liao.

Under the name of Yuan Chin-kai invitations were sent to Chang Ching-hui at Harbin and Hsi Hsia at Kirin to come to Mukden on December 20 to confer on the establishment of a separate government for Manchuria.

Dec. 14. ADDITIONAL INFORMATION CONCERNING JAPANESE ADVISERS IN CHINESE ORGANIZATIONS IN SOUTH MANCHURIA.

1. 160 Japanese advisers at present. But in addition officers of the Kwantung Army act in advisory capacities in certain local organs.

2. This group of Japanese may be said to form the de facto administration of Manchuria.

3. Explanation of the opinion that if the present system in Manchuria continues, Japan will secure a virtual monopoly of Manchuria's trade.

Dec. 15. Tsang Shih-yi, who had been under detention at Mukden since September 18, was released and installed as Governor of Fengtien on December 15. It was believed that this event foreshadowed an early attack on Chinchow.

Opinion that Tsang was forced into office and would be merely a mouthpiece.

INTERVIEW GRANTED BY GENERAL HONJO TO THE CORRESPONDENT OF THE NEW YORK TIMES.

(The questions were submitted in writing and written replies returned).

1. Military necessity would make it imperative that

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Dec. 15.

the Chinese troops evacuate the Chinchow area.

2. Until such time as the new Manchurian Regime had developed armed forces sufficient to quell the bandits and insure itself against attacks, the Japanese military forces would be willing to shoulder the burden of maintaining stability.

Dec. 17. Minor military activities against Chinese irregulars.

Dec. 18. Reliable information that Japanese airplanes bombed Tungliao, killing three Chinese. The city was in a panic.

Obvious preparations being made in Mukden for an early drive on Chinchow.

Dec. 19. POLITICAL CONDITIONS IN SOUTH MANCHURIA.

1. Memorandum containing a resume of a private conversation between Consul General Myers and Consul General Hayashi.

2. Uppermost questions in the minds of the Japanese:

(a) Organization of independent provincial government.

(b) Withdrawal of the Chinese forces from the Chinchow area.

3. Attempts of Japanese to influence Chinese leaders.

4. From the military and the political point of view the presence of Chinese forces in the Chinchow area were great drawbacks to the Japanese plans for the establishment of independent governments in Manchuria.

5. Statements made by Mr. Hayashi.

Dec. 21. Headquarters reported that the first railway battalion was sent on the morning of December 21 from Saupingkai to clear out seven thousand bandits operating in the Changtu-Fakumen region.

Official reception in celebration of the new Provincial Government was held in Mukden on December 21.

Dec. 22. Military headquarters inquired about terminal and shifting facilities at the Tahushan junction. Considerable amounts of shrapnel were moved to the railway station in Mukden. These facts presaged an attack on Chinchow.

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Dec. 23.

THE SPOKESMAN FOR JAPANESE HEADQUARTERS UNOFFICIALLY ANNOUNCED THAT FAKUMEN WAS CAPTURED ON THE AFTERNOON OF DECEMBER 22.

He indicated that a westward drive against bandits was taking place on a wide front extending from about Changtu on the north to Yingkow on the south, and that the Yingkow units are moving northwards along the Liao.

Changtu, Kaiyuan, Tiehling, Mukden, Liaoyang and possibly Haicheng are the main points from which the drive was launched.

This operation, under General Tamon, was larger than any undertaken up to this time.

Dec. 24.

EXPANSION OF JAPANESE MILITARY HEAD-QUARTERS AT MUKDEN.

1. Five departments added: Administration, Communications, Financial, Industrial and Foreign Intercourse.

2. Outline of the work of these departments as reported in the press.

Japanese headquarters reported that the mixed brigade which had been operating in the Faku area was withdrawn to Tiehling on December 24. Anti-bandit operations in that area are considered successfully terminated.

Dec. 25

Japanese headquarters reported fighting between two companies of Japanese and 1,000 Chinese northwest of Yingkow on December 23.

Additional information.

