

Review of Political Conditions in  
South Manchuria during June 1931

(15)

(14)

No. 11.

Office of Economic Adviser  
AUG 13 1931  
DEPARTMENT OF STATE  
AMERICAN CONSULATE

LEGAL ADVISER  
AUG 14 1931  
DEPARTMENT OF STATE

GENERAL  
Mukden, China, July 8, 1931.

SUBJECT: Review of Political Conditions in South Manchuria during June 1931.

DEPARTMENT OF STATE  
AUG 14 1931  
ASSISTANT SECRETARY OF STATE  
A.C./C.  
THE HONORABLE  
THE SECRETARY OF STATE,  
WASHINGTON.

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O.N.I. AND M.I. B.

FAR EASTERN  
AUG 4 1931

SIR:

I have the honour to enclose herewith a copy of my despatch No. 430 of July 7, 1931, to the American Legation, Peiping, on the above subject. Supplementary to this despatch there is also enclosed a copy of the Legation's telegram of June 23, 5 p.m. and a copy of my despatch No. 425 of June 25, 1931, in reply thereto.

Respectfully yours,

*John Carter Vincent*  
John Carter Vincent.  
American Consul.

Enclosures:

- Copy of despatch No. 430 to Legation, Peiping.
- Copy of Legation's telegram of June 23, 5 p.m.
- Copy of despatch No. 425 to Legation, Peiping.

In quintuplicate to Department.

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recovery seem to have dissipated any uneasiness which may have existed concerning the political future in Manchuria.

There have been no political occurrences of interest during the past month. The third anniversary of the death of Marshal Chang Tso-lin was made the occasion of lavish ceremonies for three days including June 20th when foreign consuls and nationals of Mukden were invited to attend.

General Chang Tso-hsiang, Chairman of the Kirin Provincial government/<sup>and</sup> de facto Vice Commander of the Northeastern Defense Forces, remained in Mukden throughout June. The failure to include him on the regency committee acting for Marshal Chang during his convalescence has caused some comment. The omission is believed to be simply a recognition of his disinclination to associate himself with intramural politics rather than a desire to eliminate him from Manchurian counsels.

Military. The transfer of three infantry brigades and one artillery brigade from Liaoning to Hopei province, which commenced June 13th, was planned with the utmost secrecy and it was not until the troops had started moving that the plan became known in Mukden. Local Chinese officials, in harmony with those in Hopei, explain the movement as being a safeguard against the possible outbreak of hostilities in the "middle north" area. I have been unable to confirm the statement made in my despatch of June 25th to the effect that Kirin troops would be used to replace the outgoing Mukden troops.

Wanpaoshan

Wanpaoshan  
Incident.

The conflict at Wanpaoshan (near Changchun) between Korean tenant-farmers and Chinese farmers (mentioned in my political review for

May) assumed serious proportions at the close of June.

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About the middle of last month it was believed that conversations between the Japanese Consul General at Mukden and General Chang Tso-hsiang had resulted in a settlement of the affair. It seems that the Chinese opposition found its principal cause in the digging of irrigation ditches by the Koreans and the construction of a dam across the Itung river to divert water into these ditches. Providence intervened between June 10th and 15th by sending torrential rains which rendered it unnecessary for the time being to proceed with damming up the river. The Japanese Consul General was reported to have agreed to the indemnification of Chinese farmers for any loss resulting from a dam across the river.

However, at the close of the month when the Koreans found it necessary to proceed with the construction of the dam, 500 partially armed Chinese arrived and began to fill in the irrigation ditches. Japanese police were rushed to the scene from Changchun and on July 2nd shots were exchanged between the two opposing groups for about two hours before the Chinese retired. No casualties have been reported. Thirty or more Japanese police are now at Wanpaoshan guarding the Koreans. It is believed that the determined stand taken by the Japanese will stop further interference and outbreaks.

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The manner in which the Japanese have handled the Wanpaoshan affair is most significant in that it confirms reliable reports which I received during the month to the effect that the Japanese Government had resolved to take decisive action to put a stop to the Chinese interference with and provocation of Japanese in Manchuria. I was informed by an official of the South Manchuria Railway that the numerous clashes between Japanese and Chinese during the past two months were a cause of much concern to the Japanese Government and that the Foreign Office feared the occurrence of a major incident if matters were allowed to drift on without some effort being made by the Japanese to bring the Chinese to an understanding of the seriousness of the situation and of the determination of the Japanese Government to protect its rights, interests, and nationals in Manchuria. The clash at Wanpaoshan is indicative of this attitude and it is believed that it will have a salutary effect upon the Chinese.

With respect to the effect upon the Chinese it is interesting and instructive to observe the attitude taken by the Committee of Public Enlightenment (Mukden) towards the recent turn which the Wanpaoshan affair has taken. The Committee of Public Enlightenment is a political organization which endeavors through the daily publication of a news sheet to keep the public informed concerning political occurrences. Heretofore, the Committee's reports on the

Wanpaoshan

Wanpeoshan trouble have been very biased and pro-Chinese. The restraint shown in the following article which appeared on June 6th is noteworthy. It is believed that the Japanese have notified the Chinese authorities that if they, the Chinese, do not put a stop to anti-Japanese propaganda and provocation, the Japanese will be forced to devise measures to do so.

"The Mukden Association for Foreign Affairs has sent a representative to Wanpeoshan in order to investigate the true conditions. He reports as follows: The whole story originated from a Chinese named Hou Jeng-te renting about 5,000 mou of land from Chinese farmers and subleasing the land to Koreans. The Koreans believed that he had made all necessary arrangements with the landowners allowing them to dig the necessary canal. Such, however, was not the case, and when the Koreans began to dig the canal - 80 li long, 30 feet deep and 30 feet wide - the Chinese landowners objected. The Japanese police, however, encouraged the Koreans to go on digging. On the 2nd of July some firing took place, the Chinese and Japanese police firing in the air for demonstration. No casualties occurred and ten Chinese farmers who had been arrested by the Japanese police were released after three hours. On the 3rd the Chinese police ordered the Chinese farmers to withdraw and allow the Koreans to go on digging. The local officials are thus trying to find a peaceful solution to the question. The population in Liaoning is, however, very excited about the incident. The Mukden Association for Foreign Affairs has telegraphed to Marshal Chang and to the Nanking Foreign Office requesting them to protest vigorously."

Taxation. American firms have so far been successful in resisting the Chinese demands that they pay the business tax. The tax officials have given written and

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Business  
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verbal warning of the punishments which will be meted out to foreign firms refusing to pay the tax. Threats ranging from picketing and boycotting to fining and seizure of goods have been made. However, no actual action has been taken against American firms and it has been deemed wise not to make "threats" the occasion for official protests. I have suggested that American firms refer tax collectors to the Consulate General. To date none have come, and I believe that until actual attempts at collection of the tax are made, a disregard of the regulations by the Consulate General is preferable.

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Tax on Fushun  
Coal Exports.

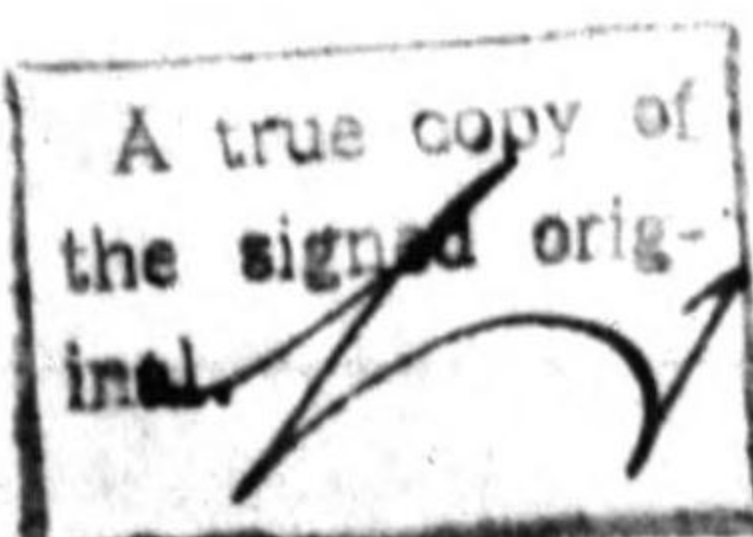
I have been reliably informed that the Japanese are paying the new export tax on coal exports from Antung and other Manchurian ports to Chinese ports but that the tax is not being paid on exports to non-Chinese ports. The Japanese claim that the increased tax is in violation to the Sino-Japanese agreement of 1911 and are paying it on coast wise shipments under protest.