Dec. 26

Japanese headquarters reported heavy bandit attacks on Fenghuangcheng and nearby stations on the Mukden-Antung line. Two battalions from Antung and two companies from Liaoyuan were despatched for a bandit suppression campaign.

Newchwang and Tienchwangtai, northwest of Newchwang, were occupied by the Japanese forces without resistance on December 24.

ADDITIONAL INFORMATION CONCERNING THE CAMPAIGN AGAINST BANDITS WHO WERE SAID TO BE MANAGING THE S.M.R. ZONE.

1. Activities in the Faku area.
2. Japanese troops engaged.
3. Bandits were much fewer than the 7,000

originally

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Dec. 26.

originally announced by headquarters.

4. Movement reported of troops of the second division at Liaoyang to Yingkow in view of the menace at that point.

Dec. 27. A Japanese brigade with cavalry and artillery crossed the Liao at Yingkow early in the morning of the 27th and moved to Tienchwangtai. From there they were marching toward Panshan.

The troops despatched against bandits on December 23 returned to Liaoyuan and Yingkow on December 25.

Dec. 28. Japanese headquarters reported a clash between Japanese troops and 2,000 Chinese regulars and irregulars near Tienchwangtai in the morning of December 28, the Chinese fled toward Panshan.

Dec. 29. Four trains of 29 cars each, carrying Japanese troops and equipment left Mukden in the afternoon of December 29 over the Peiping-Mukden railway.

The Murai brigade arrived in Mukden from Dairen during the night of December 28.

The brigade commanded by General Tamon was reported to be moving westward along the Koupangtze-Yingkow line.

Reported that the Japanese army was completely controlling affairs in Manchuria and through advisers and other contacts was supervising the work of the independent governments of the Manchurian provinces.

Dec. 30. Reported that the Japanese forces, according to reliable information, captured Panshan on the afternoon of December 29 and that they were continuing their move toward Koupangtze.

Nine additional troop trains left Mukden over the Peiping-Mukden railway.

The four troop trains that left Mukden on December 29 were discharged at Hsinmin and returned to Mukden.

Japanese headquarters reported that the Tamon division had advanced to a point 8 miles northwest of Panshan.

Japanese troop advancing down the Peiping-Mukden railway reached a point one mile east of Kou-pangtze where they were held up pending the repair of a wrecked bridge.

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Dec. 30. Six additional trains of troops left Mukden over the Peiping-Mukden railway during the afternoon of December 30.

Dec. 31. Japanese headquarters announced that a junction of Japanese forces had been effected at Kou-pangtze.

Reported that Japanese forces composed of two mixed brigades and five infantry regiments were expected to move on Chinchow on January 1.

Jan. 1. General Miyake, General Honjo's Chief of Staff, stated that he expected Japanese cavalry to enter Chinchow on the night of January 1.

Jan. 2. The Chinese Chamber of Commerce, under Japanese pressure, secured the shops of Chinese stores in Mukden to a petition to General Honjo requesting that troops drive the Chinese troops out of Manchuria and suppress banditry.

Interview with the correspondent of the Herald Tribune who returned from Kou-pangtze on the night of January 1.

(a) Bombing by Japanese planes of railway and station at Kou-pangtze on December 30.

(b) Departure from Kou-pangtze on December 31 of six Chinese troop trains.

Jan. 3. Japanese headquarters announced that Chinchow was occupied by the Muro brigade at 10:40 a.m. January 3. The advance guard entered on the preceding day.

Jan. 4. Consul Chamberlain assaulted by Japanese soldiers in Mukden.

(a) Details of the incident.

Jan. 7. Reported that approximately 15,000 Japanese troops occupied the railway from Mukden to Shanhaikwan.

Other troop movements and additional information.

EFFECT OF THE JAPANESE OCCUPATION ON THE RAILWAY SITUATION IN MANCHURIA.

1. Review of the railway situation in Manchuria prior to September 18, 1931.

2. Importance of railway problem in Manchurian affairs.

3. The Chinese evaded Japanese protests and

made

Jan. 7.

made every effort to divert traffic from the S.M.R. to their own lines. Since the Japanese occupation the situation has been completely reversed.

4. Mukden-Hailung-Kirin lines now feed only the S.M.R.

5. Peiping-Liaoning tracks under the S.M.R. near Mukden were destroyed by Japanese troops on the night of September 18 and have not been repaired.

6. Connections at Kirin between the Kirin-Hailung and Kirin-Tunhua lines, formerly opposed by the Japanese were made on October 16 with their approval.

7. The Ssu-Tao and Tao-An lines are now controlled by the S.M.R.

8. Present status of the lines, including the proposed Tunhua-Kainei, and Changchun-Talai lines.

9. The Chinese scheme of railway construction as prepared by the Communications Commission in Mukden in 1930 is dead.

10. Railways built with Japanese capital and now being operated as part of the S.M.R. will continue to be so operated.

11. Recently Chinese lines have been large purchasers of American equipment. The Japanese lines have bought very little American railway material.

12. Opinion that the "open door" may not be closed but indications are unmistakable that the market is no longer open.

Jan. 9. Fengtien Provincial Government announced its assumption of control of the Mukden-Shanhaikwan section of the Peiping-Liaoning railway.

Jan. 11. Japanese headquarters reported that a Japanese cavalry detachment was ambushed at Chihhsi, 30 miles southwest of Chinchow, on January 10. A punitive expedition consisting of one regiment and one battalion were sent from Chinchow and Kaochiao to Chihhsi.

Jan. 13. SOUTH MANCHURIA RAILWAY LAND QUESTIONS.

1. Extension of the railway settlement at Mukden.

2. According to Japanese press reports some railway zone questions of long standing had been settled to the satisfaction of the Japanese.

Jan. 16. Japanese headquarters reported that a

Japanese



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Jan. 16.

Japanese battalion occupied Tungliao on January 14 after ejecting 3,000 "Chinese partisans".

Jan. 19.

The press reported that the main points concerning the formation of the new government had been decided.

Jan. 21.

Preparations were being made to increase the Japanese forces in Tsitsihar.

(a) The commanding officer stated that the increase was necessary for the suppression of banditry.

(b) Through traffic was in operation from Tsitsihar to Mukden via Taonan. A mixed Sino-Japanese staff and equipment were being used. It is planned to use this line in competition with the C.E.R.

Jan. 22.

Press reports concerning the proposed new government for Manchuria and Mongolia.

(a) Comment on the press reports.

(b) Additional information.

Jan. 23.

THE RAILWAY SITUATION IN MANCHURIA.

Comments on an interesting article in the Osaka Mainichi entitled, "Japan is deeply concerned over Manchurian Railway Administration". A copy of the article is included.

(a) The correspondent, in common with Japanese generally, appears to see nothing inconsistent in an independent state and Japanese control of the essential functions and agencies.

STRUCTURE AND OUTSTANDING FEATURES OF THE FENGTIEN PROVINCIAL GOVERNMENT.

1. List of officials of the various government offices at Mukden giving the names of the Chinese chiefs and the Japanese advisers and counsellors.

2. The novel feature of the provincial government is the "Self Government Guiding Board".

(a) Principal provisions of the board's regulations.

(b) The section chiefs of the board are all Japanese.

(c) Only a few Chinese clerks and writers

are

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Jan. 23. are on this board but the Japanese employed are said to number about 200.

(d) The chairman is to have a Japanese adviser who is to act for him in his absence.

(e) Work of the board.

(f) Most of the advisers were formerly with the S.M.R., the Bank of Chosen or the Yokohama Specie Bank. They were assigned to their present positions by the Kwantung army.

Jan. 28. Japanese headquarters officially announced that one artillery battalion accompanied by several airplanes left Changchun for Harbin on January 28 at 9 a.m.

Jan. 29. Japanese headquarters reported that the anti-Hai Chia forces at Harbin are strongly anti-Japanese. During the night of January 28 they destroyed the railway bridge across the Sungari near Leoshaokow on the Harbin-Changchun line.