Respectfully yours,

John Carter Vincent.  
American Consul.

Original and one copy to Legation.  
Five copies to Department.  
Copy to Consulate General, Tientsin.  
Copy to Consulate, Harbin.  
Copy to Consulate, Dairen.  
Copy to Embassy, Tokyo.

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True Reading

Sent: Amlegation, June 23, 5 p.m., 1931, Peiping, China.  
Received: Mukden, China, June 23, 8 p.m. 1931.

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American Consul, Mukden.

June 23, 5 p.m. Please keep the Legation briefly informed by telegraph of political situation major troop movements et cetera period. What effect has prolonged illness of the Young Marshal had upon other leaders and to what extent was fiction of administration in his name maintained question mark. Do you believe principal Generals have acted loyally to him during his absence and if not what indications are there to the contrary. Paragraph You may reply by registered mail in this instance. For the Minister

ENGERT





Vice Commander of this Force specifically provided for, General Chang Tso-hsiang, Chairman of the Kirin provincial Government, acts, de facto, in this capacity and when General Chang is absent from Mukden, as at present, he is recognized as the man in charge of military affairs in Manchuria.

The Legation wishes to know "to what extent was the fiction of administration in his (Chang Hsueh-liang's) name maintained" during his prolonged illness. To this I would reply that the "fiction" and the fact of administration in his name has been and is being maintained. This statement requires the explanation that General Chang holds no civil office in Manchuria and therefore that civil administration is not in his name. However, as military chieftain he influences the major phases of civil administration and nothing prejudicial to this influence is known to have occurred during his absence and illness. In this connection it should be mentioned that General Chang does not interfere in the civil or military administration of Kirin, Heilungkiang, and Charhar provinces. His influence is brought to bear through the Chairman of the various provincial governments. In Liaoning province he exercises more direct control in both civil and military matters, and his illness has not impaired this control.

My answer to the Legation's query as to whether the "principal generals have acted loyally to him (General Chang) during his absence" is in the affirmative, qualified

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by the statement that this loyalty does not include unconditional approval of his relations with the National Government and his activities in intra-mural north China. In this latter connection the Legation is respectfully referred to my political despatch of June 13, 1931. In speaking of the "principal generals" the Legation has probably in mind Chang Tso-hsiang, Chairman of Kirin; Wan Fu-lin, Chairman of Heilungkiang; T'ang Yu-lin, Chairman of Charhar; Tsang Shih-yi, Chairman of Liaoning; and other generals such as Yu Hsueh-chung, Wang Shu-ch'ang, et cetera. With respect to most of these, the Legation is in a better position to form a conclusion regarding their loyalty to General Chang during his illness than is this Consulate General since Wan Fu-lin and Tang Yu-lin have been in Peiping during this period and Yu Hsueh-chung and Wang Shu-ch'ang have been in Hopei province for the past half year. In my political despatch referred to above, I stated that General Chang's position with relation to Hanking elicits from Wan Fu-lin and T'ang Yu-lin mild approval as long as no inconvenience arise therefrom and from General Chang Tso-hsiang only mild disapproval under the same circumstances. I believe such still to be the case. General Chang's appointee to the Chairmanship of the Liaoning provincial government, General Tsang Shih-yi, is an old retainer of Marshal Chang Tso-lin's and his feeling is more or less in accord with that of Chang Tso-hsiang.

Considering the question of "loyalty" to the Young Marshal as distinct from the attitude towards his intra-

Mural

No. 425

AMERICAN CONSULATE GENERAL

Mukden, China.

June 25, 1931.

SUBJECT: Reply to Legation's Telegram of June  
23rd, 5 p.m. re: Manchurian Situation.

CONFIDENTIAL.

The Honorable

Nelson Trusler Johnson,

American Minister,

Peiping, China.