According to reliable information the Japanese seized C.E.R. rolling stock 3 kilometres north of Changchun at 4:20 p.m. January 28, after which the Japanese forces proceeded northward until their advance was stopped by a damaged bridge. Acts of sabotage all along the line have been reported.

Jan. 30. An association of Russians in Manchuria and Mongolia was formed at Mukden.

(a) The object of the association was to obtain full citizenship for "Russian Manchurians".

(b) It is understood that the movement has received encouragement from Japanese sources.

(c) Recently the association was dissolved.

Jan. 31. Transfer of the second division headquarters and one brigade from Liaoyang to Changchun on January 29 was confirmed. They are expected to proceed to Harbin when transportation is available.

Feb. 1. Japanese headquarters reported that troops under General Hasebe reached Shuangcheng after repulsing a Chinese attack. The advance on Harbin was proceeding on foot.

THE MOVEMENT FOR THE ESTABLISHMENT OF THE  
"NEW STATE" WAS MAKING RAPID PROGRESS.

1. The press gave much space to the movement.

The

Feb. 1.

The Japanese advance on Harbin for the purpose of "protecting Japanese residents" there met with far more resistance than had been anticipated.

(a) Troop movements.

According to a reliable report the salt revenue has constituted practically the only revenue of the local government. But since the middle of January another sizable income has been available to the local government. This income is the cigarette tax paid by the British-American Tobacco Company on the output of their local factory. The company has receded from its former stand of refusing to pay the tax to the new government.

Feb. 3.

GENERAL PRINCIPLES GOVERNING THE ORGANIZATION OF THE FANGTIEH PROVINCIAL GOVERNMENT.

1. Provisional regulations governing the organization of the office of the magistrate.

2. Regulations governing the election of the Self-Government Commission.

(a) Comment on the regulations.

Through the agency of the Self-Government Guiding Board which is to all intents and purposes a Japanese organ, and its Japanese representative in the district who is the head of the Guiding Commission, the Japanese are in a position to exercise as much control over the district governments as may be desired.

Feb. 10. List obtained from headquarters of the designation of the Japanese troops in Manchuria.

Feb. 16. It was announced that the long delayed conference on the establishment of the new state would be held on February 17 or 18.

Hsi Chia from Kirin and Chang Ching-hui from Harbin arrived in Mukden on February 15 to attend the conference. Ma Chan Shan was expected to arrive in Mukden on February 15.

The movement to establish the "new state" was being energetically pushed by the interested parties.

Feb. 17. Opinion that because of the approaching visit of the League Commission and the disturbances in Shanghai, Japanese officials, with the tacit approval of high Japanese authorities, were trying to expedite the establishment of an independent Manchurian state.

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Feb. 17.

THE EXTENT OF BANDITRY AND RECENT BANDITRY  
SUPPRESSION OPERATIONS IN SOUTH MANCHURIA.

1. The Japanese military occupation of South Manchuria was the direct cause of the great increase in banditry.
2. The regions west of the Liao which were recently occupied by Chinese troops have suffered most from bandit depredations.
3. Many former soldiers and police have become bandits.
4. During the hasty retreat westward of the Fengtien (Liaoning) troops many armed soldiers deserted and became bandits.
5. With the disappearance of the central provincial administration at Mukden, governmental authority in the interior was weakened and disorder rapidly increased.
6. South Manchuria during the past six months has suffered more severely from banditry than at any other time in recent history.
7. Japanese drives against bandits.
  - (a) Practically the only information in regard to these operations has emanated from Japanese sources.
  - (b) Examples of typical Japanese reports on banditry amounting to a summary of recent operations, and including Japanese statistics of participants and casualties.
  - (c) List of 73 cases of banditry during January as published in the Manchuria Daily News.
  - (d) Other reports of banditry.
  - (e) Conditions created in towns and villages by banditry.
  - (f) Evidence from Japanese reports showing that their anti-bandit operations were ruthless.
  - (g) The Japanese have started to use Chinese troops in their anti-bandit campaigns. This experiment has not been satisfactory.
  - (h) Districts in which there has been considerable banditry.

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(i) Efforts being made to enlist the bandits for local defence purposes.

(j) Opinions of competent observers that the Japanese through Chinese puppet government will not be able to suppress banditry in Manchuria.

(k) Banditry is fundamentally an economic problem.

(l) Regulations governing the surrender of bandits.

(m) Additional information.

Feb. 18.

DECLARATION BY THE NEW ADMINISTRATION COMMISSION ANNOUNCING THE INDEPENDENCE OF THE FOUR NORTHEASTERN PROVINCES AND THE SEVERANCE OF ALL CONNECTION WITH "THE PARTY GOVERNMENT" (NANKING).

1. The declaration also states that the new administration commission will arrange all matters relating to the establishment of the new state and that it expects to attain the following:

(a) Internally, to establish a liberal administration and to put down the old militarists;

(b) Externally, to stop all anti-foreign acts and to adopt the principle of the open door and equal opportunity;

(c) To reduce the burdens of the people and improve the public welfare.

The administration commission consisted of Chang Ching-hui, chairman, Tsang Shih-yi, Ma Chan-shan, Hsi Chia; two Mongols, Chi Wang and Ling Sheng; and Tang Yu-Lin. (But there is no evidence that Tang Yu-Lin participated.)

Ma Chan-shan was elected Governor of Heilungkiang, vice Chang Ching-hui resigned.

Feb. 19. Statement of Chang Ching-hui to newspaper correspondents concerning the establishment of the "new state".

His Japanese adviser and interpreter replied to most of the questions.

Opinion that the actual formation of a "new state" depended on the amount of pressure the Japanese could apply.

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SUPPLEMENTARY INFORMATION CONCERNING BANDITRY.

1. Article from the Manchuria Daily News listing the bandit groups which have surrendered or offered to surrender to the Chinese or Japanese forces.

2. Comment on the article.

3. The main body of the Japanese 38th Brigade at Suiching and Hsingcheng, along the Peiping-Liaoning railway, was despatched on February 14 toward Chinhsi to suppress bandits in that vicinity.

4. Chang Hsi-p'eng's troops expelled about 1,000 bandits from Ch'angwu, on the Tahushan-Tungliao railway on February 12.

5. According to a Japanese war office communique banditry in the Chientao region, along the Korean border, was rampant.

6. Reports of bandit activities in other regions.

Feb. 26. The following particulars regarding the new state were announced on February 25:

Name: Man Chou Kuo.  
Head: The Executive.  
Flag: Yellow field with bars of red, blue, white and black occupying the upper left quarter.  
Designation of the Executive's Tenure: Ta Tung.  
Capital: Changchun.

Feb. 27. A three day demonstration in support of the formation of the new state was being held in Mukden.

(a) The demonstration was organized by the municipal authorities under the direction of the Self-Government Guiding Board.

(b) No enthusiasm was noticeable.

(c) The object of the demonstration was to show that the Chinese were demanding the establishment of a new state.

(d) The absence of Chinese initiative and the total subjection of the Chinese to the Japanese clearly demonstrated the extrinsic nature of the new state.

(e) As a demonstration of popular sentiment at the birth of a nation there has probably never been in recent times a more abject failure.

Translations

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Feb. 27. (f) Translations of handbills distributed during the demonstration.

Feb. 29. At a meeting of delegates of all Manchuria a resolution was passed requesting early formation of a new state.

(a) Large numbers of Japanese attended the meeting and participated in it.

(b) No enthusiasm was shown.

(c) Summary of the resolution.

Mar. 1. THE ESTABLISHMENT OF THE "NEW STATE" WAS OFFICIALLY ANNOUNCED ON MARCH 1 AT MUKDEN BY CHANG CHING-HUI, CHAIRMAN OF THE NORTH-EASTERN COMMISSION.