Sir:

I have the honor to refer to the Legation's telegram of June 23rd, 5 p.m., requesting certain information concerning the Manchurian situation particularly as it relates to Vice Commander-in-Chief Chang Hsueh-Liang.

As the Legation is no doubt aware, the three provinces comprising Manchuria (Liaoning, Kirin, and Heilungkiang) and the Inner Mongolian province of Charhar each has its provincial government. There is no central civil administration in Manchuria for these provinces, the theory being that they are responsible directly to the National Government at Nanking and the fact being that they enjoy well-nigh complete autonomy in local affairs. The centralizing force in Manchuria and Charhar is the Northeastern Defence Force of which General Chang Hsueh-Liang is the Commander. Although there is no

Vice

No. 430

AMERICAN CONSULATE GENERAL

Makden, China.

July 7, 1931.

SUBJECT: Review of Political Conditions in South  
Manchuria during June, 1931.

The Honorable

Nelson Trusler Johnson,

American Minister,

Peiping, China.

Sir:

I have the honour to comply with the Legation's standing instructions in submitting the following review of political conditions in South Manchuria during the month of June 1931:

Political. The Manchurian political situation, in its purely local aspects, has been unaffected by the Cantonese disaffection and the anxious state of affairs prevailing in the Shantung-Honan-Shansi region. The prolonged absence of Marshal Chang Hsueh-liang has not acted to alter political administration nor to place him in an unfavorable position (see my despatch No. 425 of June 25, 1931). His serious illness has been the cause of rumours and political speculation but these have not had their roots in hostility or disloyalty, and reports of his

recovery

mural policy, there seems to be no reason to doubt that the Chairmen of the four provinces are loyal to General Chang as Commander of the Northeastern Defence Forces; that there is no intrigue threatening his leadership; and that they approve of his continuing to act in that capacity. With particular reference to General Chang Tso-hsiang, it is my opinion, supported by that of my Japanese and British colleagues, that he is both personally and officially loyal to General Chang Hsueh-liang. There is friction between the subordinate staffs of the two generals but it is not believed that this can act to impair mutual confidence to any serious extent. Should Chang Hsueh-liang's policies in North China call for active disapproval on the part of Chang Tso-hsiang this would not be done with an idea of displacing him as Commander in Manchuria but for the purpose of persuading him against taking action which Chang Tso-hsiang considered inimical to the best interest of Manchuria. In this connection it might be mentioned that Chang Hsueh-liang, although not always guided thereby, entertains much respect for the opinion of Chang Tso-hsiang.

The illness of General Chang Hsueh-liang has, of course, given rise to a healthy crop of rumours but none here which cast any doubt on the loyalty of Chang Tso-hsiang and others. Had the Young Marshal succumbed it is generally believed that Chang Tso-hsiang would have succeeded him as Commander of the Northeastern Defence Forces and that cooperation with the National Government

would

would have suffered. The recent return of Generals Yen Hsi-shan and Chang Tsung-ch'ang to Dairen has also caused comment but I am informed that, assuming that they are scheming against the National Government, General Chang Tso-hsiang has no part in the schemes.

The transfer earlier in the month of three brigades of Manchurian troops from Shanhaikuan and other points along the Mukden-Shanhaikuan section of the railway to Hopei was done with such secrecy that neither I nor my colleagues, including the Japanese Consul General, knew of the movement until we read reports of it in the newspapers. Subsequent statements by Chinese officials, including Chang Tso-hsiang, confirm the reports that the object of the movement was to strengthen the Manchurian army in North China against possible trouble in the north central area extending from Shantung through Honan to Shansi. General Chang Tso-hsiang looks with disfavor upon the withdrawal of many Manchurian military units to within the wall. Although no Kirin troops have taken part in the transfers to Hopei, it is probable that three brigades of Chang Tso-hsiang's army will be moved to Shanhaikuan to replace the Mukden troops. Such a movement will no doubt furnish excellent material for rumours but it is my belief that if General Chang Tso-hsiang does this he will be actuated solely by what he considers the necessities of the situation which require a strong defence of the southern gate to Manchuria.

Respectfully

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Respectfully yours,

John Carter Vincent.  
American Consul

Original and two copies to Legation.  
No copies to Department.

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