1. After painting a black picture of conditions in Manchuria and China since the establishment of the Republic, the proclamation announced the complete severance of relations with the Republic of China and the establishment of the state of Man Chou Kuo.

2. Copy of the proclamation in English which was handed to the foreign press correspondents.

3. The Chinese text states that, "all treaties and debt obligations pertaining to the territory of the new state which have been concluded by the Republic of China with Foreign Powers shall be recognized in conformity with international usage".

Mar. 3. Translation of the Chinese text of "a draft of the General Principles governing the organization of the Government of the New State". This document was published in the Chinese newspapers in Dairen but it was not published in the Mukden newspapers.

1. Comments on the draft constitution.

2. Translation of the "Law for the Protection of the rights of the People of Manchuria". This document was published in the Japanese press.

Mar. 4. Chao Esin-po, Mayor of Mukden, announced that ex-Emperor Hsuan Tung (P'u Yi) would be requested for the third time "to resume his post".

(a) Plans for the inaugural ceremony.

Mar. 9. Bandit activities in and around Mukden.

SETTLEMENT OF THE NANPAOSHAN CASE.

1. Brief review of the history of the case.

2. Results of the investigation of the Sino-

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Japanese Committee as reported by the Japanese Consulate General, Mukden.

(a) The Chinese contentions were reported to be groundless.

(b) Upon the completion of the investigation a new agreement, substantially the same as the disputed one of last year, was drawn up and the case is now considered settled.

(c) The Kirin government's approval of the agreement is to be obtained as a matter of form.

3. General question of the thousands of Koreans in South Manchuria who fled from their homes to various Japanese railway towns after the Japanese occupation in September.

(a) At a meeting of the Japanese Consuls in Manchuria it was decided to send these Koreans back to their farms and to finance them.

CERTAIN ASPECTS OF JAPANESE POLITICAL CONTROL IN MANCHURIA.

1. Further evidence that the Japanese are directing the governmental organs of Manchuria.

2. Plans for taking over the Chinese Post Office or of merging it with the Japanese postal administration.

3. The Japanese control all Chinese telegraph offices, between Mukden and Harbin and also control the Kirin office.

4. Additional information concerning the telegraph administration.

5. Thirty Japanese are now employed in the general office at Mukden of the Fengtien-Shanhaikwan railway which was ostensibly taken over by the Fengtien Provincial Government early in January.

6. The Self-Government Guiding Board which was formed under the direction of Japanese military headquarters ostensibly to institute self-government in the districts, actually has for its main functions the supervision and control of the administration of the districts; also it was active in promoting the new state movement.

7. The influence of the Japanese advisers of  
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the new government.

8. Very few prominent Chinese are associated with the provincial administrations. and there is a total absence in the government of Chinese leadership or organization of any kind capable of carrying out the extensive preparations made for the new state.

9. Except for the Chinese Maritime Customs and the Post Office, the status of Manchuria resembled rather a Japanese colony than even a protectorate.

10. With Japanese permeating all branches of the government and semi-government enterprises in Manchuria and by one means or another directing their activities, the existence of the independent state is fictitious.

Mar. 11. Reliable information was received that four Japanese advisers were assigned to the office of the customs superintendent at Newchwang on March 9. No interference the the Commissioner's office was reported.

Mar. 12. Smuggling at Antung increased greatly since the closing of the Customs station at the bridgehead on September 21 by the Japanese military authorities. Consequently it is estimated that the Customs' revenue suffered to the extent of about 1,000,000 Yen in 1931.

Mar. 15. Communication from the local provincial government stating that the chief executive of Man Chou Kuo formally assumed office on March 9.

Mar. 16. THE INSTALLATION OF P'U YI.

1. P'u Yi was heavily guarded by Japanese and Manchurian troops and police.

2. The streets were decorated with the flags of the new-state and Japan.

3. The Chief Executive's proclamation was read by Premier Cheng Hsiao-hsü.

4. Translation of the proclamation.

5. Translation of Count Uchida's speech.

6. Translation of the "Regent's response".

7. The predominant role played by the representatives of Japan throughout the entire proceeding was quite obvious to the most casual observer.

8. Efforts to celebrate the installation at Mukden.

(a) The origin of the efforts was trace-

able

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Mar. 16. able to the Japanese either directly or indirectly through the Japanese controlled Chinese authorities.

(b) There was no evidence of spontaneous enthusiasm on the part of the Chinese populace.

(c) Reports stated that conditions were the same at other Manchurian cities.

Mar. 17. T. Komai, civilian adviser to the Kwantung Army with the rank of Lieutenant-General, was appointed Director of the General Affairs department in the state Affairs Council of the new state. The Premier is the head of the State Affairs Council.

Mar. 18. Communications from Hsieh Chieh-shih, Minister of Foreign Affairs informing the Consul General that the state of Manchuria had been established, and that he had sent a communication announcing the establishment of the new state to the Secretary of State.

(a) Copies of the communications.

THE GOVERNMENT OF MAN CHOU KUO.

1. List of the principal officials appointed by mandate of the chief executive on March 10.

(As far as possible the list shows the officials' connections with the former government)

2. The Self-Government Guiding Board was formally closed on March 15. The board is being re-organized as the Government Training Bureau which will be established at Changchun and will have its representatives (Japanese) in the magistrates' offices.

(a) The counterpart of most of the constitution of the new state is to be found in the Japanese constitution.

3. The General Affairs Department of which Mr. Komai is the director, will be staffed largely with Japanese and it will control as well as supervise the work of the executive branch of the government.

4. Japanese holding key positions will be found in every department of the new government.

5. Reasons for believing that Japan is committed to a policy which will end in annexation.

6. Similarity between the events of the past few weeks in Manchuria and those of a quarter of a century ago in Korea.

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- Mar. 18. 7. Additional information concerning the permeation of the new government by Japanese.
8. Except for the propagandists who are endeavoring to mould foreign public opinion the Japanese seem to take it for granted that Manchuria is at least a Japanese appanage.
- Mar. 22. ORGANIC LAWS OF MAN CHOU KUO.
1. Translation of the organic laws of the new state which were promulgated on March 11.
2. Plan showing the organization of the new government.
- Mar. 24. According to reliable information the S.M.R. signed a contract with K'an To, Director of the Ssuning-kai-Taonan railway, for the operation of that line for a period of fifty years. This information has been confirmed. Japanese have superseded Chinese in important posts in the railway.
- (a) The agreement is believed to be the first of a series providing for the operation of the Chinese lines in Manchuria by the S.M.R.
- (b) Additional information concerning the railway situation.
- Mar. 26. The Japanese press reported that it was decided at a cabinet meeting at Changchun on March 24:
- (a) To retain for the present the existing Customs system of the Chinese Republic together with existing tariffs.
- (b) To remit monthly to the Inspectorate General, Shanghai, the portion of the Customs receipts required for servicing foreign loans.
- (c) To retain the surplus for the use of the new government.
- Mar. 27. According to reliable information the Japanese Consul General at Harbin, Mr. Ohashi, resigned his post to become Chief of the General Affairs Division in the Foreign Ministry, Changchun. Mr. T. Kawasaki until recently a Japanese Foreign Office official attached to the Consulate General in Mukden, has been appointed to the Foreign Office of the new state in Changchun.
- Mar. 29. Some sidelights on the Japanese occupation particularly in relation to banking transactions concerning the funds of former Chinese officials.

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Mar. 29. Reliable information was received that the Salt Inspectorate at Newchwang was closed on March 28, and that its functions were taken over by the Salt Commissioner.

Mar. 30. The Japanese press reported that the new government had announced on March 28 that the Salt Administration was independent of Nanking and that all of its administrative functions would be taken over by the Changchun government. It was announced also that foreign obligations secured by the Salt Cabelle will not be repudiated and claims entered by the creditor Powers will be considered. Employees willing to sever connections with the Chinese Government will be retained.